RED HERRING PROSPECTUS
Dated: January 10, 2019
Read with Section 32 of the Companies Act, 2013
100% Book Built Issue

SURANI STEEL TUBES LIMITED

Our Company was originally incorporated as "Surani Steel Private Limited" a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Further, the name of our Company was changed to "Surani Steel Tubes Private Limited" pursuant to special resolution passed by shareholders of the Company in the Extra Ordinary General Meeting held on August 07, 2018 and a fresh Certificate of Incorporation dated August 13, 2018, was issued by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on August 29, 2018 and the name of our Company was changed to Surani Steel Tubes Limited and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited September 12, 2018 was issued by the Registrar of Companies, Ahmedabad. For further details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled *"General Information"* and *"Our History and Certain Other Corporate Matters"* beginning on page 71 and page 156 of this Red Herring Prospectus. The Corporate Identification Number of our Company is U27109GJ2012PLC071373.

Registered Office: S. No. 110, 115, Opp. Vinayak TMT, Bayad Road, Sampa, Tal. Dahegam, Gandhinagar, Gujarat-382315, India
Tel. No.: +91 9825515372; **Fax No.** Not Avaliable
Contact Person: Hetal Bhansali, Company Secretary and Compliance Officer
Email: cs@suranisteel.com; **Website:** www.suranisteel.com

PROMOTERS OF OUR COMPANY: MUKESH PATEL, DINESH PATEL, KARSHAN PATEL, PRAKASH PATEL, MANI PATEL, KARSANBHAI DEVJIBHAI PATEL HUF & PRAKASH KARSANBHAI PATEL HUF

THE ISSUE

INITIAL PUBLIC OFFER CONSISITING OF FRESH ISSUE OF UPTO 24,84,000* EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF [•]/- PER EQUITY SHARE (THE "ISSUE PRICE") (INCLUDING A SHARE PREMIUM OF RS. [•]/- PER EQUITY SHARE) AGGREGATING UP TO RS. [•]/- LAKHS (THE"ISSUE") OF WHICH UPTO 1,26,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE, AGGREGATING UPTO RS. [•]/- WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UPTO 23,58,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [•]/- PER EQUITY SHARE, AGGREGATING UPTO RS. [•]/- IS HEREINAFTER REFERED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 29.99% AND 28.46%, RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND GUJARATI EDITION OF THE REGIONAL NEWSPAPER LOKMITRA, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE", REFERRED TO AS THE "STOCK EXCHANGE") FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 244 of this Red Herring Prospectus. A copy of Red Herring Prospectus has been delivered for registration to the Registrar as required under Section 32 and Section 26 of the Companies Act, 2013. A copy of Prospectus will be delivered for registration to the Registrar as required under Section 32 and Section 26 of the Companies Act, 2013.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME ("SEBI (ICDR) REGULATIONS"). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED "ISSUE INFORMATION" BEGINNING ON PAGE 234 OF THIS RED HERRING PROSPECTUS.
In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made through the Book Building Process, in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations"). For further details, please refer the section titled "Issue Information" beginning on page 234 of this Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10/- each. The Floor Price is [•] times the face value and the Cap Price is [•] times the face value. The Issue Price (as will be determined and justified by our Company in consultation with the BRLM as stated in "Basis for Issue Price" on page 109) 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 nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 20 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares of our Company issued through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ('NSE EMERGE'), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an In-principle approval letter dated October 26, 2018 from National Stock Exchange of India Limited for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India **Tel**: +91 22 6194 6700; **Fax**: +91 22 2659 8690 **Email:** ipo@pantomathgroup.com **Website:**www.pantomathgroup.com **Investor Grievance Id:** ipo@pantomathgroup.com **Contact Person:** Hardik Bhuta **SEBI Registration No:** INM000012110	**LINK INTIME INDIA PRIVATE LIMITED** C-101, 247 Park, L.BS. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India **Tel:** +91 22 49186200; **Fax:** +91 22 49186195 Email: suranisteel.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Id: suranisteel.ipo@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No: INR000004058

BID/ ISSUE PROGRAMME	
BID/ISSUE OPENS ON: FRIDAY, JANUARY 25, 2019	**BID/ISSUE CLOSES ON: TUESDAY, JANUARY 29, 2019**

**Number of shares may need to be adjusted for Lot size upon determination of issue price.*
***Subject to Finalization of Basis of Allotment*

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (ñU.S. Securities Actò) or any state securities laws in the United States of America and may not be offered or sold within the United States or to, or for the account or benefit of, ñU.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION I ï GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Industry", "Statement of Tax Benefits", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" beginning on pages 114, 113, 185, 206 and 294, respectively shall have the meaning ascribed to such terms in such Sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

GENERAL TERMS

Term	Description
ñOur Companyò, ñthe Companyò or ñthe Issuerò	Surani Steel Tubes Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its Registered Office at S. No. 110,115, Opp. Vinayak TMT, Bayad Road, Tal. Dahegam, Sampa Gandhinagar 382315, Gujarat, India.
ñWeò, ñusò or ñourò	Unless the context otherwise indicates or implies, refers to our Company.

COMPANY RELATED TERMS

Term	Description
AOA/ Articles/ Articles of Association	Articles of Association of Surani Steel Tubes Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted on September 21, 2018 as the Companyôs Audit Committee in accordance with the Section 177 of the Companies Act, 2013 and the rules made thereunder and disclosed as such in the chapter titled ñ*Our Management*ò beginning on page 160 of this Red Herring Prospectus.
Auditor or Statutory Auditor	The Statutory Auditor of our Company, being, M/s. Jethaliya & Associates, Chartered Accountants.
Banker to the Company	Such bank which is disclosed as Banker to the Company in the chapter titled ñ*General Information*ò on page 71 of this Red Herring Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of our Company, including all duly constituted Committee(s) thereof.
Chief Financial Officer	The Chief Financial Officer of our Company being, Gaurav Patel.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being, Hetal Bhansali.
Equity Shareholders/ shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of our Company of face value of Rs. 10/- each fully paid

Term	Description
	up unless otherwise specified in the context thereof.
Group Company	Such Company as is included in the chapter titled *óOur Group Companyô* beginning on page 180 of this Red Herring Prospectus.
Individual Promoters	Individual Promoters of our Company being Mukesh Patel, Dinesh Patel, Karshan Patel, Prakash Patel and Mani Patel.
ISIN	International Securities Identification Number in this case being INE01ZJ01015.
Key Managerial Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2 (1) (s) of the SEBI Regulations and Section 2(51) of the Companies Act, 2013 and as identified in ñ*Our Management*ò beginning on page 160 of this Red Herring Prospectus.
Materiality Policy	The policy adopted by our Board on September 15, 2018 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on September 21, 2018 as the Companyôs Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and the rules made thereunder and disclosed as such in the chapter titled ñ*Our Management*ò beginning on page 160.
Non-Executive Director	Non-Executive Director of our Company namely Karshan Patel.
Other Promoters	Other Promoters of our Company being Prakash Karsanbhai Patel HUF and Karsanbhai Devjibhai Patel HUF.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s. S N Shah & Associates.
Promoters of our Company / Promoters	Promoters of our Company being Mukesh Patel, Dinesh Patel, Karshan Patel, Prakash Patel, Mani Patel, Prakash Karsanbhai Patel HUF and Karsanbhai Devjibhai Patel HUF collectively referred as ñ*our Promoters*ò.
Promoter Group	Persons and entities constitute our promoter group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled ñ*Our Promoter and Promoter Group*ò beginning on page 174 of this Red Herring Prospectus.
Registered Office	The Registered office of our Company situated at S. No.110, 115 Opp. Vinayak TMT, Bayad Road, Tal. Dahegam, Sampa Gandhinagar 382315, Gujarat, India.
RoC / Registrar of Companies	The Registrar of Companies, Ahmedabad, Gujarat situated at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Gujarat.
Shareholders	Shareholders of our Company
Stakeholders Relationship Committee	The committee of the Board of Directors constituted on September 21, 2018 as the Companyôs Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and the rules made thereunder and disclosed as such in the chapter titled ñ*Our Management*ò beginning on page 160.
You, your or yours	Prospective investors in this Issue

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Bidders	Any Bidder except Anchor Investor.
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue/Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled ñ*Issue Procedure*ò beginning on page 244 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Cum Application Collecting Intermediaries	1. a SCSB with whom the bank account to be blocked, is maintained 2. a syndicate member (or sub-syndicate member), If any 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)(óbrokerô) if any 4. a depository participant (óDPô) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Term	Description
	5. a registrar to an issue and share transfer agent (ôRTAô) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bid Lot	[ŏ] Equity shares and in multiples of [ŏ] Equity Shares thereafter.
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Gujarati edition of the Regional newspaper Lokmitra, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Gujarati edition of the Regional newspaper Lokmitra, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied.
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made.
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category-I Merchant Banker.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the website of National Stock Exchange of India Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted.

Term	Description
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 28, 2018 issued in accordance with Section 32 of the Companies Act, 2013 and filed with the NSE EMERGE under SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue.
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
EMERGE Platform of NSE/ SME Exchange	The EMERGE Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.

Term	Description
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum 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.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
General Information Document	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 suitably modified and included in *"Issue Procedure"* beginning on page 244 of this Red Herring Prospectus.
Issue Agreement	The agreement dated September 20, 2018 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. [ď] lakhs, for further details please refer chapter title *"Objects of the Issue*ò beginning on page 102 of this Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of upto 24,84,000 Equity Shares of face value Rs. 10/- each fully paid of Surani Steel Tubes Limited for cash at a price of Rs. [ď] per Equity Share (the ñ*Issue Price*ò) (including a premium of Rs. [ď] per Equity Share) aggregating up to Rs. [ď] Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved Portion of upto 1,26,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs [ď] per Equity Share aggregating upto Rs. [ď] for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated September 20, 2018 between our Company, Book Running Lead Manager and Market Maker.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of upto 23,58,000 Equity Shares of face value of Rs. 10/- each fully paid for cash at a price of Rs [ď] per Equity Share aggregating upto Rs. [ď] by our Company.
Net Proceeds	Proceeds of the Fresh Issue less our Companyôs share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see ñ*Objects of the Issue*ò on page 102 of this Red Herring Prospectus

Term	Description
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price band of a minimum price of Rs. [ŏ] per Equity Share (Floor Price) and the maximum price of Rs. [ŏ] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard, in all edition of the Hindi national newspaper Business Standard and Gujarati edition of the Regional newspaper Lokmitra, each with wide circulation.
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations.
Red Herring Prospectus or RHP	This Red Herring Prospectus dated January 10, 2019 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue.

Term	Description
	The Red Herring Prospectus have be registered with the RoC at least three days before the Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registered Brokers	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm.
Registrar Agreement	The agreement dated September 20, 2018, entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar/ Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having registered office at C-101,1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2009.
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors / RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s).
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self-Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
Syndicate Agreement	Agreement dated October 10, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Pvt. Ltd.

Term	Description
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid.
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated September 20, 2018 entered into between the Underwriter and our Company.
UPI	Unified Payments Interface.
Working Days	Working Day means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to the time period between (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays.

TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
CPI	Consumer Price Inflation
CSO	Central Statistics Office
DIPP	Department of Industrial Policy and Promotion
ERW MS	Electric Resistance Welding Mild Steel Pipes
FDI	Foreign Direct Investment
GST	Goods and Services Tax
GVA	Gross Value Added
HR Coil	Hot Rolled Coil
IBC	Insolvency and Bankruptcy Code
IIP	Index of Industrial Production
IMF	International Monetary Fund
JV	Joint Venture
MSME	Micro, Small & Medium Enterprises
MSP	Minimum Support Price
MT	Million Tonnes
MTPA	Million Tonnes Per Annum
NB	Nominal Bore
NSP	National Steel Policy
PPP	Public-Private Partnership
RBI	Reserve Bank of India
SRTMI	Steel Research and Technology Mission of India
TCG	The Chatterjee Group
TMT	Thermo Mechanically Treated
UNIDO	United Nations Industrial Development Organization
US/ U.S./ USA	United States of America
WEO	World Economic Outlook

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified Sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participantôs Identity
EBITDA	Earnings before interest, tax, depreciation and amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employeesó Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
F.Y./FY	Financial Year
ESIC	Employee State Insurance Corporation

ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India.
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
FV	Face Value
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IS	Indian Standard
ISO	The International Organization for Standardization
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
JMD	Joint Managing Director
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations

BRLM	Book Running Lead Manager
Ltd.	Limited
JMD	Joint Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non-Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non-Resident
NRE Account	Non-Resident (External) Account
NRI	Non-Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time.
NRO Account	Non-Resident (Ordinary) Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PEB	Pre-Engineered Building
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995

SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI 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.
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	Emerge platform of National Stock Exchange of India
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/United States	United States of America
USD / US$ / $	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

Notwithstanding the following: -

i. In the Section titled ñ*Main Provisions of the Articles of Association"* beginning on page 294 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that Section;

ii. In the Section titled ñ*Financial Statements*ò beginning on page 185 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that Section;

iii. In the Section titled ñ*Risk Factors*ò beginning on page 20 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that Section;

iv. In the chapter titled *"Statement of Possible Tax Benefits"* beginning on page 113 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and

v. In the chapter titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 186 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to ñIndiaò are to the Republic of India and all references to the ñGovernmentò are to the Government of India.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the Section titled ñ*Financial Statements as Restated"* beginning on page 185 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

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

Any percentage amounts, as set forth in *"Risk Factors"*, *"Our Business"*, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Companyôs restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the Section titled ñ*Financial Statements as Restated"* beginning on page 185 of this Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, references to ñRupeesò or ñRs.ò or ñINRò are to Indian Rupees, the official currency of the Republic of India. All references to ñ$ò, ñUS$ò, ñUSDò, ñU.S. $òor ñU.S. Dollarsò are to United States Dollars, the official currency of the United States of America.

All references to ómillionô / óMillionô / óMnô refer to one million, which is equivalent to óten lacsô or óten lakhsô, the word óLacs / Lakhs / Lacô means óone hundred thousandô and óCroreô means óten millionô and óbillion / bn./ Billionsô means óone hundred croresô.

INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or

advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled ñ*Risk Factors"* beginning on page 20 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends on the readerôs 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 Red Herring Prospectus contains certain ñforward-looking statementsò. These forward looking statements can generally be identified by words or phrases such as ñaimò, ñanticipateò, ñbelieveò, ñexpectò, ñestimateò, ñintendò, ñobjectiveò, ñplanò, ñprojectò, ñshallò, ñwillò, ñwill continueò, ñwill pursueò 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, but are not limited to the following:-

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to Section titled ñ*Risk Factors*ò and chapter titled ñ*Management's Discussion and Analysis of Financial Condition and Results of Operations*ò beginning on pages 20 and 186 respectively of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Future looking statements speak only as of the date of this Red Herring Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter 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 BRLM 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 ï RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this Section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this Section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. To obtain a better understanding, you should read this Section in conjunction with the chapters titled "Our Business" beginning on page 132, "Our Industry" beginning on page 114 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 186 respectively, of this Red Herring Prospectus as well as other financial information contained herein.

***Materiality**:*

The following factors have been considered for determining the materiality of Risk Factors:

Å *Some events may not be material individually but may be found material collectively;*

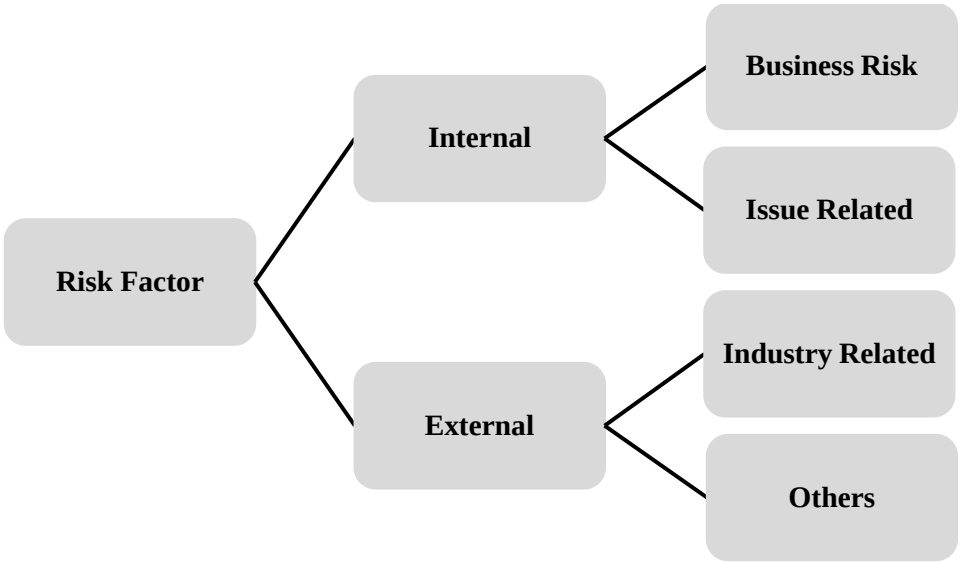
Å *Some events may have material impact qualitatively instead of quantitatively;*

Å *Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this Section is derived from our financial statements under Indian GAAP, as restated in this Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled "Definitions and Abbreviation" beginning on page 3 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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

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



INTERNAL RISK FACTORS:

BUSINESS RISKS

1. ***There are outstanding legal proceedings and litigations against our Company, our Promoters, our Directors and our Group Company. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our results of operations and financial condition***.

Our Company, Promoters, Group Company and Directors are currently involved in certain litigation which is currently pending at various stages. Currently our Company is also involved in a tax related proceedings; any adverse decision in such proceedings may render us liable to liabilities and penalties and may adversely affect our business and results of operations.

Also, there is no assurance that in future, we, our Promoters, our Directors or Group Company may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries see the chapter titled ñ*Outstanding Litigation and Material Developments*ò on page 206 of this Red Herring Prospectus.

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
Company							
By the Company	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the Company	**Nil**	**Nil**	**1**	**Nil**	**Nil**	**Nil**	**0.52**
Promoters							
By the Promoter	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the Promoter	**Nil**	**Nil**	**15**	**Nil**	**Nil**	**Nil**	**1.60**

Group Companies							
By Group Companies	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against Group Companies	**Nil**	**Nil**	**5**	**Nil**	**Nil**	**Nil**	**12.41**
Directors other than promoters							
By the Directors	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Against the Directors	**Nil**	**Nil**	**2**	**Nil**	**Nil**	**Nil**	**0.01**

*N.A. = Not Applicable For further details, see ñ*Outstanding Litigation and Other Material Developments*ò on page 206 of this Red Herring Prospectus

2. ***Loss of any of our suppliers or a failure by our suppliers to deliver our primary raw material HR Coils may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay.***

We procure our primary raw material i.e. HR Coils on a purchase order basis and have not entered into long term contracts for the supply of such raw material. Accordingly, we may encounter situations where we might be unable to manufacture and deliver our products due to, our inability to predict the increased demand for our products. Further, our inability to predict the market conditions may result us in placing supply orders for inadequate quantities of such raw material. Further, any delay/failure to deliver or delivery of any wrong or a sub-standard raw material by any of our suppliers may have a material and adverse effect on our business, results of operations and financial condition.

As on March 31, 2018, our top 10 and top 5 suppliers constitute 98.23% and 88.19% of our total purchase. If any of our major suppliers ceases to have business dealings with us or materially reduces the quantity of raw materials supplied to us and we are unable to secure new suppliers for such raw material in order to meet the requirements at our manufacturing plant, our production schedule may be delayed and our business, financial condition, results of operations and prospects will be adversely affected.

3. ***The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

Steel prices 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, worldwide production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors. When downturn occur in these economies /sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices and in turn, have a material adverse effect on our business, results of operations, financial condition and prospects.

While steel prices have considerably increased in the last year, they have been subject to fluctuation. Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during period of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end users.

4. ***Demand for our products is affected by global and national economic conditions. Any development which decelerates the demand for steel products would have an adverse impact on our Company.***

The steel industry in India and our business and results of operations are affected by global and national economic conditions. Changes or a downturn in the global or national economy could add uncertainty to currency inflation or deflation, interest rates, taxation, stock market performance, consumers' confidence, consumers' perception of economic conditions and consumers' willingness to purchase. A weak global or national economy could materially affect commitment to infrastructure funding, public spending on construction projects and demand in the automobile sector, which may therefore reduce the domestic and global demand for steel products. Continued financial weakness among substantial consumers of steel products, such as the infrastructure, construction and automobile industries, or the bankruptcy of any large company in such industries, would exacerbate the negative trend in market conditions. As we sell a majority of our products to the domestic market, protracted declines in steel consumption as a result of the global or national economic distress would cause a material adverse effect on the demand for our products and hence on our business and results of operations. There can be no assurance that the steel industry in India and our Company can sustain growth in business and operations if the global economic conditions continue to be fragile or if the Indian government alters its economic policy.

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

We rely largely on our dealers to sell our products such as ERW MS Pipes to our end consumers. As of March 31, 2018, we had tie ups with more than 300 dealers, who stock and sell our products across the various regions across the state of Gujarat. We have not entered into any definitive agreements with such dealers for the sale of our products. Our ability to expand and grow our product significantly depends on the reach and effective management of our dealerôs network. We cannot assure you that we will be able to successfully identify or appoint new dealers, maintain relationship with our existing dealers. Any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to maintain relationships with our existing dealers;
- failure to establish relationships with new dealers on favorable terms;
- inability to timely identify and appoint additional or replacement dealers upon the loss of one or more of our dealers; and
- reduction, delay or cancellation of orders from one or more of our dealers.

Additionally, our dealers are not exclusive to us and also stock and sell products of multiple manufacturers, who could be our competitors. We cannot assure you that we will not lose any of our dealers to our competitors, which could cause us to lose some or all of our favourable arrangements with such dealers and may result in the termination of our relationships with other dealers.

6. ***Developments in the competitive environment in the steel industry, such as consolidation among our competitors, could have a material adverse effect on our competitive position.***

We believe that the key competitive factors affecting our business include product quality, capacity creation and utilization, changes in manufacturing technology, workforce skill and productivity, operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to a regular supply of raw materials. Although, we believe that we are a competitive steel producer in our market segment, we cannot assure you that we will be able to compete more effectively against our current or emerging competitors with respect to key competitive factors. In the past, there have been instances of consolidation among our competitors. Further, recent changes in Indiaôs debt restructuring and insolvency laws, including the introduction and commencement of Insolvency and Bankruptcy Code, 2016, could lead to further consolidation among our competitors. In addition, our competitors may have lower leverage and /or access

to cheaper sources of funding. Larger competitors may also use their resources, which may be better than ours, including by making additional acquisitions, investing more aggressively in product development and capacity. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel producers and our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete thereby having an impact on our business.

7. ***Overcapacity and oversupply in the global steel industry may adversely affect the Company's profitability.***

In recent years, driven in part by strong growth in steel consumption in emerging markets, the global steel industry has experienced an expansion of steel production capacity. According to the Ministry of Steelós Annual Report 2017-2018, china is the largest steel producing country in the world, with the balance between its domestic production and demand being an important factor in the determination of global steel prices and India is the 3rd largest consumer of finished steel (83.5 million tonnes in 2016) in the world preceded by China (681.0 million tonnes in 2016) and the USA (91.6 million tonnes in 2016). According to the Ministry of Steelós Annual Report 2017-2018, Capacity for domestic crude steel production expanded from 97.024 million tonnes per annum (million tonnes) in 2012-13 to 128.277 million tonnes per annum in 2016-17, a CAGR growth of 7% during this five year period.

The increased production capacity, combined with a decrease in demand could result in production overcapacity in the global steel industry. Such production overcapacity in the global steel industry would intensify if the slowdown of the global economy is prolonged or demand from developing countries that have experienced significant growth in the past several years does not meet the growth in production capacity. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets around the world which would likely lead to reduced profit margins for steel producers, and also would likely have a negative effect on the Companyós ability to increase steel production in general. No assurance can be given that the Company will be able to continue to compete in such an economic environment or that a prolonged slowdown of the global economy or production overcapacity will not have a material adverse effect on the Companyós business, results of operations, financial condition or prospects.

8. ***Our business is seasonal in nature and therefore our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.***

Demand for our products is seasonal as climatic conditions, particularly the monsoon, affect the level of activity in the construction industry. As a result, we usually experience relatively weaker sales volume during the quarter ending September 30, and somewhat stronger sales in other quarters more particularly in the quarter ending March 31. We expect our results of operations will continue to be affected by seasonality in the future. Our results of operations for any quarter in a given year may not, therefore, be comparable with other quarters in that year.

9. ***Ours is a High Volume-Low Margin Business.***

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions. Due to the nature of the products we sell, we may not be able to charge higher margins on our products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, timely sales/ order execution and continuous cost control of non-core activities. The table below gives details of our Operating Margins and Net Profit margin based on restated financials.

(Amount Rs. in Lakhs)

Particulars	For the period ended July 31, 2018	As at March 31,		
		2018	2017	2016
Total Income (Rs in lakhs)	3613.50	10079.72	7670.08	6845.89
EBITDA Margins (%)	2.51%	4.16%	4.60%	5.00%
PBT Margins (%)	1.01%	2.77%	2.30%	2.33%
PAT Margins (%)	1.12%	1.71%	1.30%	1.60%

As part of our growth strategy, we have already initiated steps for setting up of new manufacturing facility to increase the product range and aim to cater to wider markets. Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic and every changing industry, and on account of such changes in market conditions, industry dynamics, technological improvements and/ or any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

For further details regarding the discussions and explanations for our past results, please refer to the chapter titled ñ*Management's Discussions and Analysis of Financial Condition and Results of Operations*ò on page 186 of this Red Herring Prospectus.

10. Our cost of production is exposed to fluctuations in the prices of raw materials as well as its unavailability.

Our Company is currently into production of ERW MS Pipes which requires HR Coil as the primary raw material. We are exposed to fluctuations in the price of the raw material as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers. We may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in price to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operation. Though we have been sourcing raw materials from various local suppliers and enjoy favorable terms from the suppliers both in prices as well as in supplies, our inability to obtain high-quality raw materials in a timely and cost-effective manner would delay in our production and delivery schedules, which may result in the loss of our customers and revenues.

11. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Modernization and technology up-gradation is essential to provide better quality product. Although, we strive to keep our technology in line with the latest standards, we may be required to implement new technology or upgrade the existing employed by us. Further, the costs in upgrading our technology could be significant which could substantially affect our finances and operations. Our failure or inability to incorporate any change in technology might place our competitors at an advantage in terms of costs, efficiency and timely delivery of the final products.

12. Our historical revenues have been significantly dependent on few dealers. We have not entered into any long term or definitive agreements with our dealers. If our dealers choose not to source their requirements from us or if there is any loss of business from one or more of them, it may adversely affect our financial condition and results of operations.

A significant proportion of our revenues have historically been derived from a limited number of dealers. Our top 10 and top 5 dealers for the period ended March 31, 2018, contributed approximately 43.88 % and 30.69 % respectively of our total revenue from operations. The loss of orders from any of these significant dealers will result in a considerable reduction in our revenue. Our business from dealers is dependent on our continuing relationship with such dealers, the quality of our products, competitive pricing and our ability to timely deliver on their orders, and there can be no assurance that such dealers will continue to do business with us in the future on commercially acceptable terms or at all. If our dealers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Significant dependence on them may increase the potential volatility of our results of operations and exposure to individual contract risks. In the event that any of these customers discontinue purchase of products from us, our results of operations and financial condition may be adversely affected.

We have not entered into any long term or definitive agreements with our dealers, and instead rely on purchase orders to govern the volume, pricing and other terms of sales of our products. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Our dealers do not, typically, place firm purchase orders until a short time before the products are required from us as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales. Consequently, there is no commitment on the part of the dealer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our dealer preferences.

Any failure to meet our dealersô expectations could result in cancellation of orders. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a dealer. Dealers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

13. We are setting up the new manufacturing facility at Dahegam, Gujarat. Any delay in commissioning the new facility may hamper the business operations of our Company.

We have been into the business of manufacturing of ERW MS Pipes, since 2012. At present in our manufacturing facility which is situated over an area of 8,300 sq. mtrs. at Dahegam, Gujarat, we are manufacturing ERW MS Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes, ranging from 20NB to 100NB. To increase the range of production of ERW MS Pipes ranging from 100NB to 300 NB and to explore the new markets i.e. Madhya Pradesh and Rajasthan, we have set up a new manufacturing facility spread over an area of 32,019 sq. mtrs. at Survey/ Block No. 104, 105, 107 of village Sujana Muvada, Dahegam, Gujarat. Hence, our Company is dependent on the upcoming manufacturing facility for further growth of our business.

Our Company has received approval from Gujarat Pollution Control Board (**GPCB**) for their consent to establish this facility with the list of products we intend to manufacture. Our Company has also received the No Objection Certificate from GPCB. However, any non-compliance with their rules and regulations, unavailability of the required funds for machineries, or any other internal or external factors within or beyond our control may adversely affect our expansion plan and may hinder the growth of our business. We may not be able to assure about the timely commencement of the proposed facility which may also possess a blockage to the growth plans of the company and cause stress on capital structure of the Company.

14. There have been some instances of non-filing/ delays/ incorrect filings in the past with certain authorities. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

In the past, there have been some instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC, which have subsequently been filed along with the payment of additional fees, as specified by RoC. Except as mentioned in this Red Herring Prospectus, till date, there has been no penalty levied on the Company for such delays/ defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company or its Directors/ Officers in relation to the same, our business, financial condition and results of operations could be adversely affected.

15. Our Company is dependent on third party transportation providers for the delivery of raw materials and finished products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our Company's reputation, business, financial condition, results of operations and prospects.

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes and/or Non-availability of trucks could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers.

In addition, transportation costs in India have been steadily increasing over the past several years. While usually the end consumer bears the freight cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

16. We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of SURANI STEEL TUBES LIMITED from SURANI STEEL PRIVATE LIMITED pursuant to name change of our company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business Pursuant to change of name and conversion from a private limited company to a public limited company in the year 2018, we need to take necessary steps for transferring the approvals of our company in the new name. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Further, a complete series of approvals is required to be obtained for our new manufacturing unit except consent to establish certificate and excise registration. Additionally, our company has not applied for change of name of the approval/s as mentioned in approvals for which the Company is yet to apply Section of Government and Other Statutory Approvals Chapter. For more information, see chapter ñ*Government and Other Statutory Approvals*ò on page 216 of this Red Herring Prospectus**.**

17. We generate a substantial portion of revenue from Gujarat Region. Any adverse developments affecting our operations in the Gujarat Region could have an adverse impact on our revenue and results of operations.

As on March 31, 2018, we generate more than 99.00% portion of our revenue from the Gujarat Region. Such geographical concentration of our business in the Gujarat region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in the region which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in Gujarat region to expand our operations in other parts of India and overseas markets, should we decide to further expand our operations.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in Gujarat region, and our experience in the Gujarat region may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Rajasthan, Gujarat and Maharashtra market may adversely affect our business prospects, financial conditions and results of operations.

Management perception: Our Company has set up a new manufacturing facility to increase the product range and aim to cater the new markets such as Madhya Pradesh and Rajasthan. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

18. Our Joint Managing Directors i.e. Mukesh Patel & Dinesh Patel has limited experience in steel & pipe industry.

Our Joint Managing Directors, Mukesh Patel & Dinesh Patel is director of our Company since Incorporation and looking after overall activities of our Company. Prior to this, our Joint Managing Directors hailed from different industrial background and did not have much exposure in the steel & pipe industry. However, since then our Joint Managing Director has gained a good amount of experience and an understanding of market dynamics of our respective industry. Although he has been successfully running the business operations which is evidenced by the growth in our operations and turnover from Rs. 5,814.16 lakhs in FY 2014-15 to Rs. 10,079.72 lakhs in FY 2017-18 and our profit after tax has grown from Rs. 16.25 lakhs to Rs. 172.44 lakhs for the same period, lack of vintage experience to address the risks frequently encountered by steel & pipe industry, may adversely affect our operations

19. Our operations may be adversely affected in case of industrial accidents at any of our manufacturing facility.

Our manufacturing facility is located at Dahegam, Gujarat. Usage of heavy machineries, handling of materials by labour during production process or otherwise, lifting of materials by human cranes etc. may result in accidents, which could cause injury to our labour, employees and could also damage our properties thereby affecting our operations. Though our plants and machinery and employees are covered under the required insurance, occurrence of accidents could hamper our production and delivery timings and consequently affect our profitability.

20. Inventories and trade receivables form a major part of our current assets and net worth. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.

Our Companyôs business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets and net worth. As on March 31, 2018, our Inventories and Trade Receivable

constitutes 95.82 % of current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables.

To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture or purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

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

21. Continued operations of our manufacturing facility are critical to our business and any disruption in the operation of our facility may have a material adverse effect on our business, results of operations and financial condition.

Our manufacturing facility, at Survey/ Block No. 104, 105, 107 of village Sujana Muvada, Dahegam, Gujarat is subject to operating risks, such as unavailability of machinery, break-down, obsolescence or failure of machinery, disruption in power supply or processes, performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Our machines have limited lives and require periodic cleaning as well as annual over hauling maintenance. In the event of a breakdown or failure of such machinery, replacement parts may not be available and such machinery may have to be sent for repairs or servicing. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. This may could have an adverse impact on our sales, results of operations, business growth and prospects.

For further details of our Land and Properties, please refer to the chapter titled ñ*Our Business*ò beginning on page 132 of this Red Herring Prospectus.

22. If the Company is unable to develop new products or improve its existing products at the rate that the market requires, the Company's business and financial condition could be adversely affected.

The Company believes that its future success depends, in part, on the ability to develop new technologically advanced products or improve on the Companyôs existing products in innovative ways that meet or exceed its competitorôs product offerings. Maintaining the Companyôs market position will require continued monitoring of technological advances that come from global research and development efforts and sales and marketing. Industry standards, customer expectations, or other products may emerge that around render one or more of the Companyôs products less desirable or obsolete. The Company may be unsuccessful in making the technological advances necessary to develop new products or improve its existing products to maintain its market position. If any of these events do occur, it could cause decrease in sales and have an adverse effect on the Companyôs business, financial position, results of operations and cash flow.

23. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failures or defects. However, our products, processes and inputs have to undergo a special quality test conducted by in house laboratory to ensure that the same is of the requisite quality.

Although, we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our Company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

24. Our manufacturing facilities are located at Gujarat. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.

Our Company has its manufacturing facilities are located at Dahegam in Gujarat. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Companyós operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

25. We operate in a highly competitive environment and face competition in our business from organized and unorganized players, which may be adversely affect our business operation and financial condition.

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, customer base, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

26. If more stringent labour laws or other industry standards in India are introduced, our profitability may be adversely affected.

Our Company is subject to a number of stringent labour laws, which protect the interests of workers, including in relation to dispute resolution, employee retrenchment, pending payments and legislation that imposes financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations of Gujarat, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Further, stringent labour laws will ensure difficulty in maintaining flexible human resource policies, and working environment, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

27. We are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations.

We are subject to credit risk through our trade receivables due from our customers in case of delay. As on March 31, 2018, our trade receivables are of Rs. 618.19 Lakhs. By their nature, trade receivables involve risks, including the risk of non-performance by counterparties. Further, the failure of any of our customers

to make timely payments could affect our profitability and liquidity and decrease in resources available to us for other uses, including our obligations under the credit facilities granted to us by our lenders. We may also be required to write off trade receivables or increase provisions made against our trade receivable. Any changes in the financial position of our customers that adversely affects their ability to pay and failure of any of our customers to make timely payments may materially and adversely affect our cash flows, business prospects, financial condition and results of operations.

28. We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.

We are subject to various state and national environmental laws and regulations, including but not limited to:

- Environmental Protection Act, 1986, as amended from time to time;
- Air (Prevention and Control of Pollution) Act, 1981, as amended from time to time;
- Water (Prevention and Control of Pollution) Act, 1974, as amended from time to time;
- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and

other regulations promulgated by the Ministry of Environment and Forest and various statutory and regulatory authorities and agencies in India regulate our handling of hazardous substances and wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

29. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business is working capital intensive. A significant portion of our working capital is utilized towards trade receivables. Summary of our working capital position is given below:-

Amount (Rs. In lakhs)

Particulars	As on July 31, 2018	As at March 31,				
		2018	2017	2016	2015	2014
A. Current Assets						
Inventories	1604.25	1681.89	1137.74	1052.23	516.79	519.25
Trade Receivables	683.93	618.19	801.32	559.24	467.79	410.31
Cash and Cash Equivalents	11.64	8.36	6.58	14.06	56.23	0.97
Short Term Loans & Advances	65.11	82.56	28.53	66.83	13.17	44.87
Other Current Assets	38.20	9.53	40.08	57.11	17.67	28.59
Total Current Assets(A)	**2403.13**	**2400.53**	**2014.25**	**1749.47**	**1071.65**	**1003.99**
B. Current Liabilities						
Trade Payables	709.01	792.47	838.99	537.00	211.42	168.65
Other Current Liabilities	186.81	138.87	162.68	171.17	136.53	83.67
Short Term Provisions	59.68	57.60	39.57	12.66	1.86	-
Total Current Liabilities (B)	**955.50**	**988.94**	**1041.24**	**720.83**	**349.81**	**252.32**
Working Capital (A-B)	**1447.63**	**1411.59**	**973.01**	**1028.64**	**721.84**	**751.67**

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables and inventories. Our inability to maintain sufficient

cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled ñ*Objects of the Issue*ò beginning on page 102 of this Red Herring Prospectus.

30. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialized, could adversely affect our financial condition.

Our contingent liabilities as per our Restated Financial Statements as on July 31, 2018 is as under:

Amount (Rs. In lakhs)

Sr. No.	Particulars	As at July 31, 2018
1.	Guarantee Given by the Bank on Behalf of the company	33.06

For details see Section titled ñ*Financial Statements*ò on page 185 of this Red Herring Prospectus.

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

31. Our Company has negative cash flows from its operating, investing and financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating, investing and financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Amount (Rs. In lakhs)

Particulars	As on July 31, 2018	For the year ended March 31,				
		2018	2017	2016	2015	2014
Cash Flow from / (used in) Operating Activities	(13.89)	(94.16)	243.92	(9.00)	247.33	(651.62)
Cash Flow from / (used in) Investing Activities	(166.21)	(405.23)	(226.36)	(77.34)	(19.25)	(81.96)
Cash Flow from / (used in) Financing Activities	(183.38)	501.18	(25.04)	44.16	(172.83)	696.31

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet 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 flows in future, it may adversely affect our business and financial operations.

32. Conflicts of interest may arise out of common business undertaken by our Company and our Group Company.

Our group company, Vinayak TMT Bars Private Limited, is carrying out similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favor our Group Company in which our Promoter has interests. There can be no assurance that our Promoter or our Group Company will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

33. ***We generally do business with our customers on purchase order basis and do not enter into long-term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

34. ***Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.***

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working shall capital increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

35. ***The shortage or non-availability of power facilities may adversely affect our operations and have an adverse impact on our results of operations and financial condition.***

Our production process requires substantial amount of power facilities. We are mainly dependent on Uttar Gujarat VIJ Company Ltd. for meeting our electricity requirements. Any defaults or non-compliance of the conditions may render us liable for termination of the electric supply or any future changes in the terms of the agreement which may lead to an increased costs, thereby affecting the profitability and escalation of costs. Further, since we are totally dependent on third party power supply; there may be factors beyond our control affecting the supply of power. Any disruption / non-availability of power shall directly affect our operation which in turn shall have an impact on profitability and turnover of our Company.

36. ***The Shortage or non-availability of water facility may adversely affect our manufacturing process and have an adverse impact on our results of operations and financial condition.***

Our manufacturing process requires substantial amount of water, particularly for cooling process. Currently, our Company has made adequate arrangement by digging bore well to meet its water requirements. We have not made any alternate arrangements for supply of water for our manufacturing facility. Any disruption/non-availability of water supply shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

37. ***We may be unable to attract and retain employees with the requisite skills, expertise and experience, which would adversely affect our operations, business growth and financial results.***

We rely on the skills, expertise and experience of our employees to provide quality products to our customers. Our employees may terminate their employment with us prematurely and we may not be able to retain them. Experienced and skilled workers in our industry are highly sought after, and competition for talent is intense. If we experience any failure to attract and retain competent personnelôs or any material increase in labour costs as a result of the shortage of skilled labour, our competitiveness and business operations would be damaged, thereby adversely affecting our financial condition and operating results. Further, if we fail to identify suitable replacements of our departed staff, our business and operations could be adversely affected and our future growth and expansions may be inhibited.

38. ***Any defects in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.***

Our Company is bound by the terms and conditions as stated in the purchase order placed by its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these customers for defects in the products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Companyôs results of operations and financial conditions.

39. Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

We believe that the industry in which we operate face competitive pressures in recruiting and retaining skilled and unskilled labour. 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. We have not experienced any major disruptions to 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 such disruptions 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. 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. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

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

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

41. We may not be successful in implementing our business strategies.

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

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. 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 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.

43. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the Book Running Lead Manager.

For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the Section titled ñ*Capital Structure*ò on page 83 of this Red Herring Prospectus.

44. We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.

We have issued equity shares in the last twelve months at a price which may be lower than the Issue Price. Details of such issuance are given in the table below:

Date of Allotment	No. of Equity Shares	Issue Price (In Rs.)	Face value (In Rs.)	Consideration (in Rs.)	Nature of Allotment
March 10, 2018	25,00,000	10	10	NIL	Bonus Issue
March 26, 2018	8,00,000	50	10	Other than cash	Right Issue

For further details of Equity Shares issued, please refer to chapter titled, ñ*Capital Structure"* beginning on page 83 of this Red Herring Prospectus.

45. We have not entered into any technical support service for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.

Our manufacturing processes involve daily use of technical equipmentôs and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our Company has not entered into any technical support service agreements with any competent third party. However, Company has an in-house team for maintenance and advancement of machinery. Our failure to reduce the downtime in as such events occur may adversely affect our productivity, business and results of operations.

46. Our insurance coverage may not be adequate.

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Standard Fire and Special Perils and Employee Compensation Policy. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like loss of profits, losses due to terrorism, etc. Further, 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 or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured 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, please refer chapter titled ñ*Our Business*ò beginning on page 132 of this Red Herring Prospectus.

47. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks. The total amounts outstanding and payable by us as secured loans were Rs. 1624.45 lakhs as on the period ended July 31, 2018. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which

in turn could have significant adversely effect on business, financial condition or results of operations. For further information on the ñ*Financial Indebtedness"* please refer to page 203 of this Red Herring Prospectus.

48. Our lenders have imposed certain restrictive conditions on us under our financing arrangements.

As on July 31, 2018, our aggregate long-term borrowings from banks was Rs. 537.65 lakhs, while aggregate total short-term borrowings from banks amounted to Rs. 1086.80 lakhs. We have entered into certain agreements for our borrowings and some of these agreements require us to maintain certain financial ratios and also impose certain restrictive covenants on us, such as requiring lender consent for, *inter alia*, effecting any changes in capital structure, making material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking a restructuring etc. While there have not been any instances of non-compliances in relation to any of our loan agreements or any covenant therein, there can be no assurance that we will be able to comply with these covenants in the future or that we will be able to obtain the consents necessary to take the actions that may be necessary.

Any failure to service our debt, perform any condition or covenant or comply with the restrictive covenants could lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, affect our ability to raise additional funds or renew maturing borrowings to finance our existing working capital requirements and pursue our growth initiatives. We cannot provide any assurance that our business will generate sufficient cash to enable us to service our debt as they become due. The termination of, or declaration or enforcement of default under, any financing agreement may have an adverse effect on our business, results of operations, financial condition, results of operations and prospects. For further information, see the chapter titled *"Financial Indebtedness"* on page 203 of this Red Herring Prospectus.

49. The deployment of funds raised through this Issue shall not be subject to any monitoring agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than Rs. 10,000 lakhs, there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without our Company being authorise to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholder shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

50. The objects of the Issue have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to all of our objects of the Issue. If there are delays or cost overruns in utilization of Net Proceeds, our business, financial condition and result of operations may be adversely affected.

We intend to utilize the Net Proceeds of the Issue as set forth in chapter titled, ñ*Objects of the Issue*ò beginning page 102 of this Red Herring Prospectus. The fund requirement mentioned as a part of the objects of the Issue is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

Furthermore, we may need to vary the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost

overruns or delays, which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Issue would require a special resolution of our shareholders, and our Promoters or controlling shareholders will be required to provide an exit opportunity to our shareholders who do not agree to such variation. If our shareholders exercise such an exit option, our share price may be adversely affected. Further, we are yet to obtain consent from our lenders in relation to prepayment of the loans. We cannot assure you that we will be able to obtain the consent from the lenders in relation to the prepayment of the loans that we intend to prepay from Net Proceeds in a timely manner or at all. No assurance can be given that at the time of grant of consent for prepayment of the loan, the lender will not impose any penalty or fee towards such prepayment.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled ñ*Objects of the Issue*ò beginning on page 102 of this Red Herring Prospectus.

52. Our Promoters 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.

After completion of the Issue, our Promoters and Promoter Group will collectively own [ŏ] % of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us 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 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority 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.

53. Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

As on July 31, 2018, our Company has unsecured loans amounting to Rs. 135.93 lakhs from related and other parties that are repayable on demand to the relevant lender. Sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer the chapter ñ*Financial Indebtedness*ò on page 203 of this Red Herring Prospectus. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

54. Our future funds requirements, in the form of 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 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 favourable 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.

55. 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, under some of our loan agreements, we may not be permitted to declare any dividends, 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. For details of our dividend history, see ñ*Dividend Policy*ò on page 184 of this Red Herring Prospectus.

56. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

57. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Our 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 Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, unsecured loan given by them or by entities in which they are interested and dividend entitlement in our Company. For further information, see ñ*Capital Structure*ò and ñ*Our Management*ò on pages 83 and 160, respectively, of this Red Herring Prospectus.

58. We have taken guarantees from Promoters and members of promoter group in relation to debt facilities provided to us.

We have taken guarantees from Promoters and members of promoter group in relation to our secured debt facilities availed from Cosmos Co-Operative Bank Ltd. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in

procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled *"Financial Indebtedness"* beginning on page 203 of this Red Herring Prospectus.

59. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

60. Negative publicity could adversely affect our revenue model and profitability of our Company.

Our business is dependent on the trust our customers have reposed in the quality of our products. Any negative publicity regarding our Company, brand, or our products including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products or any other unforeseen events could affect our reputation and our results from operations. Further, our brand may also be affected if there is a negative publicity associated with our products.

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

We have entered into various transactions with related parties, including our Promoter, Promoter Group and Group Companies. While we believe that all such transactions are conducted on armsô length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter *"Related Party Transactions"* beginning on page 183 of this Red Herring Prospectus.

62. Some of the information disclosed in this Red Herring Prospectus is based on information from industry sources and publications which may be based on projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on, or base their investment decision on this information.

The information disclosed in the ñ*Industry Overview*ò Section of this Red Herring Prospectus on page 48 is based on information from publicly-available industry, Government and research information, publications and websites and has not been verified by us independently and we do not make any representation as to the accuracy of the information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a half yearly basis. In order to

meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, managementôs attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

ISSUE SPECIFIC RISKS

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

Once listed, we would be subject to circuit breakers imposed by all stock exchange in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

The Issue Price of our Equity Shares will be determined by Company in consultation with Book Running Lead Manager. This price is be based on numerous factors (For further information, please refer chapter titled *"Basis for Issue Price"* beginning on page 109 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

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

66. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including:

- Volatility in the Indian and global capital market;
- Companyôs results of operations and financial performance;
- Performance of Companyôs competitors,
- Adverse media reports on Company or pertaining to the Steel Industry;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in Indiaôs economic and fiscal policies; and

- Significant developments in Indiaôs environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

67. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Offer until the Offer receives appropriate trading permissions.

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investorôs demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with Section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the Stock Exchange, we are required to refund all monies collected from investors.

68. Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares, including allotments made pursuant to any employee stock option schemes, or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

69. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI (ICDR) Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Biddersô decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Biddersô ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

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

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

EXTERNAL RISK FACTORS

INDUSTRY RISKS

71. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

Our Company is subject to various laws, rules, regulations and policies. For details see Section titled ñ*Key Industries Regulations and Policies*ò beginning on page 143 of this Red Herring Prospectus. Our business and prospects could be materially adversely affected by changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India, 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.

OTHER RISKS

72. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI (ICDR) Regulations contained in this Red Herring Prospectus.

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter ñ*Financial Statements as restated*ò beginning on page 185, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI (ICDR) Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (ñSTTò) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, Section 10(38) was amended to provide that exemption under this Section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to STT under Chapter VII of the Finance (No 2) Act, 2004. In this case, this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long Term Capital Gains.

As per Finance Bill 2018, exemption under Section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long term capital gains exceeds Rs. 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of Rs. 1,00,000/- pa. shall be chargeable at the rate of 10%.

Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit Indiaôs ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to ñ*Key Industry Regulations and Policies*ò on page 143 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. Further, the general anti avoidance rules (ñGAARò) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

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

75. Financial instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investorsô reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

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

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

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

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

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

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

Indiaôs 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 Companyôs normal business activity. Any deterioration of Indiaôs 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 Companyôs business operations, which could have an adverse effect on its results of operations and financial condition.

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

Any adverse revisions to Indiaôs 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.

81. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. 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 market price of the Equity Shares.

82. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares unless the pre-emptive rights have been waived by the adoption of a special resolution by shareholders of such company. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

PROMINENT NOTES

1. Initial Public Issue of Upto 24,84,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. [ŏ] per Equity Share (the ñ**Issue Price**ò) (including a share premium of Rs. [ŏ] per equity share) aggregating up to Rs. [ŏ] lakhs (the ñ**Issue**ò), of which upto 1,26,000 equity shares of face value of Rs. 10/- each for cash at a price of Rs. [ŏ]/- per equity share, aggregating up to Rs. [ŏ] lakhs will be reserved for subscription by the market maker to the issue (the ñ**Market Maker Reservation Portion**ò). The Issue less Market Maker Reservation Portion i.e. issue of upto 23,58,000 equity shares of face value of Rs. [ŏ]/- each for cash price of Rs. [ŏ]/- per equity share, aggregating up to Rs. [ŏ] lakhs is hereinafter referred to as the ñ**Net Issue**ò. The Issue and the Net Issue will constitute 29.99% and 28.46% respectively of the fully diluted post issue paid up equity share capital of our Company.

2. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running

Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled ñ*General Information*ò beginning on page 71 of this Red Herring Prospectus.

3. The pre-issue net worth of our Company was Rs. 1081.83 lakhs, Rs. 1041.32 lakhs and Rs. 468.88 lakhs for the period/financial year ended July 31, 2018, March 31, 2018 and March 31, 2017 respectively. The book value of Equity Share (post bonus issue) was Rs. 18.65, Rs. 17.95 and Rs. 9.38 as of period/financial year ended July 31, 2018, March 31, 2018 and March 31, 2017, respectively as per the restated financial statements of our Company. For more information, please refer to Section titled *"Financial Statements"* beginning on page 185 of this Red Herring Prospectus.

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

Name of the Promoter	No. of shares held	Average Cost of acquisition (in Rs.)
Mukesh Patel	2,15,000	10.23
Dinesh Patel	4,07,000	16.83
Karshan Patel	2,12,000	7.55
Prakash Patel	2,04,000	5.88
Mani Patel	4,06,000	16.75
Prakash Karsanbhai Patel HUF	2,99,000	9.20
Karsanbhai Devjibhai Patel HUF	3,52,000	5.11

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled *"Capital Structure"* beginning on page 83 of this Red Herring Prospectus.

5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer *Annexure XXXI under the head "Related Party Transaction"* under chapter titled *"Financial Statements as restated"* beginning on page 185 of this Red Herring Prospectus.

6. 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 241 of this Red Herring Prospectus.

7. Except as disclosed in the chapter titled *"Capital Structure", "Our Promoter and Promoter Group*ò, ñ*Our Management*ò and *"Related Party Transaction"* beginning on pages 83, 174, 160 and 183 respectively, of this Red Herring Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.

8. Except as disclosed in the chapter titled ñ*Capital Structure*ò beginning on page 83 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.

9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.

10. Investors are advised to refer to the chapter titled *"Basis for Issue Price"* beginning on page 109 of the Red Herring Prospectus.

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 our Company during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the Stock exchange.

12. Our Company was originally incorporated as ñ*Surani Steel Private Limited*ò a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Further, in order to align with the business of the company, the name of our Company was changed to ñ*Surani Steel Tubes Private Limited*ò pursuant to special resolution passed by shareholders of the Company in the Extra Ordinary General Meeting held on August 07, 2018 and a fresh Certificate of Incorporation dated August 13, 2018, was issued

by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on August 29, 2018 and the name of our Company was changed to ñ*Surani Steel Tubes Limited*ò and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited dated September 12, 2018 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U27109GJ2012PLC071373.

Except as stated in the chapter titled ñ*Our Group Company*ò beginning on page 180 and chapter titled *"Restated Party Transactions"* beginning on page 183 of this Red Herring Prospectus, our Group Company have no business interest or other interest in our Company.

SECTION III - INTRODUCTION

SUMMARY OF OUR INDUSTRY

The information in this Section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the Sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 20 and 185 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

OVERVIEW OF STEEL INDUSTRY

India is the third-largest crude steel producer in the world. In FY18, India produced 104.98 million tonnes (MT) of finished steel. Crude Steel production during 2017-18 stood at 102.34 MT. Exports and imports of finished steel stood at 1.35 MT and 1.89 MT, during Apr-June 2018.

Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018. Indiaôs steel production is expected to increase from 102.34 MT in FY18 to 128.6 MT by 2021. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route.

Indiaôs per capita consumption of steel grew at a CAGR of 3.96 per cent from 46 kgs. in FY08 to 65.25 kgs. in FY17. The figure stood at 68 kgs. during April-February 2017-18. National Steel Policy 2017 seeks to increase per capita steel consumption to the level of 160 kgs.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: -* https://www.ibef.org)

GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach $61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings-rapid growth, ultra-low interest ratesð at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary

fiscal policies, while advanced country monetary policies remain simulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force oil prices even higher; a final reckoning from Chinaôs unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates riseð or if markets even sense that central banks will need to shift their stanceð both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become ñan obsession in search of a justification.ò Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labour markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the ñCry of Wolfò trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of ñThis Time is Differentò (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1, www.indiabudget.nic.in)

Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

Figure 19. Sale of Motorcycles
(Seasonally adjusted, in thousands)

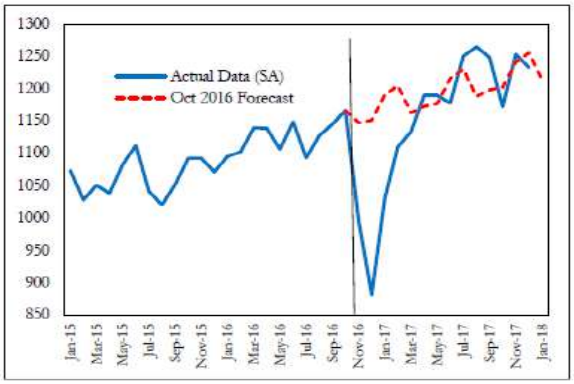
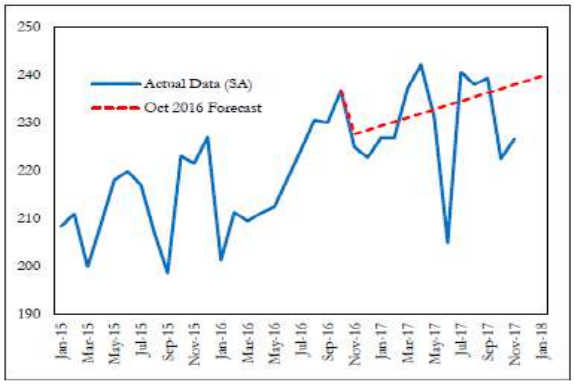


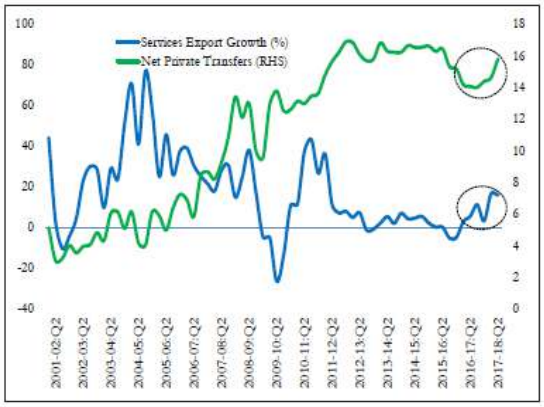
Figure 20. Sale of Passenger Cars
(Seasonally adjusted, in thousands)



Source: Society for Indian Automobile Manufacturers, Survey calculations.

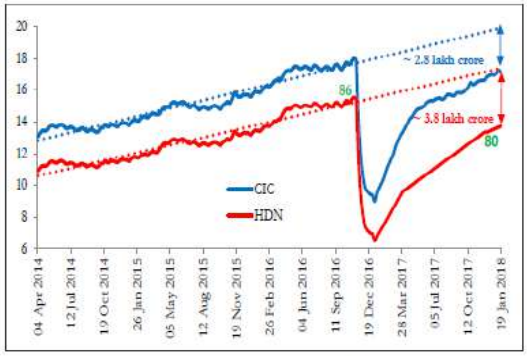
Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

Figure 21. Services Export Growth (percent) and Net Private Remittances (in US$ billion)



Source: RBI, Survey calculations.

Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)



Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

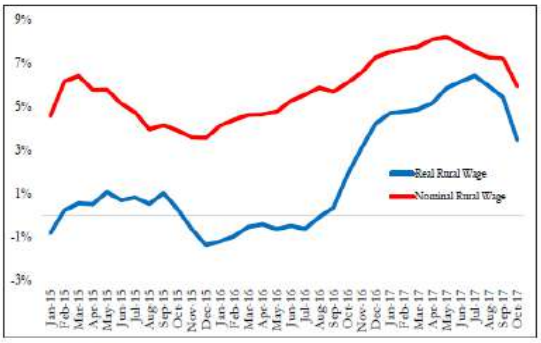
All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economyôs take-off in the mid-2000s ï exports and investment ï are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and Rabi, reducing the demand for labour. The acreage for kharif and Rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farmgate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected

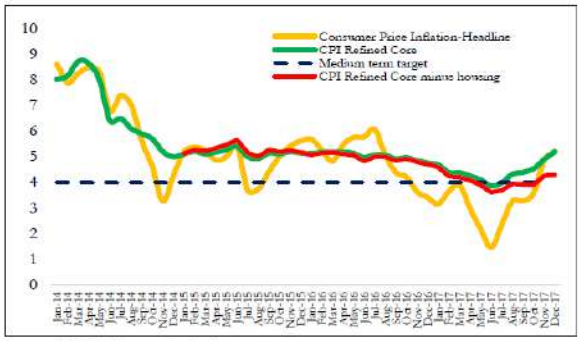
to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.

Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)



Source: Labour Bureau, Survey calculations.

Figure 24. Inflation: CPI and Variants* (percent, year-on-year)



Source: MoSPI, Survey calculations.
*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBIôs forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSOôs forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSOôs 9.5 percent estimate.

Macroeconomic indicators

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBIôs 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-Decemberð in part because firms are passing the incidence of GST on to final consumers only gradually.

The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of $47 billion) but this has been offset by a higher trade deficit ($18 billion) and a reduced services surplus ($37 billion), the latter two reflecting a deterioration in the economyôs competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about $432 billion (spot and forward) at end-December 2017, well above prudent norms.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private cape cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spendingð assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the worldôs fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between Indiaôs exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another İ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market ñsudden stallò induced by sharp corrections to elevated stock prices. (Box 9 suggests that Indiaôs stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices

remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidationð especially in a pre-election yearð based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

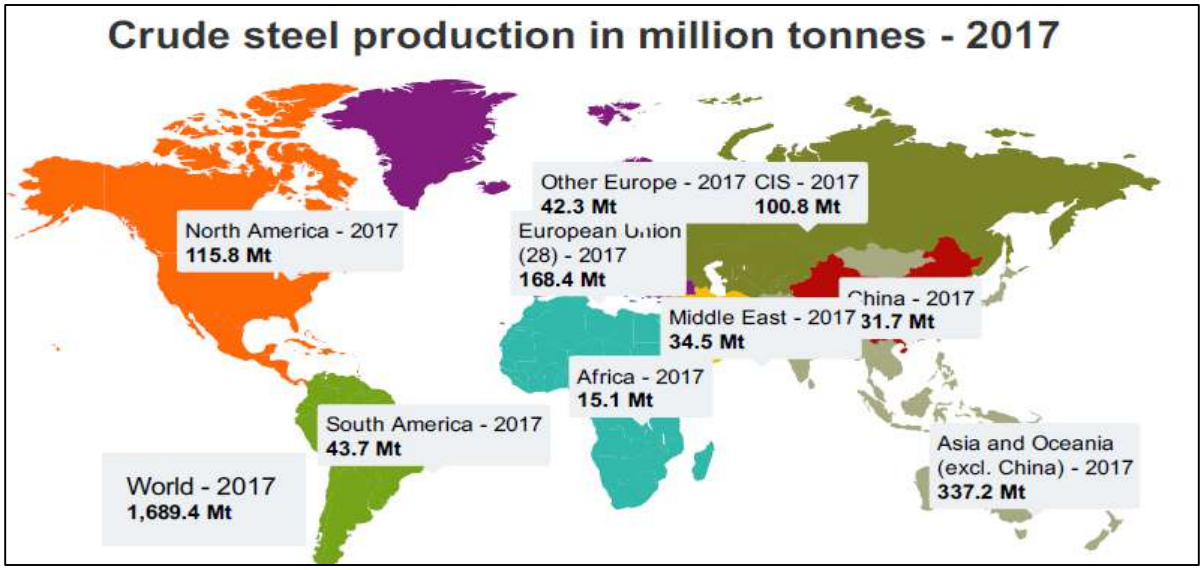
(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OVERVIEW OF GLOBAL STEEL INDUSTRY

Steel is one of the worldôs most essential materials. It is fundamental to every aspect of our lives, from infrastructure and transport to the tinplated steel can that preserves food. It is one of the most important products of the modern world and is of strategic importance to any industrial nation. From construction, industrial machinery and transportation to consumer products, steel finds a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of use of raw materials. Steel consumption also shows strong link with the economic growth. It is understandable since the economic growth will drive the infrastructure spend and housing. With respect to retail consumers, economic growth will drive the consumption leading to increased spending on automobiles, white goods, etc. All drivers of steel demand. However, over the long run, growth in steel consumption will also depend on the structure of economy and not just growth. For instance, countries with significant proportion of service industry will see steel demand plateauing (e.g. US) whereas manufacturing focused economies will see steel demand growing with economic growth (e.g. South Korea, China).

(Source: India Steel 2017, Federation of Indian Chambers of Commerce and Industry, www.ficci.in)

Steel as a product is so versatile and fundamental to our lives that it is considered essential to economic growth. Consequently, for most of the past 50 years, the world has been producing increasingly more steel and sometimes more than was actually required ï while at the same time, making the product universally affordable and promoting intense competition between its producers.



(Source: World Steel in Figures 2018, World Steel Association, www.worldsteel.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the óMake in Indiaô program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

As per Labour Bureauôs Quarterly Report on Employment Scenario, manufacturing sector added an estimated 89,000 jobs in the second quarter of 2017-18.

Cumulative Foreign Direct Investment (FDI) in Indiaôs manufacturing sector reached US$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- As of May 2018, The Chatterjee Group (TCG) is planning to set up a Continuous Polymerisation (CP) unit and a spinning unit, which will act as forward integrated units for its petrochemicals subsidiary MCPI.
- As of April 2018, Rallis India, a subsidiary of Tata Chemicals, is planning to undertake backward integration as its inputs have become costlier and the move will help the company to ease pressure on its profit margins.
- For its Commercial Vehicles, Ashok Leyland is utilising machine learning algorithms and its newly created telematics unit to improve the performance of the vehicle, driver and so on.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the ñStrategic Partnershipò model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US$ 1.5 billion).

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US$ 0.015 as on March 30, 2018

Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Report: - Manufacturing Sector in India, India Brand Equity Foundation: - www.ibef.org)

OVERVIEW OF INDIAN STEEL INDUSTRY:

Introduction

India was the worldôs third-largest steel producer in 2017. @ The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to Indiaôs manufacturing output.

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

Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

Market Size

Indiaôs finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT.

Indiaôs crude steel and finished steel production increased to 102.34 MT and 104.98 MT in 2017-18, respectively.

In 2017-18, the countryôs finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. Exports and imports of finished steel stood at 0.99 MT and 1.22 MT, during Apr-May 2018.

Investments

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past.

According to the data released by Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US$ 10.56 billion in the period April 2000ï December 2017.

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

- Vedanta Star Ltd has outbid other companies to acquire Electro steel Steels for US$ 825.45 million.
- Tata Steel won the bid to acquire Bhushan Steel by offering a consideration of US$ 5,461.60 million.
- JSW Steel has planned a US$ 4.14 billion capital expenditure programme to increase its overall steel output capacity from 18 million tonnes to 23 million tonnes by 2020.
- Liberty House Group, a UK based business, is aiming to acquire Bhushan Power and Steel which will help the conglomerate to enter the Indian market.
- Tata Steel has decided to increase the capacity of its Kalinganagar integrated steel plant from 3 million tonnes to 8 million tonnes at an investment of US$ 3.64 billion.

Government Initiatives

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

- Government of Indiaôs focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs. per capita steel consumption by 2030.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US$ 30 million).

Road ahead

India is expected to overtake Japan to become the world's second largest steel producer soon, and has envisaged achieving 300 MT of annual steel production capacity by 2030.

Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018.

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production.* Huge scope for growth is offered by Indiaôs comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: - https://www.ibef.org*)

SUMMARY OF OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled ñ*Forward Looking Statements*ò beginning on page 19 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the Section ñ*Risk Factors*ò for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this Section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the Sections titled ñ*Risk Factors*ò and ñ*Financial Statements*ò as restated beginning on pages 20 and 185 respectively.

Unless otherwise stated, references in this Section to ñSuraniò, ñthe Companyò or ñour Companyò are to Surani Steel Tubes Limited, and references to ñweò, ñourò or ñusò are to the Company

OVERVIEW OF THE BUSINESS

Our Company, the venture of Vinayak Group, is engaged in the business of manufacturing of Electric Resistance Welding Mild Steel (ñ***ERW MS***ò) Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes ranging from 20NB to 100NB and also in the trading of Hot Rolled Coil (ñ***HR Coil***ò) and HR slit coils. Our Products have wide applications in varied industries like Architectural, Infrastructural, Industrial and Engineering Industry. We rely largely on our dealers to sell our products to our end consumers. As on March 31, 2018, we have entered into arrangements / understanding with over 300 dealers located across Gujarat to market and sell our products in Gujarat. Our Company also generates the revenue from the sale of scraps.

We are an ISO 9001: 2015 certified company for manufacturing and Supply of ERW pipes. We have also been granted the IS 4923:1997 and IS 1161:2014 Quality Standard License from Bureau of Indian Standards. Our company strives to provide diversified range of products, manufactured at our manufacturing plant located at Dahegam, Gandhinagar in Gujarat on approximately 8,300 square meter of land having an installed capacity of 25,000 MT p.a. For the financial year 2017-18, our Company has processed 23,792 MT of ERW MS Pipes. We are committed to elevate the standards of our products and services to offer customer satisfaction through excellence in quality.

Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavour to maintain safety in our premises by adhering to key safety norms. We have in-house testing laboratory to test our raw materials and finished products to match the quality standards and as specified by the customers. We have set up a new manufacturing facility to manufacture ERW MS Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes ranging from 100NB to 300NB. Our Company has already purchased the land spread over an area of 32,019 sq. mtrs. situated at Survey/Block No. 104, 105, 107 of village sujana muvada, Taluka-Dahegam, District-Gandhinagar, Gujarat for our new manufacturing facility. We have already purchased the major Plant & Machinery required for the manufacturing of ERW MS Pipes in our new manufacturing facility.

Our Promoters, Karshan Patel and Prakash Patel have more than a decade of experience in field of steel industry and our promoters Dinesh Patel and Mukesh Patel have more than five years of experience in the

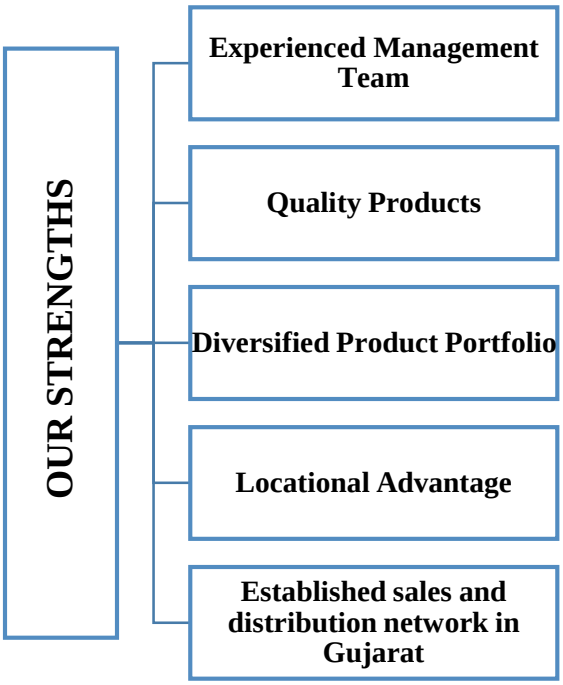
steel industry and have in-depth knowledge of the products and industry in which we operate. Further, we have a team of professionals to look after matching the standards with the industry.

Our constant effort is to produce pipes of standard quality and sustainability. To achieve this, we stick to strict quality standards, continuous in-house evaluations and training of our workforce. Our company has been constantly executing regular as well as customized orders for pipes to meet the requirements of vivid sectors.

OUR MAJOR PRODUCTS

S. No.	Products Name	Products	Description
1.	ERW MS Pipes (round pipes, square and rectangular hollow sections)		ERW MS Pipes of tubes refer electric resistance welded pipe mild steel pipes. They can be manufactured in different shapes like round, rectangular & square. They have various size ranging from 20 NB to 100 NB.
2.	HR Slit Coil		It is a hot rolled steel sheet in coil formed. Generally, it is ranging by width from 70 mm to 500 mm and by thickness 1.2mm to 4.5mm. It is used as raw material in fabrication, engineering, PEB structures etc.
3.	HR Coil		It is Hot rolled steel sheet in coil format. It is ranging from 1000 mm to 1500 mm and it is available in various grades and standards. It is steel raw material used in vast sectors i.e. Industrial, Pipe, engineering, construction etc.

OUR COMPETITIVE STRENGTHS



1. Experienced Management Team

Our Promoters and the senior management team of our Company have industry experience and have been instrumental in the growth of our Companyôs sustainability. Our Promoters, Karshan Patel and Prakash Patel have more than a decade of experience in field of steel industry and our promoters Dinesh Patel and Mukesh Patel have more than five years of experience in the steel industry and have in-depth knowledge of the products and industry in which we operate. We believe that our management team's experience and their understanding of the Steel business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition.

2. Quality Products

We are a quality conscious organisation, which believes in manufacturing quality products. Our management team is focussed on ensuring minimum defects in our products and quality certifications are only an endorsement of the robust systems and processes developed with years of experience and knowledge. Our products and processes undergo regular quality checks to ensure minimal defects. We have been accredited with ISO 9001:2015 (Quality Management system) from BMS Certification (P) Ltd. and IS 4923: 1997 & IS 1161:2014 from Bureau of Indian Standards for manufacture and supply of ERW pipes.

3. Diversified Product Range

Our Company has a varied product range to cater to the requirements of our Customers. Our product portfolio includes diversified variety of pipes in various specifications, sizes, ranging from 20NB to 100NB having wide applications in varied industries like Architectural, Infrastructural, Industrial and Engineering industry. Our range of products allows our existing customers to source most of their product requirements from us and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.

4. **Locational Advantage**

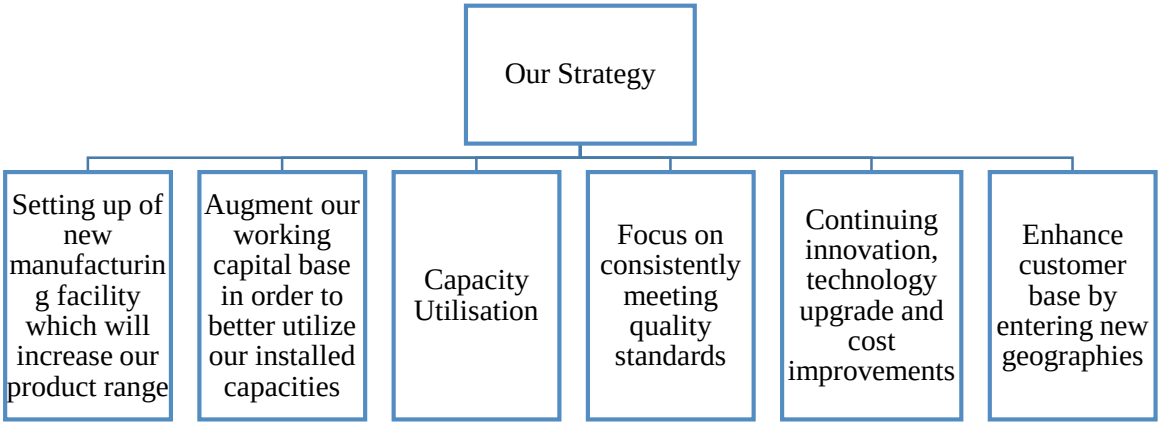
We operate from a manufacturing facility at Dahegam, Gandhinagar in the state of Gujarat where we have set up our registered office and manufacturing plant, which is strategically located and is well connected by roads with the rest of the country. Further, the primary raw materials i.e. HR Coils are easily available from the manufacturers located in Gujarat. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Thus, the location of the site is advantageous to the company in procurement of Raw materials as well as the Finished Products.

5. **Established sales and distribution network in Gujarat**

Our extensive sales and distribution network allows us to reach a wide range of consumers and ensures effective penetration of our products and marketing campaigns. Our sales and distribution network is strategically spread across different regions in Gujarat.

As of March 31, 2018, we have a distribution network comprising of more than 300 dealers situated in Gujarat. We believe that our extensive distribution network enables us to serve our customers and markets in an efficient and timely manner.

OUR BUSINESS STRATEGY



1. **Setting up of new manufacturing facility which will increase our product range**

Expansion of our manufacturing capacities is a continuous process to support our growth. We have set up a manufacturing facility to manufacture ERW MS Pipes (round pipes, square and rectangular hollow Sections). The proposed facility will ensure to meet the requirements of the customers who require the ERW MS Pipes in the range of 100NB to 300 NB. This facility will complement our existing capacity. This will increase range of product for our existing customer.

2. **Augment our working capital base in order to better utilize our installed capacities**

Our business of manufacturing of ERW Pipes is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors cycle. Since, we are not fully utilising our installed capacities, our growth depends on our ability to increase our utilization over the next few years and also adding new capacity subsequently. This expansion needs access to a larger amount of liquid funds and sufficient working capital. The same are proposed to be funded from the IPO proceeds and from Banking Facilities.

3. **Capacity Utilisation**

Our company is currently operating at around 80% of its capacity. With the strong relationship we possess with our customers, marketing our product can be done without much effort. Since, the market with the buyer is readily available, we intend to ramp up our production to boost the revenue.

4. **Focus on consistently meeting quality standards**

Our Company strives to consistently meet quality standards to the customer satisfaction. This is necessary so as to make sure that we get repeat business from our existing customers. This will also aid us in enhancing our brand value.

5. **Continuing innovation, technology upgrade and cost improvements**

Continuous innovation in our manufacturing process, technology upgrade and cost improvement is a norm at our Company. Our qualified and technical teams try and ensure minimal wastage and extract out maximum from the resources we have at our disposal, be it the raw materials, be it the energy or the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs. Additionally, we use the latest technology and machinery to ensure best quality and competitive product output and regularly upgrade our technology and machineries used in the manufacturing process in order to keep up market standards.

6. **Enhance customer base by entering new geographies**

We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Dahegam, Gandhinagar, Ahmedabad with having dealers spread across Gujarat. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

SUMMARY OF FINANCIAL STATEMENTS

ANNEXURE I
STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

Amount (Rs. In lakhs)

Particulars	Annexure	As at July 31, 2018	As at March 31,				
			2018	2017	2016	2015	2014
EQUITY AND LIABILITIES							
Shareholdersô Funds							
a. Share Capital	V	580.00	580.00	250.00	250.00	250.00	250.00
b. Reserves & Surplus	VI	501.83	461.32	218.88	118.99	9.39	-6.86
Non-Current Liabilities							
a. Long Term Borrowings	VII	535.79	360.81	577.21	580.58	579.11	584.95
b. Deferred Tax Liabilities	VIII	46.79	56.19	57.32	52.18	6.80	-
c.Long Term Provisions	IX	6.88	5.94	4.63	3.13	1.59	0.75
Current Liabilities							
a. Short Term Borrowings	X	1,086.80	1,075.15	687.05	572.58	398.13	460.18
b. Trade Payables	XI	709.02	792.47	838.99	537.00	211.42	168.65
c. Other Current Liabilities	XII	186.81	138.87	162.68	171.17	136.53	83.67
d. Short Term Provisions	XIII	59.68	57.60	39.57	12.66	1.86	-
T O T A L		**3,713.60**	**3,528.36**	**2,836.35**	**2,298.30**	**1,594.83**	**1,541.34**
ASSETS							
Non-Current Assets							
a. Fixed Assets	XIV						
i. Tangible Assets		635.65	634.81	634.18	635.57	556.27	548.33
Less: Accumulated Depreciation		210.03	197.25	158.45	118.53	68.03	33.92
ii. Intangible Assets (Net)		0.02	0.02	0.09	0.20	0.30	-
iii Capital Work in Progress		798.29	632.44	227.84	-	10.26	-
Net Block		**1,223.93**	**1,070.01**	**703.66**	**517.24**	**498.79**	**514.41**
b. Deferred Tax Assets (Net)	VIII	-	-	-	-	-	1.36
b. Long Term Loans & Advances	XV	76.55	47.82	108.44	21.60	23.39	21.59

c. Non-Current Investments	XVI	10.00	10.00	10.00	10.00	1.00	-
Current Assets							
a. Inventories	XVII	1,604.25	1,681.89	1,137.74	1,052.23	516.79	519.25
b. Trade Receivables	XVIII	683.93	618.19	801.32	559.24	467.79	410.31
c. Cash and Cash Equivalents	XIX	11.64	8.36	6.58	14.06	56.23	0.97
d. Short Term Loans & Advances	XX	65.11	82.56	28.53	66.83	13.17	44.87
e. Other Current Assets	XXI	38.20	9.53	40.08	57.11	17.67	28.59
T O T A L		**3,713.60**	**3,528.36**	**2,836.35**	**2,298.30**	**1,594.83**	**1,541.34**

ANNEXURE II

STATEMENT OF PROFIT AND LOSS AS RESTATED

Amount (Rs. In lakhs)

Particulars	Annexure	As at July 31, 2018	For the year ended March 31,				
			2018	2017	2016	2015	2014
INCOME							
Revenue from Operations	XXII	3,612.92	10,077.98	7,666.98	6,843.09	5,811.60	3,597.59
Other Income	XXIII	0.57	1.74	3.10	2.81	2.55	2.32
Total Income (A)		**3,613.50**	**10,079.72**	**7,670.08**	**6,845.89**	**5,814.16**	**3,599.92**
EXPENDITURE							
Cost of materials consumed	XXIV	3,372.60	9,281.49	6,931.19	6,289.45	5,451.41	3,503.54
Purchase of Trading Goods	XXV	22.57	412.75	-	-	3.96	21.36
Changes in inventories of Finished Goods and Stock in Trade	XXVI	21.42	(376.26)	46.08	(158.15)	(34.02)	(218.59)
Employee benefit expenses	XXVII	45.51	137.66	153.82	121.91	82.73	54.45
Finance costs	XXVIII	41.39	101.53	136.14	131.76	134.07	104.50
Depreciation and Amortisation expense	XXIX	12.78	38.88	40.02	50.60	34.16	33.92
Other Expenses	XXX	60.72	204.67	186.32	250.80	117.44	105.09
Total Expenses (B)		**3,576.99**	**9,800.73**	**7,493.58**	**6,686.38**	**5,789.75**	**3,604.27**
Profit before exceptional items and tax (C)		**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Exceptional Items		-	-	-	-	-	-
Profit before tax (D)		**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Tax expense :		-					
(i) Current tax		7.51	93.61	53.73	32.52	3.82	-
(ii) Deferred tax		(9.40)	(1.13)	5.14	45.38	8.16	(1.36)
(iii) MAT Credit		(2.12)	14.07	17.74	(27.99)	(3.82)	-
Total Tax Expense (E)		**(4.00)**	**106.55**	**76.61**	**49.91**	**8.16**	**(1.36)**
Profit for the year (D-E)		**40.51**	**172.44**	**99.90**	**109.60**	**16.25**	**(2.99)**

ANNEXURE III
STATEMENT OF CASH FLOW AS RESTATED

Amount (Rs. In lakhs)

Particulars	As at July 31, 2018	For the year ended March 31,				
		2018	2017	2016	2015	2014
Cash flow from operating activities:						
Net Profit before tax as per Profit And Loss A/c	**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Adjusted for:						
Loss on sale of Fixed Assets	-	-	-	-	0.09	-
Depreciation &Amortisation	12.78	38.88	40.02	50.60	34.16	33.92
Provision for Gratuity	0.94	1.31	1.50	1.=54	0.84	0.75
Foreign Exchange Fluctuation	41.31	-	-	-	0.29	-
Interest & Finance Cost	(0.28)	97.01	136.14	131.76	134.07	104.50
Dividend Income	(0.21)	-	(0.08)	(0.03)	-	-
Interest income	-	(0.09)	-	(0.69)	(0.38)	-
Operating Profit Before Working Capital Changes	**91.05**	**416.10**	**354.09**	**342.70**	**193.48**	**134.82**
Adjusted for (Increase)/ Decrease:						
Trade Receivables	(65.74)	183.13	(242.08)	(91.45)	(57.48)	(410.31)
Inventories	77.64	(544.15)	(85.51)	(535.43)	2.45	(512.85)
Long Term Loans and Advances	(28.73)	60.62	(86.84)	1.79	(1.80)	2.50
Short Term Loans and Advances	17.45	(54.02)	38.20	(53.56)	31.69	(34.50)
Trade payables	(83.45)	(46.52)	301.99	325.58	42.47	157.75
Provisions	-	-	-	-	-	-
Current Liabilities	9.88	(50.29)	(8.49)	34.64	23.72	39.57
Other Current Assets	(26.55)	16.47	(0.71)	(11.45)	14.75	(28.59)
Cash Generated From Operations Before Extra-Ordinary Items	**(8.46)**	**(18.66)**	**270.64**	**12.82**	**249.29**	**(651.62)**
Add:- Extra-Ordinary Items	-	-	-	-	-	-
Cash Generated From Operations	**(8.46)**	**(18.66)**	**270.64**	**12.82**	**249.29**	**(651.62)**
Direct Tax Paid	(5.44)	(75.50)	(26.72)	(21.81)	(1.96)	-
Net Cash Flow from/(used in) Operating Activities: (A)	**(13.89)**	**(94.16)**	**243.92**	**(9.00)**	**247.33**	**(651.62)**

Particulars	As at July 31, 2018	For the year ended March 31,				
		2018	2017	2016	2015	2014
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(166.69)	(405.23)	(226.44)	(69.05)	(18.67)	(81.96)
Sale of Fixed Asset/Reversal of Fixed Assets	-	-	-	-	0.04	-
Purchase of Long Term Investments	-	(0.00)	-	(9.00)	(1.00)	-
Dividend Income	0.28	-	0.08	0.03	-	-
Interest Income	0.21	-	-	0.69	0.38	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(166.21)**	**(405.23)**	**(226.36)**	**(77.34)**	**(19.25)**	**(81.96)**
Cash Flow from Financing Activities:						
Proceeds From Share Capital	-	400.00	-	-	-	-
Increase/(Decrease) Long Term Borrowing	213.04	(189.91)	(3.37)	1.47	23.30	340.63
Increase/ (Decrease) in Short Term Borrowing	11.65	388.10	114.47	174.46	(62.06)	460.18
Interest & Financial Charges	(41.31)	(97.01)	(136.14)	(131.76)	(134.07)	(104.50)
Net Cash Flow from/(used in) Financing Activities (C)	**183.38**	**501.18**	**(25.04)**	**44.16**	**(172.83)**	**696.31**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**3.28**	**1.79**	**(7.48)**	**(42.17)**	**55.25**	**(37.27)**
Cash & Cash Equivalents As At Beginning of the Year	**8.36**	**6.58**	**14.06**	**56.23**	**0.97**	**38.24**
Cash & Cash Equivalents As At End of the Year	**11.64**	**8.36**	**6.58**	**14.06**	**56.23**	**0.97**

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by our Company	Upto 24,84,000* Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [ŏ] per Equity Share aggregating Rs. [ŏ] lakhs
Of which:	
Market Maker Reservation Portion	Upto 1,26,000* Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [ŏ] per Equity Share aggregating Rs. [ŏ] lakhs
Net Issue to the Public**	Upto 23,58,000* Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [ŏ] per Equity Share aggregating Rs.[ŏ] lakhs
	Of which:
	Upto [ŏ]* Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs.[ŏ] per Equity Share aggregating Rs. [ŏ] lakhs will be available for allocation to investors up to Rs. 2.00 Lakhs.
	Upto [ŏ]* Equity Shares of face value of Rs. 10 each fully paid of the Company for cash at price of Rs. [ŏ] per Equity Share aggregating Rs. [ŏ] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	58,00,000 Equity Shares of face value of Rs. 10/- each
Equity Shares outstanding after the Issue	Upto [ŏ] Equity Shares of face value of Rs. 10/- each
Use of Proceeds	For further details please refer chapter titled *"Objects of the Issue"* beginning on page 102 of this Red Herring Prospectus for information on use of Issue Proceeds.

**Number of shares may need to be adjusted for lot size upon determination of issue price.*

Notes

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on September 15, 2018 and by the shareholders of our Company *vide* a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on September 17, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

**The allocation in the net Issue to the public category 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 on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage

For further details please refer to Section titled *'Issue Information'* beginning on page 234 of this Red Herring Prospectus.

GENERAL INFORMATION

Our Company was originally incorporated as ñ*Surani Steel Private Limited*ò a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Further, to align with the business of the Company, the name of our Company was changed to ñ*Surani Steel Tubes Private Limited*ò pursuant to special resolution passed by shareholders of the Company in the Extra Ordinary General Meeting held on August 07, 2018 and a fresh Certificate of Incorporation dated August 13, 2018, was issued by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on August 29, 2018 and the name of our Company was changed to Surani Steel Tubes Limited and a fresh Certificate of Incorporation consequent upon Conversion from Private Limited Company to Public Limited Company dated September 12, 2018 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U27109GJ2012PLC071373.

For details of Business, Incorporation, change of name, and Registered Office of our Company, please refer to chapter titled ñ*Our Business" and "Our History and Certain Other Corporate Matters"* beginning on page 132 and 156 of this Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Surani Steel Tubes Limited
S. No. 110, 115, Opp. Vinayak TMT,
Bayad Road, Sampa, Tal. Dahegam,
Gandhinagar-382315, Gujarat, India
Tel: +91 98255 15372
Fax: N.A.
Email: info@suranisteel.com
Website: www.suranisteel.com
CIN: U27109GJ2012PLC071373

REGISTRAR OF COMPANIES

Registrar of Companies, Ahmedabad, Gujarat
ROC Bhavan, Opp. Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad-380013.
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051
Maharashtra, India
Website: www.nseindia.com

BOARD OF DIRECTORS OF OUR COMPANY

The following table sets out details regarding our Board as on the date of this Red Herring Prospectus:

Sr. No.	Name	Age (In Years)	DIN	Address	Designation
1.	Mukesh Patel	40	05331136	11, Vinayak Park, Opp. Ashirwad Hospital, Near College Road, Dahegam, Gandhinagar-382305 Gujarat, India	Joint Managing Director
2.	Dinesh Patel	30	03585273	4, Vinayk Park Society Behind Atithi Hotel, Dahegam-382305 Gujarat, India	Joint Managing Director
3.	Karshan Patel	62	00621993	4, Vinayak Park Society, B/H Atithi Hotel, Dahegam, Gandhinagar-382305, Gujarat, India	Non-Executive Director
4.	Hetika Kinger	24	08228689	FF 104, Emerald Residency-3, Near Chirag Motors Cross Road, Near Parimal Garden, Ahmedabad - 380006, India	Independent Director
5.	Dinesh Dhanji Patel	48	08231737	Champalpur Campa, Palaiya, Dahegam,Gandhinagar-382305, Gujarat, India	Independent Director

For further details of our Directors, please refer to the chapter titled *"Our Management"* beginning on page 160 of this Red Herring Prospectus.

CHIEF FINANCIAL OFFICER

Gaurav Patel
Surani Steel Tubes Limited
S. No. 110, 115, Opp. Vinayak TMT,
Bayad Road, Sampa, Tal. Dahegam,
Gandhinagar-382315, Gujarat
Tel: +91 98255 15372
Fax: N.A.
Email: cfo@suranisteel.com
Website: www.suranisteel.com

COMPANY SECRETARY & COMPLIANCE OFFICER

Hetal Bhansali
Surani Steel Tubes Limited
S. No. 110, 115, Opp. Vinayak TMT,
Bayad Road, Sampa, Tal. Dahegam,
Gandhinagar-382315, Gujarat
Tel: +91 98255 15372
Fax: N.A.
Email: cs@suranisteel.com
Website: www.suranisteel.com

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

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

STATUTORY AUDITOR

M/s. Jethaliya & Associates,
Chartered Accountant
1st Floor, Sapphire Business Centre,
Above SBI Vadaj Branch, Usmanpura
Ashram Road, Ahmedabad ï 380013
Gujarat, India
Tel: +91-79-27556870
Email: jethaliya@gmail.com
Website: Not Avaliable
Contact Person: CA Ratanlal G. Jethaliya
Firm Registration No: 113729W
Membership No: 047398

PEER REVIEWED AUDITOR

M/s. S.N. Shah & Associates,
Chartered Accountant
Sapan House, 10/B,
Government Servant Co-Op. Housing Society,
Opp. Municipal Market, C.G. Road,
Navrangpura, Ahmedabad-380009
Gujarat, India
Tel: +91 79 40098280
Email: snshah_asso@hotmail.com
Website: www.snshahassociates.com
Contact Person: CA Priyam Shah
Firm Registration No: 109782W
Membership No: 144892

S.N. Shah & Associates, Chartered Accountants holds a peer reviewed certificate dated June 06, 2017 issued by The Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India
Tel: +91 22 6194 6700
Fax: + 91 22 2659 8690
Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Hardik Bhuta

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai-400083, Maharashtra, India
Tel: +91 22 49186200
Fax: +91 22 49186195
Email: suranisteel.ipo@linkintime.co.in
Investor Grievance email: suranisteel.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058
CIN: U67190MH1999PTC118368

LEGAL ADVISOR TO THE ISSUE

M V Kini, Law Firm
Kini House, 261/263,
Near City Bank, D.N. Road, Fort,
Mumbai - 400001, Maharashtra, India
Tel: +91 22 2261 2527/ 28/ 29
Fax: +91 22 2261 2530
E-mail: vidisha@mvkini.com
Contact Person: Vidisha Krishan
Website: www.mvkini.com

BANKER TO THE COMPANY

State Bank of India
Anuradha Vibhag-2,
Naroda Road, Dahegam, Gandhinagar-382305
Tel: +91-2716-232641
Fax: +91-2716-232641
E-mail: sbi.00535@sbi.co.in
Contact Person: Mohd Shahid
Website: www.bank.sbi

PUBLIC ISSUE BANK/ BANKER TO THE ISSUE AND REFUND BANKER

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai ï 400020, Maharashtra, India
Tel: 022 ï 66818923/924/932
Fax: 022 ï 22611138
E-mail: shewta.surana@icicibank.com
Website: www.icicibank.com
Contact Person: Ms. Shweta Surana
SEBI Registration No.: INBI00000004

SYNDICATE MEMBER

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East),
Mumbai-400051 Maharashtra, India
Tel: +91 22 26598692
Fax: +91 22 2659 8690
Email: broking@pantomathgroup.com
Website: www.pantomathbroking.com
Contact Person: Mahavir Toshniwal
SEBI Registration Number: INZ000068338

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above mentioned SEBI link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar to Issue and Share Transfer Agents

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

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

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

IPO GRADING

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

APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [ŏ] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the

Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not applicable.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor, M/s. S.N. Shah & Associates, Chartered Accountants, on statement of tax benefits and report on restated financial statements for the period ended July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 as included in this Red Herring Prospectus, our Company has not obtained any expert opinion.

DEBENTURE TRUSTEE

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

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Gujarati Newspaper, Gujarati being the regional language of Gujarat, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date, after the Bid/Issue Closing Date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process. Principal parties involved in the Book Building Process are:

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

This Issue is being made through the Book Building Process, in accordance with chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (ñSEBI (ICDR) Regulationsò) wherein 50% of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders

can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. The allocation in the net Issue to the public category 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 on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage

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

For further details on the method and procedure for Bidding, please see Section entitled *"Issue Procedure"* on page 244 of this Red Herring Prospectus.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs.20.00 to Rs.24.00 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22/- in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the issue price at or below such cut-off price, i.e., at or below Rs.22/-. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see Section titled *"Issue Procedure"* on page 244 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the

securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participantôs verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims

5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

BID / ISSUE PROGRAMME

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

Event	Indicative Date
Bid/Issue Opening Date	January 25, 2019
Bid/Issue Closing Date	January 29, 2019
Finalization of Basis of Allotment with the Designated Stock Exchange	On or Before February 01, 2019
Initiation of Refunds	On or Before February 04, 2019
Credit of Equity Shares to Demat Accounts of Allottees	On or Before February 05, 2019
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before February 06, 2019

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 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.

Bids 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. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non-Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-¨-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

UNDERWRITER

Our Company and Book Running Lead Managers to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated September 20, 2018 and pursuant to the terms of the underwriting agreement; obligations of the underwriters are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite 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 (Rupees in Lakhs)	% of the Total Issue size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises Co-Op Soc. Ltd., Behind Family Court, Bandra Kurla Complex, Bandra East Mumbai 400051 **Tel:** +91 22 61946700 **Fax:** + 91 22 26598690 **Email:** ipo@pantomathgroup.com **Contact Person:** Hardik Bhuta **SEBI Registration Number**: INM000012110	Upto 24,84,000	[ŏ]	100.00%
Total	**Upto 24,84,000**	[ŏ]	**100.00%**

Note – Includes Upto 1,26,000 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 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.

In the opinion of the Board of Directors of the Company, the resources of the above mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager have entered into an agreement dated September 20, 2018, with the following Market Maker, duly registered with National Stock Exchange of India Limited to fulfil the obligations of Market Making.

Pantomath Stock Brokers Private Limited

108, Madhava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India
Tel: +91 22 42577001
Fax: +91 22 2659 8690
Email: broking@pantomathgroup.com
Website: www.pantomathbroking.com
Contact Person: Mahavir Toshniwal
SEBI Registration Number: INZ000068338

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

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between

the sell and the buy quote) shall not be more than 10% or as specified by the stock exchange from time to time and the same shall be updated in Prospectus. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2. The minimum depth of the quote shall be 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(s) (individually or jointly) 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 [ŏ]/- the minimum lot size is [ŏ] Equity Shares thus minimum depth of the quote shall be Rs. [ŏ]/- until the same, would be revised by NSE.

3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 1,24,000 Equity Shares out 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 in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.

4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.

5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

6. There would not be more than five Market Makers for the Companyôs Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.

7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. 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 share on the Stock Exchange.

8. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.

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

   i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

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

   Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

10. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market ï 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.

11. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

    In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

12. EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

13. National Stock Exchange of India Ltd. 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.

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

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 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.

15. 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.

CAPITAL STRUCTURE

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

Amount (Rs. in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
A.	**Authorised Share Capital**		
	90,00,000 Equity Shares of face value of Rs. 10/- each	900.00	
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	58,00,000 Equity Shares of face value of Rs. 10/- each	580.00	
C.	**Present Issue in terms of this Red Herring Prospectus**		
	Issue of Upto 24,84,000 Equity Shares of face value Rs.10/- each at a price of Rs. [ŏ]/- per Equity Share	Upto 248.40	[ŏ]
	Consisting :		
	Reservation for Market Maker ï Upto 1,26,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [ŏ]/- per Equity Share	Upto 12.60	[ŏ]
	Net Issue to the Public ï Upto 23,58,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [ŏ]/- per Equity Share	Upto 235.80	[ŏ]
	Of the Net Issue to the Public		
	Allocation to Retail Individual Investors- Upto [ŏ] Equity Shares of face value of Rs. 10/- each at a price of Rs. [ŏ]/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lacs.	[ŏ]	[ŏ]
	Allocation to Other than Retail Individual Investors- Upto [ŏ] Equity Shares of face value of Rs. 10/- each at a price of Rs. [ŏ]/- per Equity Share shall be available for allocation for Investors applying for a value above Rs. 2 lacs	[ŏ]	[ŏ]
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**		
	Upto [ŏ] Equity Shares of face value of Rs. 10/- each	[ŏ]	
E.	**Securities Premium Account**		
	Before the Issue		320.00
	After the Issue		[ŏ]

The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on September 15, 2018 and by the shareholders of our Company vide a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on September 17, 2018.

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

NOTES TO THE CAPITAL STRUCTURE

1. **Details of changes in Authorised Share Capital:**

The authorized share capital of the Company at the time of incorporation was Rs. 1.00 lakhs divided into 10,000 Equity Shares of Rs. 10/- (Rupees Ten only) each. The following table gives the increase in the authorised share capital post incorporation of our Company:

Sr. No.	Particulars of Change	Date of Shareholdersô Meeting	AGM / EGM
1.	Increase in authorized share capital from Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each to Rs. 2,75,00,000/- divided into 27,50,000 Equity Shares of Rs. 10/- each.	January 12, 2013	EGM
2.	Increase in authorized share capital from Rs. 2,75,00,000/- divided into 27,50,000 Equity Shares of Rs. 10/- each to Rs. 4,50,00,000/- divided into 45,00,000 Equity Shares of Rs. 10/- each.	October 01, 2016	EGM
3.	Increase in authorized share capital from Rs. 4,50,00,000/- divided into 45,00,000 Equity Shares of Rs. 10/- each to Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each.	March 03, 2018	EGM
4.	Increase in authorized share capital from Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each to Rs. 9,00,00,000/- divided into 90,00,000 Equity Shares of Rs. 10/- each.	August 10, 2018	EGM

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

Date of Allotment	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid -up Capital (Rs.)
July 31, 2012 (On Incorporation)	10,000	10	10	Cash	Subscription to MOA(i)	10,000	1,00,000
January 15, 2013	19,90,000	10	10	Cash	Further Allotment(ii)	20,00,000	2,00,00,000
March 26, 2013	5,00,000	10	10	Cash	Further Allotment(iii)	25,00,000	2,50,00,000
March 10, 2018	25,00,000	10	-	Other than Cash	Bonus Issue(iv)	50,00,000	5,00,00,000
March 26, 2018	8,00,000	10	50	Other than Cash	Right Issue(v)	58,00,000	5,80,00,000

(i) Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares of face value of Rs. 10/- each fully paid on July 31, 2012, as per the details given below:

Sr. No.	Name of Person	No. of shares Allotted
1.	Dinesh Patel	5,000
2.	Mukesh Patel	5,000
	Total	**10,000**

(ii) Further Allotment of 19,90,000 Equity Shares of face value of Rs. 10/- each fully paid at price of Rs. 10/- per equity shares on January 15, 2013, as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Bharat Gangaram Patel	10,000
2.	Chunilal Vishrambhai Patel	20,000
3.	Dhrumil Rakesh Amin	62,500
4.	Dhruv Pragnesh Amin	62,500
5.	Dimple Mukesh Patel	20,000
6.	Dinesh Patel	95,000
7.	Dishank Kanaiyalal Soni	62,500
8.	Gangaram Daya Patel	20,000
9.	Hasmukh Shivdas Patel	1,00,000
10.	Hasmukh Shivdas Patel HUF	1,00,000
11.	Hetal Dinesh Patel	50,000
12.	Indira Chunilal Patel	10,000
13.	Karshan Devji Patel HUF	2,20,000
14.	Laxmi Vishram Patel	30,000
15.	Mani Karshan Patel	1,50,000
16.	Mukesh Patel HUF	45,000
17.	Mukesh Patel	65,000
18.	Nandlal Ramlal Patel	62,500
19.	Pinal Suresh Patel	10,000
20.	Prakash Karshan Patel	1,00,000
21.	Prakash Karshan Patel HUF	1,80,000
22.	Pursottam Karshan Patel	50,000
23.	Rajesh Dhansukh Patel	62,500
24.	Shital Vinod Patel	2,50,000
25.	Suresh Gangaram Patel	37,500
26.	Vina Bharat Patel	10,000
27.	Vishram Patel HUF	45,000
28.	Vishram Sivgan Patel	60,000
	Total	**19,90,000**

(iii) Further Allotment of 5,00,000 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 10/- per equity shares on March 26, 2013 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Chunilal Vishrambhai Patel	10,000
2.	Dhirajkumar Dhanjibhai Patel	30,000
3.	Dinesh Patel	50,000

4.	Gangarambhai Dhayabhai Patel	37,500
5.	Kalpesh Kumar Kantilal Patel	30,000
6.	Kantibhai Dhavjibhai Patel	35,000
7.	Kanubhai Dhanjibhai Patel	30,000
8.	Karshanbhai Devjibhai Patel	1,00,000
9.	Laxmiben Vishrambhai Patel	10,000
10.	Mukesh Patel	25,000
11.	Pinal Sureshbhai Patel	15,000
12.	Ravjibhai Valjibhai Patel	50,000
13.	Suresh Gangarambhai Patel	47,500
14.	Vishram Sivgan Patel	30,000
	Total	**5,00,000**

(iv) Bonus Issue of 25,00,000 Equity Shares in the ratio of 1:1 of face value of Rs. 10/- each fully paid on March 10, 2018 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Dinesh Patel	1,50,000
2.	Mukesh Patel	95,000
3.	Bharatkumar Gangaram Patel	10,000
4.	Dhrumil Rakeshbhai Amin	62,500
5.	Dhruvkumar Pragneshbhai Amin	62,500
6.	Dimple Mukesh Patel	20,000
7.	Dishank Kanaiyalal Soni	62,500
8.	Gangarambhai Dahyabhai Patel	57,500
9.	Hamukhbhai Shivdasbhai Patel	1,00,000
10.	Hamukhbhai Shivdasbhai Patel HUF	1,20,000
11.	Hetal Dineshbhai Patel	25,000
12.	Karshanbhai Devjibhai Patel HUF	1,70,000
13.	Laxmiben Vishrambhai Patel	40,000
14.	Maniben Karshanbhai Patel	1,50,000
15.	Mukeshbhai Patel HUF	45,000
16.	Nandlal Ramlal Patel	62,500
17.	Pinalben Sureshbhai Patel	25,000
18.	Prakash Karshanbhai Patel	1,00,000
19.	Prakash Karshanbhai Patel HUF	1,30,000
20.	Purushottombhai Karshanbhai Patel	50,000
21.	Rajesh Dhansukhbhai Patel	62,500
22.	Shital Vinod Patel	2,50,000
23.	Suresh Gangaram Patel	85,000
24.	Vinaben Bharatkumar Patel	10,000
25.	Vishrambhai Patel HUF	45,000
26.	Vishram Sivgan Patel	1,30,000
27.	Dhirajkumar Dhanjibhai Patel	30,000
28.	Kalpeshkumar Kantilal Patel	30,000
29.	Kantilal Dhanjibhai Patel	35,000

30.	Kanubhai Dhanjibhai Patel	30,000
31.	Karshanbhai Devjibhai Patel	1,00,000
32.	Chilkesh Ambalal Patel	1,25,000
33.	Urmilaben Vasantbhai Patel	10,000
34.	Vasantbhai Shivdasbhai Patel	20,000
	Total	**25,00,000**

(v) Right Issue of 8,00,000 Equity Shares of face value of Rs. 10/- each fully paid at a price of Rs. 50/- on March 26, 2018 as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Rajesh Dhansukhbhai Patel	20,000
2.	Bharatkumar Gangaram Patel	1,000
3.	Gangarambhai Dahyabhai Patel	7,500
4.	Pinalben Sureshbhai Patel	12,500
5.	Suresh Gangaram Patel	23,100
6.	Vinaben Bharatkumar Patel	18,000
7.	Nandlal Ramlal Patel	19,500
8.	Dishank Kanaiyalal Soni	19,500
9.	Dinesh Patel	1,07,000
10.	Hetal Dineshbhai Patel	14,000
11.	Karshanbhai Devjibhai Patel	12,000
12.	Karshanbhai Devjibhai Patel HUF	12,000
13.	Maniben Karshanbhai Patel	1,06,000
14.	Prakash Karshanbhai Patel	8,000
15.	Prakash Karshanbhai Patel HUF	39,000
16.	Shital Vinod Patel	50,000
17.	Dhirajkumar Dhanjibhai Patel	11,500
18.	Kalpeshkumar Kantilal Patel	10,500
19.	Kantilal Dhanjibhai Patel	6,500
20.	Kanubhai Dhanjibhai Patel	11,500
21.	Purshottom Karshanbhai Patel	16,000
22.	Dhrumil Rakeshbhai Amin	19,400
23.	Dhruvkumar Pragneshbhai Amin	19,500
24.	Hasmukhbhai Shivdasbhai Patel	55,000
25.	Hasmukhbhai Shivdasbhai Patel HUF	25,000
26.	Dimple Mukesh Patel	20,000
27.	Laxmiben Vishrambhai Patel	40,000
28.	Mukeshbhai Patel HUF	16,000
29.	Mukesh Patel	25,000
30.	Vishrambhai Patel HUF	10,000
31.	Vishram Sivgan Patel	9,000
32.	Chilkesh Ambalal Patel	36,000
	Total	**8,00,000**

Note: The above mentioned allottees had given unsecured loan to our Company which was adjusted towards the equity shares offered to them on Right Issue basis.

3. We have not issued any Equity Shares for consideration other than cash except as mentioned below:

Date of Allotment*	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits accrued to company
March 10, 2018	25,00,000	10	-	Bonus Issue	Capitalisation of Reserves
March 26, 2018	8,00,000	10	50	Right Issue	Conversion of unsecured loan

**For details of Allottees, please refer point no. 2 above.*

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.

5. Our Company has not revalued its assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

6. We have not issued any shares at price below issue price within last one year from the date of this Red Herring Prospectus except as given below:

Date of Allotment*	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment
March 10, 2018	25,00,000	10	-	Bonus Issue
March 26, 2018	8,00,000	10	50	Right Issue

**For details of Allottees, please refer point no. 2 above.*

7. As on the date of this Red Herring Prospectus, our Company does not have any preference share capital.

8. **Build-up of Promotersô shareholding, Promotersô contribution and lock-in**

i. Build-up of Promotersô shareholdings

As on the date of this Red Herring Prospectus, our Promoters in aggregate holds 20,95,000 Equity Shares, constituting 36.12% of the Pre-issued, subscribed and paid-up Equity Shares Capital of our Company. The build-up of shareholding of promoters are as follows:-

a. Mukesh Patel

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
July 31, 2012	5,000	10	10	Subscription to MOA	0.09%	[ŏ]
January 15, 2013	65,000	10	10	Further Allotment	1.12%	[ŏ]
March 26, 2013	25,000	10	10	Further Allotment	0.43%	[ŏ]
March 10, 2018	95,000	10	-	Bonus Issue	1.64%	[ŏ]
March 26, 2018	25,000	10	50	Right Issue	0.43%	[ŏ]

Total	**2,15,000**				**3.71%**	[ŏ]

b. Dinesh Patel

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
July 31, 2012	5,000	10	10	Subscription to MOA	0.09%	[ŏ]
January 15, 2013	95,000	10	10	Further Allotment	1.64%	[ŏ]
March 26, 2013	50,000	10	10	Further Allotment	0.86%	[ŏ]
March 10, 2018	1,50,000	10	-	Bonus Issue	2.59%	[ŏ]
March 26, 2018	1,07,000	10	50	Right Issue	1.84%	[ŏ]
Total	**4,07,000**				**7.02%**	[ŏ]

c. Karshan Patel

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
March 26, 2013	1,00,000	10	10	Further Allotment	1.72%	[ŏ]
March 10, 2018	1,00,000	10	-	Bonus Issue	1.72%	[ŏ]
March 26, 2018	12,000	10	50	Right Issue	0.21%	[ŏ]
Total	**2,12,000**				**3.66%**	[ŏ]

d. Prakash Patel

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
January 15, 2013	1,00,000	10	10	Further Allotment	1.72%	[ŏ]
March 10, 2018	1,00,000	10	-	Bonus Issue	1.72%	[ŏ]

March 26, 2018	8,000	10	50	Right Issue	0.14%	[ŏ]
August 10, 2018	(4,000)	10	50	Transfer to Chilkesh Patel	(0.07%)	[ŏ]
Total	**2,04,000**				**3.52%**	[ŏ]

e. Mani Patel

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
January 15, 2013	1,50,000	10	10	Further Allotment	2.59%	[ŏ]
March 10, 2018	1,50,000	10	-	Bonus Issue	2.59%	[ŏ]
March 26, 2018	1,06,000	10	50	Right Issue	1.83%	[ŏ]
Total	**4,06,000**				**7.00%**	[ŏ]

f. Karsanbhai Devjibhai Patel (HUF)

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
January 15, 2013	2,20,000	10	10	Further Allotment	3.79%	[ŏ]
December 15, 2017	(50,000)	10	20	Transfer to Chilkesh Patel	(0.86%)	[ŏ]
March 10, 2018	1,70,000	10	-	Bonus Issue	2.93%	[ŏ]
March 26, 2018	12,000	10	50	Right Issue	0.21%	[ŏ]
Total	**3,52,000**				**6.07%**	[ŏ]

g. Prakash Karsanbhai Patel (HUF)

Date of Allotment / Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price Rs.)	Nature of Transactions	Pre-issue shareholding %	Post ï issue shareholding %
January 15, 2013	1,80,000	10	10	Further Allotment	3.10%	[ŏ]
December 15, 2017	(50,000)	10	20	Transfer to Chilkesh Patel	(0.86%)	[ŏ]

March 10, 2018	1,30,000	10	-	Bonus Issue	2.24%	[ŏ]
March 26, 2018	39,000	10	50	Right Issue	0.67%	[ŏ]
Total	**2,99,000**				**5.16%**	[ŏ]

ii. Details of Promotersô Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promotersô Contribution (ñPromoters Contributionò) and locked-in for a period of three years from the date of Allotment. The lock-in of the Promotersô Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promotersô Contribution constituting [ŏ]% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

No. of Equity Shares Locked in	Face Value	Issue/ Acquisition Price	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of post-Issue paid-up capital	Source of Promoter ôs Contribution
Mukesh Patel							
5,000	10	10.00	July 31, 2012	Subscribers to MOA	Cash	[ŏ]	Owned Funds
65,000	10	10.00	January 15, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
25,000	10	10.00	March 26, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
95,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-
Dinesh Patel							
5,000	10	10.00	July 31, 2012	Subscribers to MOA	Cash	[ŏ]	Owned Funds
95,000	10	10.00	January 15, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
50,000	10	10.00	March 26, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
1,50,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-

Karshan Patel							
1,00,000	10	10.00	March 26, 2013	Allotment	Cash	[ŏ]	Owned Funds
1,00,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-
Prakash Patel							
1,00,000	10	10.00	January 15, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
1,00,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-
Mani Patel							
1,50,000	10	10.00	January 15, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
1,50,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-
Karsanbhai Devjibhai Patel (HUF)							
1,70,000	10	10.00	January 15, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
1,70,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-
Prakash Karsanbhai Patel (HUF)							
1,30,000	10	10.00	January 15, 2013	Further Allotment	Cash	[ŏ]	Owned Funds
20,000	10	-	March 10, 2018	Bonus Issue	Other than Cash	[ŏ]	-
16,80,000						[ŏ]	

The minimum Promotersô contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as óPromoterô under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promotersô contribution in terms of Regulation 33 of the SEBI (ICDR) Regulations. In connection, we confirm the following:

a. The Equity Shares offered for minimum 20% Promotersô contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promotersô contribution;

b. The minimum Promotersô contribution doesnôt include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;

c. Our Company has not been formed by the conversion of a partnership firm into a Company, so no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;

d. The Equity Shares held by the Promoters and offered for minimum Promotersô contribution are not subject to any pledge;

e. All the Equity Shares of our Company held by the Promoter will be in the dematerialized form; and

f. The Equity Shares offered for Promotersô contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promotersô contribution subject to lock-in.

iii. Details of Equity Shares locked-in for one year

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv. Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promotersô Contribution for 3 years under Regulation 36(a) of the SEBI (ICDR) Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Regulations, as applicable.

We further confirm that our Promoterôs Contribution of [ŏ]% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

9. **Our Shareholding Pattern**

The table below represents the shareholding pattern of our Company:-

i. Summary of Shareholding Pattern as on date of this Red Herring Prospectus:

Category	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 equity 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)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	13	28,14,000	-	-	28,14,000	48.52%	28,14,000	48.52%	28,14,000	48.52%	-	-	-	-	28,14,000
B	Public	21	29,86,000	-	-	29,86,000	51.48%	29,86,000	51.48%	29,86,000	51.48%	-	-	-	-	29,86,000
C	Non-Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	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 equity 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)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**34**	**58,00,000**	**-**	**-**	**58,00,000**	**100.00%**	**58,00,000**	**100.00%**	**58,00,000**	**100.00%**	**-**	**-**	**-**	**-**	**58,00,000**

**As on the date of this Red Herring Prospectus 1 Equity Shares holds 1 vote.*
***All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on NSE Emerge.*
Note: PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares .In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to listing of Equity shares.

10. Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category ñPromoter and Promoter Groupò:

Sr. No.	Name of the Shareholder	Pre ï Issue		Post ï Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1.	Mukesh Patel	2,15,000	3.71%	2,15,000	[ŏ]
2.	Dinesh Patel	4,07,000	7.02%	4,07,000	[ŏ]
3.	Karshan Patel	2,12,000	3.66%	2,12,000	[ŏ]
4.	Prakash Patel	2,04,000	3.52%	2,04,000	[ŏ]
5.	Mani Patel	4,06,000	7.00%	4,06,000	[ŏ]
6.	Karsanbhai Devjibhai Patel HUF	3,52,000	6.07%	3,52,000	[ŏ]
7.	Prakash Karsanbhai Patel HUF	2,99,000	5.16%	2,99,000	[ŏ]
	Sub-total (A)	**20,95,000**	**36.12%**	**20,95,000**	[ŏ]
	Promoter Group				
8.	Dimple Patel	60,000	1.03%	60,000	[ŏ]
9.	Hetal Patel	64,000	1.10%	64,000	[ŏ]
10.	Laxmi Patel	1,20,000	2.07%	1,20,000	[ŏ]
11.	Vishram Patel	2,69,000	4.64%	2,69,000	[ŏ]
12.	Mukesh Patel HUF	1,06,000	1.83%	1,06,000	[ŏ]
13.	Vishram Patel HUF	1,00,000	1.72%	1,00,000	[ŏ]
	Sub-total (B)	**7,19,000**	**12.40%**	**7,19,000**	[ŏ]
	Total (A+B)	**28,14,000**	**48.52%**	**28,14,000**	[ŏ]

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Mukesh Patel	2,15,000	10.23
Dinesh Patel	4,07,000	16.83
Karshan Patel	2,12,000	7.55
Prakash Patel	2,04,000	5.88
Mani Patel	4,06,000	16.75
Karsanbhai Devjibhai Patel HUF	3,52,000	5.11
Prakash Karsanbhai Patel HUF	2,99,000	9.20

12. Except as mentioned below no person belonging to the category ñPublicò holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Shital Patel	5,50,000	9.48%
2.	Chilkesh Patel	2,90,000	5.00%
3.	Hasmukh Patel HUF	2,65,000	4.57%
4.	Hasmukh Patel	2,55,000	4.40%
5.	Suresh Patel	1,91,000	3.29%
6.	Rajesh Patel	1,45,000	2.50%

7.	Dhruv Amin	1,45,000	2.50%
8.	Dishank Soni	1,45,000	2.50%
9.	Nandlal Patel	1,45,000	2.50%
10.	Dhrumil Amin	1,45,000	2.50%
11.	Gangaram Patel	1,22,500	2.11%
12.	Purshottam Patel	1,16,000	2.00%
13.	Kanti Patel	76,500	1.32%
14.	Dhiraj Patel	71,500	1.23%
15.	Kanu Patel	71,500	1.23%
16.	Kalpesh Patel	70,500	1.22%
17.	Pinal Patel	62,500	1.08%
	Total	**28,67,000**	**49.43%**

13. **The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:**

a. Particulars of the top ten shareholders as on the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Shital Patel	5,50,000	9.48%
2.	Dinesh Patel	4,07,000	7.02%
3.	Mani Patel	4,06,000	7.00%
4.	Karshan Patel HUF	3,52,000	6.07%
5.	Prakash Patel HUF	2,99,000	5.16%
6.	Chilkesh Patel	2,90,000	5.00%
7.	Vishram Patel	2,69,000	4.64%
8.	Hasmukh Patel HUF	2,65,000	4.57%
9.	Hasmukh Patel	2,55,000	4.40%
10.	Mukesh Patel	2,15,000	3.71%
	Total	**33,08,000**	**57.03%**

b. Particulars of top ten shareholders ten days prior to the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Shital Patel	5,50,000	9.48%
2.	Dinesh Patel	4,07,000	7.02%
3.	Mani Patel	4,06,000	7.00%
4.	Karshan Patel HUF	3,52,000	6.07%
5.	Prakash Patel HUF	2,99,000	5.16%
6.	Chilkesh Patel	2,90,000	5.00%
7.	Vishram Patel	2,69,000	4.64%
8.	Hasmukh Patel HUF	2,65,000	4.57%
9.	Hasmukh Patel	2,55,000	4.40%
10.	Mukesh Patel	2,15,000	3.71%
	Total	**33,08,000**	**57.03%**

c. Particulars of the top ten shareholders two years prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of the then existing Total Paid-Up Capital
1.	Shital Patel	2,50,000	10.00%
2.	Karsan Patel HUF	2,20,000	8.80%
3.	Prakash Patel HUF	1,80,000	7.20%
4.	Dinesh Patel	1,50,000	6.00%
5.	Mani Patel	1,50,000	6.00%
6.	Hasmukh Patel	1,00,000	4.00%
7.	Hasmukh Patel HUF	1,00,000	4.00%
8.	Prakash Patel	1,00,000	4.00%
9.	Karshan Patel	1,00,000	4.00%
10.	Mukesh Patel	95,000	3.80%
	Total	**14,45,000**	**57.80%**

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2016.

15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.

16. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Emerge Platform of National Stock Exchange of India Limited.

17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

18. The unsubscribed portion if any, after such *inter se* adjustments among the reserved categories shall be added back to the net offer to the public portion.

19. There are no Equity Shares against which depository receipts have been issued.

20. Other than the Equity Shares, there are no other class of securities issued by our Company.

21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

22. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.

23. Except as set out below, none of the members of the Promoter Group, the Promoter, our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six

months immediately preceding the date of filing of the Red Herring Prospectus with the Stock Exchange.

Date of Transfer	Name of the Allottee/ Transferor	Name of Transferee	No. of Shares Allotted / Transferred	Face Value	Issue Price	Nature of Allotment/ Transfer
August 10, 2018	Prakash Patel	Chilkesh Patel	4,000	10	50	Transfer

24. Our Company, Promoters, Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
25. There are no safety net arrangements for this public issue.
26. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalising the Basis of Allotment. Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
27. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
28. As on date of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans against the proceeds of the Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
36. Our Company has 34 (Thirty Four) shareholders as on the date of filing of this Red Herring Prospectus.
37. Our Promoters and the members of our Promoter Group will not participate in this Public Issue.
38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Company for the period ended July 31, 2018 and financial years ended March 31, 2018, 2017, 2016, 2015, 2014,

please refer to paragraph titled ñDetails of Related Parties Transactions as Restatedò in the chapter titled *"Financial Statements as restated"* on page 185 of this Red Herring Prospectus.

40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated above in this chapter and also in the chapter titled ñ*Our Management*ò beginning on page 160 of this Red Herring Prospectus.

41. The associates and affiliates of the BRLM and the Syndicate Members, may subscribe the Equity Shares in the Offer, in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

OBJECTS OF THE ISSUE

Requirement of Funds

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs. [ŏ] lakhs (the ñ**Net Proceeds**ò).

We intend to utilize the Net Proceeds from Issue towards the following objects:

1. Funding the working capital requirements of our Company. and
2. General corporate purposes.

(Collectively, herein referred to as the ñ**Objects**ò)

Also, we believe that the listing of Equity Shares will enhance our Companyôs corporate image, brand name and create a public market for our Equity Shares in India.

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

ISSUE PROCEEDS

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

Amount (Rs. in lakhs)

Particulars	Estimated Amount*
Gross Proceeds of the Issue	[ŏ]
Less- Issue related expenses	[ŏ]
Net Proceeds	[ŏ]

**To be finalized on determination of the Issue Price.*

UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in in the following table:

Amount (Rs. in lakhs)

Sr. No.	Particulars	Amount to be financed from Net Proceeds (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Funding the working capital requirements of our Company	920.00	[ŏ]	[ŏ]
2.	General Corporate Purposes*	[ŏ]	[ŏ]	[ŏ]

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

SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Issue.

(*Rs. In lakhs*)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2019)

1.	Funding the working capital requirements of our Company	920.00	920.00
2.	General Corporate Purposes*	[ŏ]	[ŏ]

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

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

MEANS OF FINANCE

The working capital requirements under our Objects will be met through the Net Proceeds to the extent of Rs. 920.00 lakhs and balance through internal accruals/ net worth/secured & unsecured loans and short term bank finance. Further details of funding of objects is given below:

Amount (Rs. in lakhs)

Objects of the Issue	Amount Required	IPO Proceeds	Internal Accruals/ Net worth/ Secured Loans/ Unsecured Loans	Short Term Cash Credit Facility
Funding the working capital requirements of our Company	2,967.37	920.00	547.37	1,500.00
General Corporate Purposes*	[ŏ]	[ŏ]	-	-

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

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI (ICDR) Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements 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 or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Details of the Objects

1. Funding the working capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, secured and unsecured loans from bank and various related parties. As on March 31, 2017 and March 31, 2018, the amount outstanding on our Companyôs fund based working capital facility was Rs 687.05 lakhs and Rs 1,075.15 lakhs respectively as per restated financial

statements. As on March 31, 2018, our sanctioned working capital facilities comprised of fund based limit of Rs. 1,500.00 lakhs and non-fund based limit of Rs 35.00 lakhs. For further details, please refer to the chapter titled ñ*Financial Indebtedness*ò beginning on page 203 of this Red Herring Prospectus.

Our Companyôs existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2017 and March 31, 2018 is as follows:

Amount (Rs. in lakhs)

Particulars	**March 31, 2018**	**March 31, 2017**
Current Assets		
Inventories		
-Raw material	929.08	717.36
-Stores and Spares	11.64	9.86
-Finished goods	713.68	389.91
-Trading goods	20.77	-
-Other (Scraps)	6.71	20.60
Trade Receivables	618.19	801.32
Cash and Bank Balance	8.37	6.58
Short term loans & advances & Other current asset	92.09	68.61
Total (A)	**2400.53**	**2,014.24**
Current Liabilities.		
Trade Payables	792.47	838.99
Other Current Liabilities & Short Term Provision	196.47	202.25
Total (B)	**988.94**	**1,041.24**
Total Working Capital (A)-(B)	**1,411.59**	**973.00**
Existing Funding Pattern		
Working Capital funding from Banks	1,075.15	687.05
Internal accruals/Net Worth/Secured Loans/ Unsecured Loans	336.44	285.95

Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated September 22, 2018 has approved the business plan for the Fiscal 2019. The projected working capital requirements for Fiscal 2019 is stated below:

Amount (Rs. in lakhs)

Particulars	**March 31, 2019 (Estimated)**
Current Assets	
Inventories	
-Raw material	1,249.60
-Stores and Spares	25.00
-Finished goods	1,107.73
-Trading goods	21.81
-Other(Scraps)	7.38
Trade Receivables	1,049.75
Cash and Bank Balance	8.87
Short term loans & advances & Other current asset	631.25
Total (A)	**4,101.39**
Current Liabilities	
Trade Payables	799.74

Particulars	March 31, 2019 (Estimated)
Other Current Liabilities & Short Term Provision	334.28
Total (B)	**1,134.02**
Total Working Capital (A)-(B)	**2,967.37**
Existing Funding Pattern	
Working Capital loan from Banks	1,500.00
IPO Proceeds	920.00
Internal accruals/Net Worth/Secured Loans/Unsecured Loans	547.37

Assumption for working capital requirements:

(In months)

Particulars	Holding Level as on March 31, 2017	Holding Level as on March 31, 2018	Holding Level for March 31, 2019 (Estimated)
Current Assets			
Raw material	1.24	1.15	1.25
Finished Goods	0.64	0.89	1.11
Trading goods	-	0.03	0.02
Trade Receivables	1.25	0.74	1.00
Current Liabilities			
Trade Payables	1.45	0.98	0.80

Justification for ñHolding Periodò levels

The justifications for the holding levels mentioned in the table above are provided below:

Current Assets	
Inventories	**Raw Material-** We have assumed raw material Inventory period of 1.25 months for the fiscal 2018-19 against 1.15 months for fiscal 2017-18 as we expect to increase our business operations in these years. **Finished Goods-** We have assumed finished goods inventory of 1.11 months for fiscal 2018-19 as against 0.89 months for fiscal 2017-18 as we expect to increase our business operation in these years. **Trading Goods-** We have assumed trading good inventory level of 0.02 for 2018-19 which is in line with our current holding levels.
Trade receivables	We have assumed trade receivable period of 1.00 months for fiscal 2018-19 as against 0.74 months for fiscal 2017-18 as we expect to slightly relax our credit policy to expand our business operation.
Current Liabilities	
Trade Payables	We have assumed trade payables period of 0.80 months for the fiscal 2018-19 as against actual credit period of 0.98 months for fiscal 2017-18 as we intend to decrease the credit period expected from our creditors due to fulfilment of our working capital requirements through our proposed initial public offer. This would help us in maintaining good relations with our creditors.

Our Company proposes to utilize Rs. 920.00 lakhs of the Net Proceeds in Fiscal 2019 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2019 will be arranged from existing Bank loans, unsecured loans and internal accruals/ net worth.

2. General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI (ICDR) Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

(i) strategic initiatives

(ii) brand building and strengthening of marketing activities; and

(iii) 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 ñGeneral Corporate Purposesò 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.

ISSUE RELATED EXPENSES

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

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[ŏ]	[ŏ]	[ŏ]
Regulatory fees	[ŏ]	[ŏ]	[ŏ]
Marketing and Other Expenses	[ŏ]	[ŏ]	[ŏ]
Total estimated Issue expenses	[ŏ]	[ŏ]	[ŏ]

As on the date of this Red Herring Prospectus, our Company has incurred Rs. 24.66 Lakhs towards Issue Expenses out of internal accruals.

SCSBs will be entitled to a processing fee of Rs. 10/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs, on the portion for RIIs and NIIs, would be payable as follows:

Portion for RIIs	0.25 % (exclusive of Goods and Service Tax)
Portion for NIIs	0.15 % (exclusive of Goods and Service Tax)

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

BRIDGE FINANCING

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

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

INTERIM USE OF FUNDS

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

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

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

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

VARIATION IN OBJECTS

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

OTHER CONFIRMATIONS

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [ŏ] times of the face value at the lower end of the Price Band and [ŏ] times of the face value at the higher end of the Price Band.

Investors should also refer to the Section titled *"Our Business", "Risk Factors"* and *"Financial Statements"* beginning on pages 132, 20 and 185 respectively, of this Red Herring Prospectus, to have an informed view before making an investment decision. 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 computing the price are:

- Experienced Promoter and Management Team;
- Quality Products;
- Diversified Product Range;
- Locational Advantage; and
- Established sales and distribution network in Gujarat.

For further details, refer to heading ñ*Our Competitive Strengths*ò under chapter titled ñ*Our Business"* beginning on page 132 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for the period ended July 31, 2018 and financial year ended March 31, 2018, 2017 and 2016 prepared in accordance with Indian GAAP, The Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled *"Financial Statements as Restated"* beginning on page 185 of this Red Herring Prospectus. Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

1. **Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20 as adjusted for changes in capital**

Year/Period ended	Basic & Diluted EPS (Rs.)	Weight
March 31, 2018	3.44	3
March 31, 2017	2.00	2
March 31, 2016	2.19	1
Weighted Average		**2.75**
For the period ended July 31, 2018*		0.70

**Not Annualised*

Notes:

- *Weighted average number of Equity Shares are the number of Equity Shares outstanding at the* beginning *of the period/ year adjusted by the number of Equity Shares issued during year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year. The figures disclosed above are based on the Restated Summary Financial Information of our Company.*
- *The face value of each Equity Share is ₹ 10.*
- *Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.*

- *Basic Earnings per share = Net profit/ (loss) after tax, as restated attributable to equity shareholders /Weighted average number of shares outstanding during the year/period.*
- *Diluted Earnings per share = Net profit after tax, as restated / Weighted average number of diluted equity shares outstanding during the year/period.*
- *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each fiscal] / [Total of weights].*

2. Price to Earnings (P/E) ratio in relation to Price Band of Rs. [ŏ] to Rs. [ŏ] per Equity Share of face value Rs. 10 each fully paid up

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
P/E ratio based on Basic & Diluted EPS for FY 2017-18	[ŏ]	[ŏ]
P/E ratio based on Weighted Average Basic & Diluted EPS	[ŏ]	[ŏ]
***Industry P/E**		
Highest		25.38
Lowest		14.29
Average		18.13

**Industry Composite comprises of Rama Steel Tubes Limited, Hi-Tech Pipes Limited and APL Apollo Tubes Limited.*

3. Return on Net worth (RoNW)

Return on Net worth (ñRoNWò) as per restated financial statements

Year/Period ended	RoNW (%)	Weight
March 31, 2018	16.56	3
March 31, 2017	21.31	2
March 31, 2016	29.70	1
Weighted Average		**20.33**
For the period ended July 31, 2018*		3.74

**Not Annualised*

Notes:

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

4. Minimum Return on Total Net Worth post Issue needed to maintain Pre Issue EPS for the period ended March 31, 2018:

Particulars	(%)
On the Basis of Pre Issue Basic & Diluted EPS	
At Cap price	[ŏ]
At Floor price	[ŏ]

5. Net Asset Value (NAV) per share:

Particulars	Amount per share (Rs.) on the basis of Restated Standalone Financial Statements
Net Asset Value per Equity Share as of July 31, 2018	18.65
Net Asset Value per Equity Share as of March 31, 2018	17.95
Net Asset Value per Equity Share after the Issue - At Cap Price	[ŏ]

Net Asset Value per Equity Share after the Issue - At Floor Price	[ŏ]
Issue Price per equity share	[ŏ]

Notes:

1. *Net Asset Value per Equity Share is traced from the Restated Financial Information of the Company.*
2. *Issue Price per equity share will be determined on conclusion of Book Building Process.*

6. Comparison with listed industry peers:

Name of the Company	CMP*	EPS (Basic) (Rs.)	EPS (Diluted) (Rs.)	P/E Ratio	RONW (%)	NAV (Rs. Per share)	Face Value (Rs. Per share)	Total Income (Rs. in lakhs)
Surani Steel Tubes Limited	[ŏ]	3.44	3.44	[ŏ]	16.56	17.95	10.00	10,079.72
Peer Group**								
Rama Steel Tubes Limited	93.25	6.34	6.34	14.71	14.25	44.26	5.00	34,370.95
Hi-Tech Pipes Limited	201.95	14.13	12.88	14.29	13.82	100.34	10.00	84,279.00
APL Apollo Tubes Limited	1,208.85	47.63	46.76	25.38	12.44	381.62	5.00	4,46,662.00

** Issue Price of our Company is considered as CMP.*
***Source:* www.nseindia.com

Notes:

- Considering the nature, range of services, turnover and size of business of the Company, the peers are not strictly comparable. However, above Company has been included for broad comparison.
- The figures for Surani Steel Tubes Limited are based on the restated financial statements for the year ended March 31, 2018.
- The figures for the peers group are based on standalone audited financial statements for the year ended March 31, 2018.
- Current Market Price (CMP) is the closing price of the peer group scrip as on January 02, 2019 on National Stock Exchange (NSE).
- NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjust or written off) and the debit balance of profit and loss account.
- P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on January 02, 2019 sourced from website of National stock Exchange as divided by the Basic EPS.
- RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves and miscellaneous expenditure). Money received against Share Warrants has not been considered in the Net Worth.
- Surani Steel Tubes Limited is a Book Built issue and price band for the same shall be published 5

working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.

- The Issue Price shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the equity shares by way of Book Building and is justified based on the above accounting ratios.

For further details see Section titled *"Risk Factors"* beginning on page 20 of this Red Herring Prospectus and the financials of the Company including profitability and return ratios, as set out in the Section titled *"Financial Statements"* beginning on page 185 of this Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To
The Board of Directors,
Surani Steel Tubes Limited
S.No.110, 115, Opp. Vinayak TMT,
Bayad Road, Tal. Dahegam,
Sampa, 382315, Gujarat

Dear Sir,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

We hereby confirm that the enclosed annexure, prepared by the Management of Surani Steel Tubes Limited (óthe Companyô), states the possible tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (óActô), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met. The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

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

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

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

Sd/-
CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: September 26, 2018

SECTION IV ï ABOUT THE COMPANY

OUR INDUSTRY

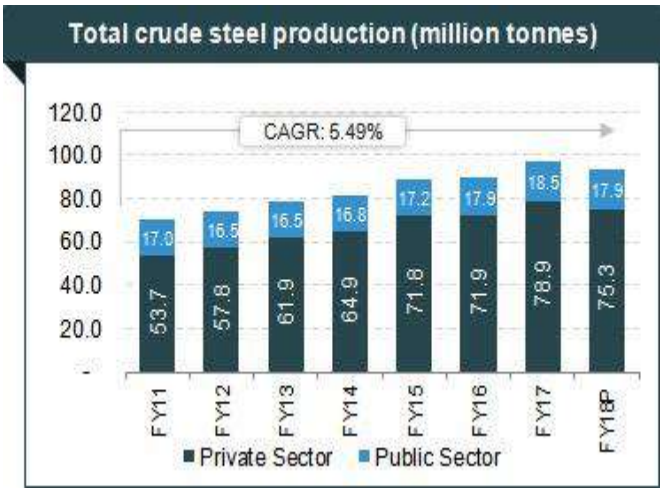
The information in this Section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLM, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

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 and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the Sections titled "Risk Factors" and "Financial Statements" and related notes beginning on page 20 and 185 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

OVERVIEW OF STEEL INDUSTRY

India is the third-largest crude steel producer in the world. In FY18, India produced 104.98 million tonnes (MT) of finished steel. Crude Steel production during 2017-18 stood at 102.34 MT. Exports and imports of finished steel stood at 1.35 MT and 1.89 MT, during Apr-June 2018.

Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018. Indiaôs steel production is expected to increase from 102.34 MT in FY18 to 128.6 MT by 2021. The Government of India has allowed 100 per cent foreign direct investment (FDI) in the steel sector under the automatic route.



Indiaôs per capita consumption of steel grew at a CAGR of 3.96 per cent from 46 kgs. in FY08 to 65.25 kgs. in FY17. The figure stood at 68 kgs. during April-February 2017-18. National Steel Policy 2017 seeks to increase per capita steel consumption to the level of 160 kgs.

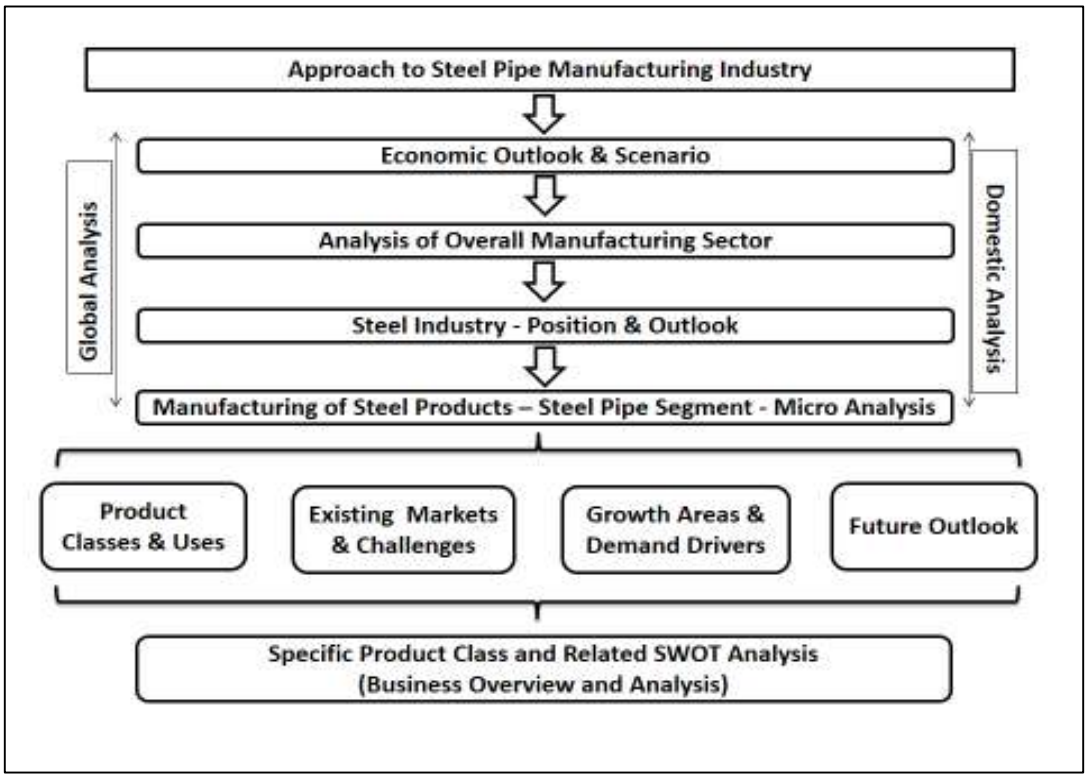
(*Source: Report: - 'STEEL' India Brand Equity Foundation: -* www.ibef.org)

APPROACH TO STEEL PIPE MANUFACTURNG INDUSTRY ANALYSIS:

Analysis of Steel pipe Manufacturing Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Steel pipe Manufacturing Industry forms part of Manufacturing Sector at a macro level. Hence, broad picture of Manufacturing Sector should be at preface while analysing the Steel pipe Manufacturing Industry.

Manufacturing Industry comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Manufacturing Sector is Steel Industry, which in turn encompasses various components one of them being Steel pipe Manufacturing Industry.

Thus, steel pipe Manufacturing Industry should be analysed in the light of manufacturing at large. An appropriate view on Steel pipe manufacturing, then, calls for the overall economy outlook, performance and expectations of manufacturing Sector, position and outlook of steel Industry and micro analysis thereof.



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GLOBAL ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near-synchronous recovery, the most broad-based since 2010. In 2017, roughly three-quarters of countries experienced improvements in their growth rates, the highest share since 2010. The latest World Economic Outlook (WEO) of the IMF shows global GDP growth accelerated to around 3.6 percent in 2017 from 3.2 percent in 2016, and the forecast for 2018 has been upgraded by 0.2 percentage points to 3.9 percent. Although rebounding, global growth is still well below levels reached in the 2000s.

One reason why the recovery has spread around the globe is that world trade in goods and services has finally emerged from its torpor, registering 4.7 percent real volume growth in 2017 compared with 2.5 percent in 2016. Another reason is that commodity producers such as Russia, Brazil, and Saudi Arabia, which for the past few years been suffering from depressed prices, have benefitted from the upswing in demand. Commodity prices increased smartly in 2017, led by petroleum, whose price rose by 16 percent to reach $61 per barrel by the end of the year.

Even as global growth and commodity prices have surged, inflation has remained remarkably quiescent, remaining below 2 percent in the main advanced regions. Consequently, monetary policies in the US, Eurozone and Japan have remained highly accommodative despite a strong recovery. These unusual settings-rapid growth, ultra-low interest rates-at a late stage in the economic cycle have produced the rarest of combinations: record-high high bond prices and stock market valuations, both at the same time. The consensus forecast calls for these conditions to be sustained in 2018, as companies respond to buoyant demand conditions by stepping up investment, some governments (such as the US) embark on expansionary fiscal policies, while advanced country monetary policies remain simulative and world trade continues to grow briskly.

What are the risks? Of course, there are the usual geo-political and geo-economic risks: war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) in advance of the planned listing of the Saudi Arabian oil company, Aramco, which could force

oil prices even higher; a final reckoning from Chinaôs unprecedented credit surge in the form of capital controls, slowdown in growth, and a sharply depreciating currency with consequences for the global economy (Economic Survey, 2016-17, Chapter 1); and trade tensions that could lead to skirmishes, and then spiral out of control. But perhaps the main risks lie on the macro-finance front in advanced economies. These stem from three, inter-related, sources:

- Asset valuations (price-equity ratios) tend to revert to their mean. And the faster and higher they climb, especially so late in the economic cycle, the greater the risk of sharp corrections.
- Simultaneously high valuations of both bonds and equities tend to be briefly lived because they suffer from an acute tension: if future earnings and economic growth are so bright, justifying high equity prices, interest rates cannot be forever so low.
- And if interest rates riseð or if markets even sense that central banks will need to shift their stanceð both bond and equity prices could correct sharply. A plausible scenario would be the following. The IMF is now forecasting that advanced country output gaps will close in 2018 for the first time since the Global Financial Crisis. As this occurs, wages would start rising, eating into profits (which would prick equity valuations); and as inflation rises in tandem, policy makers would be forced into raising rates, deflating bond valuations and further undermining share prices.

What would happen to growth if asset prices correct? Surely, the impact would be far smaller than it was in 2007-09, because advanced countries are far less vulnerable than they were a decade ago. In particular, the leverage tied to these assets is much lower, which would minimize contagious propagation; while banks are much better buffered, with higher levels of capital and core deposits, and lower levels of risky assets.

Even so, there would be some consequences. For one, a large decline in wealth would force advanced country consumers to cut back on their spending, which in turn would lead firms to curtail their investments. And if this happens, monetary and fiscal policies would have much less room for expansionary manoeuvre since interest rates are already low while government debts are high. And the political implications of yet another decline in asset prices, the second in a decade, could also be significant, with effects that are difficult to imagine.

In sum, assessing future risks hinges on two calls: interest rate policy and asset valuations. On policy, extraordinarily low rates have, to paraphrase Paul Krugman, become ñan obsession in search of a justification.ò Initially justified by the dislocations caused by the Global Financial Crisis, then by large output gaps, they are now defended on the grounds that inflation remains weak, even as the slack in product and labour markets is disappearing rapidly. Will the gathering new evidence on closing output gaps and rising employment dispel that obsession?

On valuations, the prognosticator must navigate a narrow strait: steering clear of the ñCry of Wolfò trap (bond prices will finally, finally correct, having defied the prediction of correction in each of the last several years), without succumbing to the siren call of ñThis Time is Differentò (stock valuations are sustainable this time because interest rates will remain at historic lows).

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OVERVIEW OF INDIAôS ECONOMIC PERFORMANCE IN 2017-18

Economic activity

The key question going forward is whether the economy has troughed, and if so at what pace it will recover toward its medium term trend. High frequency indicators do suggest that a robust recovery is taking hold as reflected in a variety of indicators, including overall GVA, manufacturing GVA, the IIP, gross capital formation (Figure 17) and exports.

Similarly, real non-food credit growth has rebounded to 4 percent in November 2017 on a year-on-year basis, while the squeeze on real credit to industry is abating (Figure 18). Moreover, the flow of nonbank resources to the corporate sector, such as bond market borrowing and lending by NBFCs, has increased by 43 percent (April-December 2017 compared to the same period a year ago), substituting in part for

weak bank credit. Rural demand, proxied by motor cycle sales, and auto sales, while not yet back to its pre-demonetization trend, are recovering (Figures 19 and 20).

Figure 19. Sale of Motorcycles (Seasonally adjusted, in thousands)

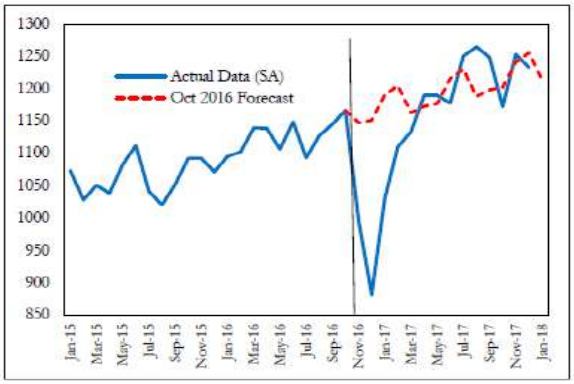
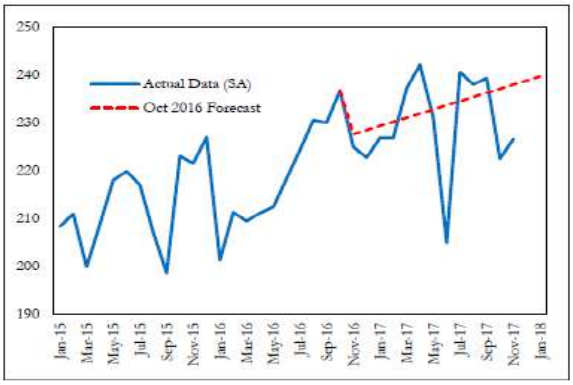


Figure 20. Sale of Passenger Cars (Seasonally adjusted, in thousands)

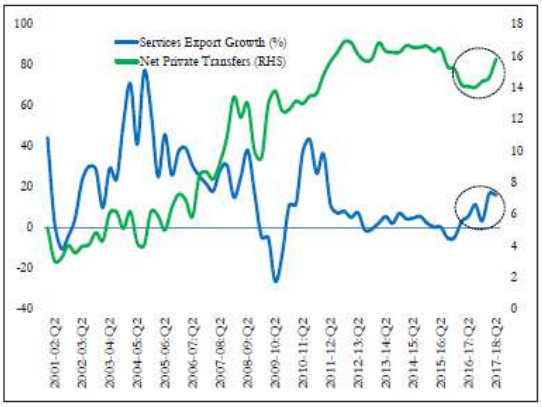


Source: Society for Indian Automobile Manufacturers, Survey calculations.

Perhaps most significantly, the behaviour of manufacturing exports and imports in the second and third quarters of this fiscal year has started to reverse. The re-acceleration of export growth to 13.6 percent in the third quarter of FY2018 and deceleration of import growth to 13.1 percent, in line with global trends, suggest that the demonetization and GST effects are receding. Services export and private remittances are also rebounding (Figure 21).

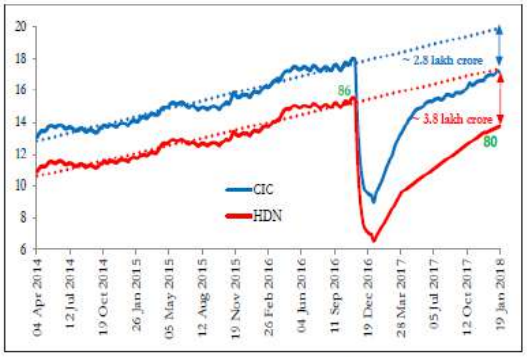
On demonetization specifically, the cash-to-GDP ratio has stabilized, suggesting a return to equilibrium. The evidence is that since about June 2017 the trend in currency is identical to that pre-demonetization (Figure 22). The stabilization also permits estimation of the impact of demonetization: about Rs. 2.8 lakh Crores less cash (1.8 percent of GDP) and about Rs. 3.8 lakh Crores less high denomination notes (2.5 percent of GDP).

Figure 21. Services Export Growth (percent) and Net Private Remittances (in US$ billion)



Source: RBI, Survey calculations.

Figure 22. Currency in Circulation (CIC) and High Denomination Notes (HDN) (In Rs. lakh crore)



Source: RBI, Survey calculations; Numbers in green denote HDN as share of CIC.

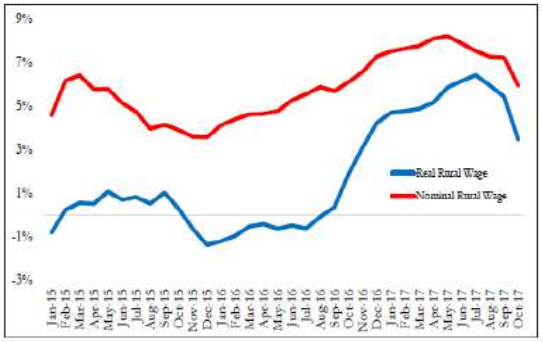
A final, important factor explaining the growth recovery is fiscal, which is providing a boost to aggregate demand. For reasons related to smoothening the transition, GST revenues will only be collected for 11 months, which is akin to a tax cut for consumers. Meanwhile, overall revenue expenditure growth by the central and state governments at remains strong at 11.7 percent (April to November). Cyclical conditions may also lead to lower tax and non-tax revenues, which act as an automatic stabilizer.

All this said, while the direction of the indicators is positive, their level remains below potential. IIP growth (April-November 2017 over same period in the previous year) is 3.2 percent, real credit growth to industry is still in negative territory, and the growth in world trade remains less than half its level of a decade ago. Moreover, even though the cost of equity has fallen to low levels, corporates have not raised commensurate amounts of capital, suggesting that their investment plans remain modest (Box 6). In other words, the twin engines that propelled the economyôs take-off in the mid-2000s ï exports and investment ï are continuing to run below take-off speed.

Meanwhile, developments in the agriculture sector bear monitoring. The trend acceleration in rural wages (agriculture and non-agriculture), which had occurred through much of 2016 because of increased activity on the back of a strong monsoon, seems to have decelerated beginning just before the kharif season of 2017-18 (Figure 23) but it is still greater than much of the last three years. Three crop-specific developments are evident. Sowing has been lower in both kharif and Rabi, reducing the demand for labour. The acreage for kharif and Rabi for 2017-18 is estimated to have declined by 6.1 percent and 0.5 percent, respectively. Pulses and oilseeds have seen an increase in sowing, but this has translated into unusually low farm gate prices (below their minimum support price, MSP), again affecting farm revenues. The so-called TOP perishables (tomatoes, onions, and potatoes) have meanwhile fluctuated between high and low prices, engendering income uncertainty for farmers.

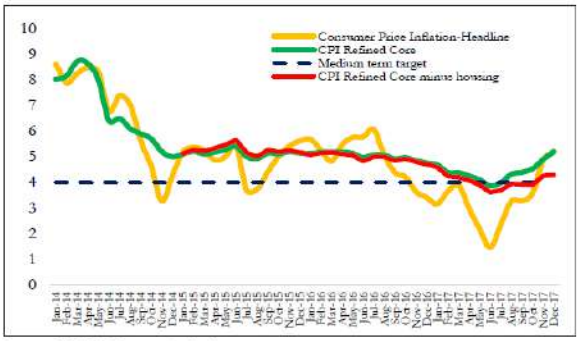
The CSO has forecast real GDP growth for 2017-18 at 6.5 percent. However, this estimate has not fully factored in the latest developments in the third quarter, especially the greater-than-CSO-forecast exports and government contributions to demand. Accordingly, real GDP growth for 2017-18 as a whole is expected to be close to 6 3/4 percent. Given real GDP growth of 6 percent in the first half, this implies that growth in the second half would rebound to 7.5 percent, aided by favourable base effects, especially in the fourth quarter.

Figure 23. Real and Nominal Rural Wages Growth (percent, 3 month moving average)



Source: Labour Bureau, Survey calculations.

Figure 24. Inflation: CPI and Variants* (percent, year-on-year)



Source: MoSPI, Survey calculations.
*CPI Refined Core is obtained by stripping out the volatile food and fuel components.

Average CPI inflation for the first nine months has averaged 3.2 percent and is projected to reach 3.7 percent for the year as a whole. This implies average CPI inflation in the last quarter of 5 percent, in line with the RBIôs forecast. Therefore, the GDP deflator is expected to grow by 3.6 percent for 2017-18, somewhat higher than the CSOôs forecast of 2.8 percent. Consequentially, nominal GDP growth is estimated at 10.5 percent, compared with the CSOôs 9.5 percent estimate.

Macroeconomic indicators

After 13 months of continuously under-shooting the inflation target by an average of 130 basis points, headline inflation for the first time crossed the RBIôs 4 percent target in November, posting a rate of 5.2 percent in December 2017 (Figure 24). The recent upswing in inflation stems from rising global oil prices (not all of which has been passed on to consumers), unseasonal increases in the prices of fruits and vegetables, and the 7th Pay Commission housing rent allowances, which mechanically increase inflation. Stripped of all these factors, underlying inflation has been increasing at a more modest pace, reaching 4.3 percent at end-December-in part because firms are passing the incidence of GST on to final consumers only gradually.

The current account deficit has also widened in 2017-18 and is expected to average about 1.5-2 percent of GDP for the year as a whole. The current account deficit can be split into a manufacturing trade deficit, an oil and gold deficit, a services deficit, and a remittances deficit (Figure 25). In the first half of 2017-18, the oil and gold balance has improved (smaller deficit of $47 billion) but this has been offset by a higher trade deficit ($18 billion) and a reduced services surplus ($37 billion), the latter two reflecting a deterioration in the economyôs competitiveness.

Despite these developments, the overall external position remains solid. The current account deficit is well below the 3 percent of GDP threshold beyond which vulnerability emerges. Meanwhile, foreign exchange reserves have reached a record level of about $432 billion (spot and forward) at end-December 2017, well above prudent norms.

Fiscal developments

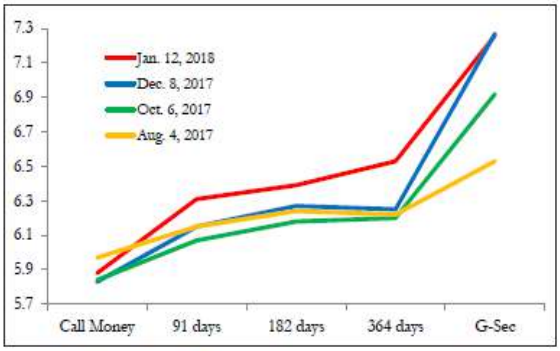
Bond yields have increased sharply (Figure 26) since August 2017, reflecting a variety of factors, including concerns that the fiscal deficit might be greater-than-budgeted, expectations of higher inflation, a rebound in activity that would narrow the output gap, and expectations of rate increases in the US. As a result, the yield curve has become unusually steep (Figure 27).

The fiscal deficit for the first eight months of 2017-18 reached 112 percent of the total for the year, far above the 89 percent norm (average of last 5 years), largely because of a shortfall in non-tax revenue, reflecting reduced dividends from government agencies and enterprises. Expenditure also progressed at a fast pace, reflecting the advancing of the budget cycle by a month which gave considerable leeway to the spending agencies to plan in advance and start implementation early in the financial year. Partially offsetting these trends will be disinvestment receipts which are likely to exceed budget targets.

Figure 26. 10-year G-sec Yields : India and US

Source: Bloomberg; RBI.

Figure 27. Yield Curve



Source: Bloomberg; RBI, Survey calculations.

GST revenue collections are surprisingly robust given that these are early days of such a disruptive change (See Box 7). Government measures to curb black money and encourage tax formalization, including demonetization and the GST, have increased personal income tax collections substantially (excluding the securities transactions tax). From about 2 percent of GDP between 2013-14 and 2015-16, they are likely to rise to 2.3 percent of GDP in 2017-18, a historic high. Precise estimates of the governmentôs contribution to this improvement vary depending on the methodology used. An econometric exercise yields an estimate of Rs. 40,000 Crores over the two fiscal years of 2016-17 and 2017-18.3 Another based on comparing the difference in actual tax buoyancy in 2016-17 and 2017-18 over the previous seven-yearsô average buoyancy, yields an estimate of about Rs. 65,000 Crores (both exclude the 25,000 Crores collected under the Income Disclosure Scheme and Pradhan Mantri Garib Kalyan Yojana). Thus, the sum of all government efforts increased income tax collections, thus far, between Rs. 65,000 and Rs. 90,000 Crores. These numbers imply a substantial increase in reported incomes (and hence in formalization) of about 1.5 percent to 2.3 percent of GDP.

As a result of the budget overruns, the central governmentôs fiscal deficit until November 2017 was Rs. 6.1 lakh crore compared to the budgeted Rs. 5.5 lakh crore. In contrast, state governments seem to be

hewing closely to their targeted fiscal consolidation ï in part because the centre has guaranteed them a large increase in their indirect tax take, as part of the GST agreement.

Reflecting largely fiscal developments at the centre, a pause in general government fiscal consolidation relative to 2016-17 cannot be ruled out. In addition, the measured deficit for 2017-18 will include Rs. 80,000 crore (0.5 percent of GDP) in capital provided to public sector banks. But this will not affect aggregate demand, as reflected in international accounting practice which deems such operations as financing (ñbelow-the-lineò) rather than expenditure.

In the case of borrowing by the states, markets have perhaps inadequately taken into account the fact that higher market borrowings by them does not reflect higher deficits; rather about Rs. 50,000 crore or 0.3 percent of GDP of market borrowings is due to changes in the composition of financing, away from higher cost NSSF borrowings toward lower cost market borrowings. This lack of strict correspondence between the deficit and borrowings at the central and state levels (Figure 28) is discussed in greater detail in Box 8. For general government, about Rs. 40,000 Crores represents greater market borrowings that is not due to deficitsð a fact which markets apparently have not internalized.

Another factor contributing to the rise in bond yields has been stepped-up Open Market Operations (OMO) by the RBI. This amounted to a net sale of about Rs. 90,000 Crores during April-December 2017-18 (compared to a net redemption of Rs. 1.1 lakh Crores during the same period in 2016-17) to sterilize the impact of foreign flows, themselves induced by high interest rates.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

OUTLOOK FOR 2018-19

The outlook for 2018-19 will be determined by economic policy in the run-up to the next national election. If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant as today, growth could start recovering towards its medium term economic potential of at least 8 percent.

Consider the components of demand that will influence the growth outlook. The acceleration of global growth should in principle provide a solid boost to export demand. Certainly, it has done so in the past, particularly in the mid-2000s when the booming global economy allowed India to increase its exports by more than 26 percent per annum. This time, the export response to world growth has been in line with the long-term average, but below the response in the mid-2000s. Perhaps it is only a matter of time until exports start to grow at a healthy rate. Remittances are already perking up, and may revive further due to higher oil prices.

Private investment seems poised to rebound, as many of the factors exerting a drag on growth over the past year finally ease off. Translating this potential into an actual investment rebound will depend on the resolution and recapitalization process. If this process moves ahead expeditiously, stressed firms will be put in the hands of stronger ownership, allowing them to resume spending. But if resolution is delayed, so too will the return of the private cape cycle. And if this occurs public investment will not be able to step into the breach, since it will be constrained by the need to maintain a modicum of fiscal consolidation to head off market anxieties.

Consumption demand, meanwhile, will encounter different tugs. On the positive side, it will be helped by the likely reduction in real interest rates in 2018-19 compared to the 2017-18 average. At the same time, average oil prices are forecast by the IMF to be about 12 percent higher in 2018-19, which will crimp real incomes and spendingð assuming the increase is passed on into higher prices, rather than absorbed by the budget through excise tax reductions or by the oil marketing companies. And if higher oil prices requires tighter monetary policy to meet the inflation target, real interest rates could exert a drag on consumption.

Putting all these factors together, a pick-up in growth to between 7 and 7.5 percent in 2018-19 can be forecasted, re-instating India as the worldôs fastest growing major economy. This forecast is subject to upside potential and downside risks. The biggest source of upside potential will be exports. If the relationship between Indiaôs exports and world growth returns to that in the boom phase, and if world growth in 2018 is as projected by the IMF, then that could add another İ percentage point to growth.

Another key determinant of growth will be the implementation of the IBC process. Here timeliness in resolution and acceptance of the IBC solutions must be a priority to kick-start private investment. The greater the delays in the early cases, the greater the risk that uncertainty will soon shroud the entire IBC process. It is also possible that expeditious resolution may require the government to provide more resources to PSBs, especially if the haircuts required are greater than previously expected, the ongoing process of asset quality recognition uncovers more stressed assets, and if new accounting standards are implemented.

Persistently high oil prices (at current levels) remain a key risk. They would affect inflation, the current account, the fiscal position and growth, and force macroeconomic policies to be tighter than otherwise. One eventuality to guard against is a classic emerging market ñsudden stallò induced by sharp corrections to elevated stock prices. (Box 9 suggests that Indiaôs stock price surge is different from that in other countries but does not warrant sanguine-ness about its sustainability.) Savers, already smarting from reduced opportunities in the wake of demonetization, from depressed gold prices, and from lower nominal interest rates, would feel aggrieved, leading to calls for action. Stock price corrections could also trigger capital outflows, especially if monetary policy unwinds less hesitantly in advanced countries and if oil prices remain high. Policy might then have to respond with higher interest rates, which could choke off the nascent recovery. The classic emerging market dilemma of reconciling the trade-off between macro-stability and growth could then play itself out.

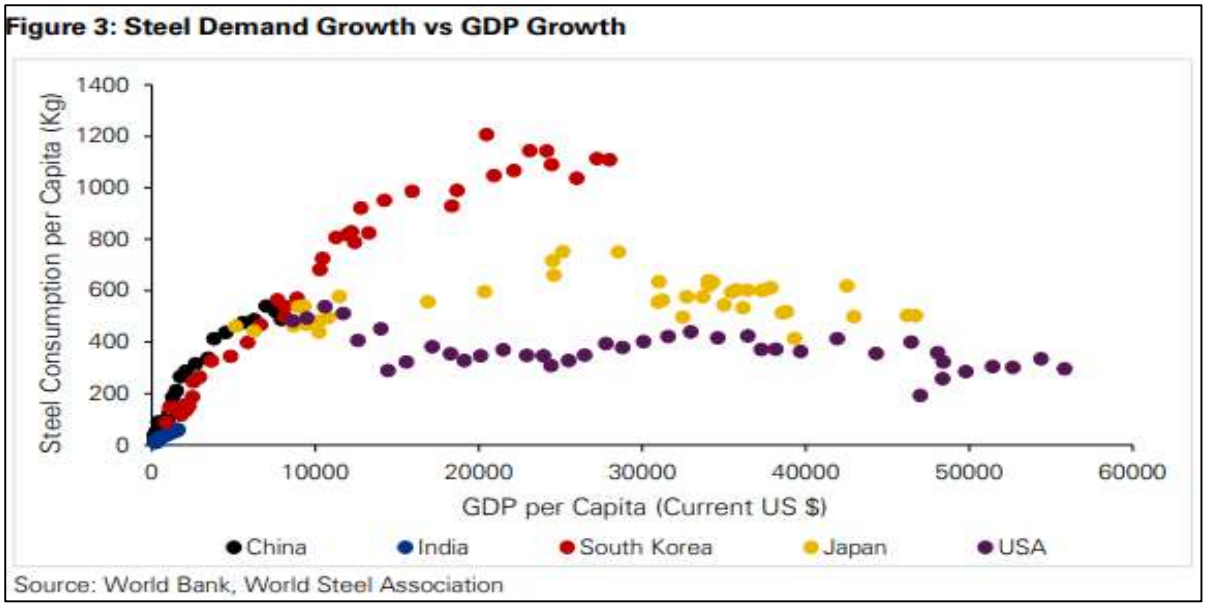
A key policy question will be the fiscal path for the coming year. Given the imperative of establishing credibility after this year, given the improved outlook for growth (and hence narrowing of the output gap), and given the resurgence of price pressures, fiscal policy should ideally have targeted a reasonable fiscal consolidation. However, setting overly ambitious targets for consolidation-especially in a pre-election year-based on optimistic forecasts that carry a high risk of not being realized will not garner credibility either. Pragmatically steering between these extremes would suggest the following: a modest consolidation that credibly signals a return to the path of gradual but steady fiscal deficit reductions.

Against this overall economic and political background, economic management will be challenging in the coming year. If the obvious pitfalls (such as fiscal expansion) are avoided and the looming risks are averted that would be no mean achievement.

(Source: Economic Survey 2017-18 Volume 1 www.indiabudget.nic.in)

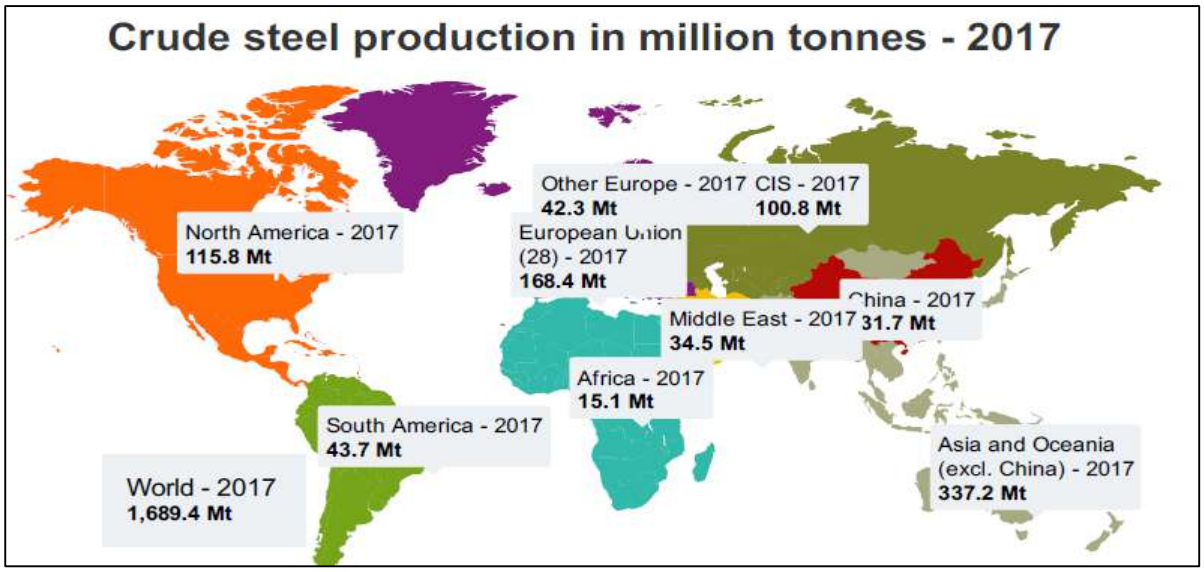
OVERVIEW OF GLOBAL STEEL INDUSTRY

Steel is one of the worldôs most essential materials. It is fundamental to every aspect of our lives, from infrastructure and transport to the tinplated steel can that preserves food. It is one of the most important products of the modern world and is of strategic importance to any industrial nation. From construction, industrial machinery and transportation to consumer products, steel finds a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of use of raw materials. Steel consumption also shows strong link with the economic growth. It is understandable since the economic growth will drive the infrastructure spend and housing. With respect to retail consumers, economic growth will drive the consumption leading to increased spending on automobiles, white goods, etc. All drivers of steel demand. However, over the long run, growth in steel consumption will also depend on the structure of economy and not just growth. For instance, countries with significant proportion of service industry will see steel demand plateauing (e.g. US) whereas manufacturing focused economies will see steel demand growing with economic growth (e.g. South Korea, China).



(Source: India Steel 2017, Federation of Indian Chambers of Commerce and Industry, www.ficci.in)

Steel as a product is so versatile and fundamental to our lives that it is considered essential to economic growth. Consequently, for most of the past 50 years, the world has been producing increasingly more steel and sometimes more than was actually required ï while at the same time, making the product universally affordable and promoting intense competition between its producers.



(Source: World Steel in Figures 2018, World Steel Association, www.worldsteel.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the óMake in Indiaô program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*.

Market Size

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of

India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power.

As per Labour Bureauôs Quarterly Report on Employment Scenario, manufacturing sector added an estimated 89,000 jobs in the second quarter of 2017-18.

Cumulative Foreign Direct Investment (FDI) in Indiaôs manufacturing sector reached US$ 73.70 billion during April 2000-December 2017.

India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- As of May 2018, The Chatterjee Group (TCG) is planning to set up a Continuous Polymerisation (CP) unit and a spinning unit, which will act as forward integrated units for its petrochemicals subsidiary MCPI.
- As of April 2018, Rallis India, a subsidiary of Tata Chemicals, is planning to undertake backward integration as its inputs have become costlier and the move will help the company to ease pressure on its profit margins.
- For its Commercial Vehicles, Ashok Leyland is utilising machine learning algorithms and its newly created telematics unit to improve the performance of the vehicle, driver and so on.

Government Initiatives

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- As of March 2018, Government of India is in the process of coming up with a new industrial policy which envisions development of a globally competitive Indian industry.
- In Union Budget 2018-19, the Government of India reduced the income tax rate to 25 per cent for all companies having a turnover of up to Rs 250 crore (US$ 38.75 million).
- Under the Mid-Term Review of Foreign Trade Policy (2015-20), the Government of India increased export incentives available to labour intensive MSME sectors by 2 per cent.
- The Government of India has launched a phased manufacturing programme (PMP) aimed at adding more smartphone components under the Make in India initiative thereby giving a push to the domestic manufacturing of mobile handsets.
- The Government of India is in talks with stakeholders to further ease foreign direct investment (FDI) in defence under the automatic route to 51 per cent from the current 49 per cent, in order to give a boost to the Make in India initiative and to generate employment.
- The Ministry of Defence, Government of India, approved the ñStrategic Partnershipò model which will enable private companies to tie up with foreign players for manufacturing submarines, fighter jets, helicopters and armoured vehicles.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US$ 1.5 billion).

Road Ahead

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The manufacturing sector of India has the potential to reach US$ 1 trillion by 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US$ 2.5 trillion along with a population of 1.32 billion people, which will be a big draw for investors.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US$ 0.015 as on March 30, 2018

Notes: * - According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Report: - Manufacturing Sector in India, India Brand Equity Foundation: - www.ibef.org)

OVERVIEW OF INDIAN STEEL INDUSTRY:

Introduction

India was the worldôs third-largest steel producer in 2017. @ The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to Indiaôs manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels. Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

Market Size

Indiaôs finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT. Indiaôs crude steel and finished steel production increased to 102.34 MT and 104.98 MT in 2017-18, respectively. In 2017-18, the countryôs finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. Exports and imports of finished steel stood at 0.99 MT and 1.22 MT, during Apr-May 2018.

Investments

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. According to the data released by Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US$ 10.56 billion in the period April 2000ï December 2017.

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

- Vedanta Star Ltd has outbid other companies to acquire Electro steel Steels for US$ 825.45 million.
- Tata Steel won the bid to acquire Bhushan Steel by offering a consideration of US$ 5,461.60 million.
- JSW Steel has planned a US$ 4.14 billion capital expenditure programme to increase its overall steel output capacity from 18 million tonnes to 23 million tonnes by 2020.
- Liberty House Group, a UK based business, is aiming to acquire Bhushan Power and Steel which will help the conglomerate to enter the Indian market.
- Tata Steel has decided to increase the capacity of its Kalinganagar integrated steel plant from 3 million tonnes to 8 million tonnes at an investment of US$ 3.64 billion.

Government Initiatives

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

- Government of Indiaôs focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.
- The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs. per capita steel consumption by 2030.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US$ 30 million).

Road ahead

India is expected to overtake Japan to become the world's second largest steel producer soon, and has envisaged achieving 300 MT of annual steel production capacity by 2030. Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018.

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production.* Huge scope for growth is offered by Indiaôs comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: -* www.ibef.org)

EVOLUTION OF INDIAN STEEL INDUSTRY

1907-1918

Production of steel started in India (TATA STEEL formerly known as TISCO was setup in 1907). IISC was set up in 1918 to compete with TISCO.

1923-1948

Mysore Iron and Steel Company was set up in 1923 According to the new Industrial Policy Statement (1948), new ventures were only undertaken by the central government

1954-1964

Hindustan Steel Ltd and Bokaro Steel Ltd were setup in 1954 and 1964, respectively In the early 1990s, the public sector dominated steel production Private players were in downstream production mainly producing finished steel using crude steel products

1973-1992

SAIL was created in 1973 as a holding company to oversee most of India's iron and steel production In 1989, SAIL acquired Vivesvata Iron and Steel Ltd In 1993, the government set plans in motion to partially privatise SAIL

1993-2014

Foreign players began entering the Indian steel market No license requirement for capacity creation Imposition of export duty on iron ore, to focus more on catering growing domestic demand Decontrol of domestic steel prices Launch of Scheme for promotion of Research and Development in Iron and Steel sector

2015-2018

In 2017, India ranked as the 3rd largest crude steel producer in the world, leaving behind United States. During 2017-18, 9.62 MT of steel was exported from India.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: - www.ibef.org*)

OPPORTUNITIES IN STEEL INDUSTRY:

Automotive

The automotive industry is forecasted to grow in size by US$ 74 billion in 2015 to US$ 260-300 billion by 2026 With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust In 2017, Indian automotive sector is estimated to be 3rd largest automotive market, by volume

Capital Goods

The capital goods sector accounts for 11 per cent of steel consumption and expected to increase 14/15 per cent by 2025-26 and has the potential to increase in tonnage and market share Corporate Indiaôs capex is expected to grow and generate greater demand for steel

Infrastructure

The infrastructure sector accounts for 9 per cent of steel consumption and expected to increase 11 per cent by 2025-26. Due to such a huge investment in infrastructure the demand for long steel products would increase in the years ahead

Airports

More and more modern and private airports are expected to be set up In FY18, passenger traffic at Indian airports stood at 308.75 million and number of operational airports stood at 94 in July 2017. Development of Tier-II city airports would sustain consumption growth Estimated steel consumption in airport building is likely to grow more than 20 per cent over next few years

Railways

The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in future Gauge conversion, setting up of new lines and electrification would drive steel demand PPP Investments in railways are expected to grow from Rs 24,000 crore (US$ 3.72 billion) in 2017-18 (RE) to Rs 27,000 crore (US$ 4.19 billion) in 2018-19

Oil and Gas

Oil and gas amongst major end-user segment accounted for 34.4 per cent of primary energy consumption in FY16 This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity to the steel industry

Power

The government targets capacity addition of 100 GW under the 13th Five-Year Plan (2017ï 22) Both generation and transmission capacities would be enhanced, thereby raising steel demand from the sector. Power capacity addition of 17,169.86 MW achieved in 2017-18.

Rural India

Rural India is expected to reach per capita consumption of 12.11 kg to 14 kg for finished steel by 2020. Policies like Food for Work Programme (FWP) and Indira Awaas Yojana, Pradhan Mantri Gram Sadak Yojana are driving growing demand for construction steel in rural India In FY16, per capita consumption of steel in rural India is estimated at 9.74 kg.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: - www.ibef.org*)

POLICY SUPPORT AIDING GROWTH IN STEEL SECTOR

National Steel Policy 2017

- New National Steel Policy has been formulated by the Ministry of Steel in 2016, which will retain the objectives included in National Steel Policy (NSP) 2005. It aims at covering broader aspects of steel sector across the country including environment and facilitation of new steel projects, growth of steel demand in India and raw materials
- Under the policy, the central government stated that all the government tenders will give preference to domestically manufactured steel and iron products. Moreover, Indian steel makers importing intermediate products or raw materials can claim benefits of domestic procurement provision by adding minimum of 15 per cent value to the product.
- The New steel policy, 2017 aspires to achieve 300MT of steelmaking capacity by 2030. This would translate into additional investment of Rs 10 lakh Crore (US$ 156.08 billion) by 2030-31.
- New Steel Policy seeks to increase per capita steel consumption to the level of 160 kgs. by 2030 from existing level of around 60 kg.

R&D and Innovation

- The scheme for the promotion of R&D in the iron and steel sectorô has been continued under the 14th Finance Commission (2019-20). Under the scheme, 26 projects have been approved with financial assistance of Rs 161 crore (US$ 24.98 million) from Ministry of Steel.

Rise in Export Duty

- The government hiked the export duty on iron ore to 30 per cent ad valorem on all varieties of iron ore (except pellets)

Reduction in custom duty on plants and equipment

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

Push due to Make in India initiative

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

Foreign Direct Investment

- 100 per cent FDI through the automatic route is allowed in the Indian steel sector

(*Source: Report: - 'STEEL' India Brand Equity Foundation: - www.ibef.org*)

ADVANTAGES FOR STEEL INDUSTRIES IN INDIA

Robust India

- Demand would be supported by growth in the domestic market
- Infrastructure, oil and gas and automotive would drive the growth of the industry
- Lower per capita consumption compared to international average
- Steel production in India is forecast to double by 2031, with growth rate expected to go above 10 per cent in FY18

Increasing Investments

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

Competitive Advantage

- As of 2017, India is the worldôs 3rd largest producer of crude steel (up from 8th in 2003). Indiaôs steel production in 2017 stood at 101.4 MT
- Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up

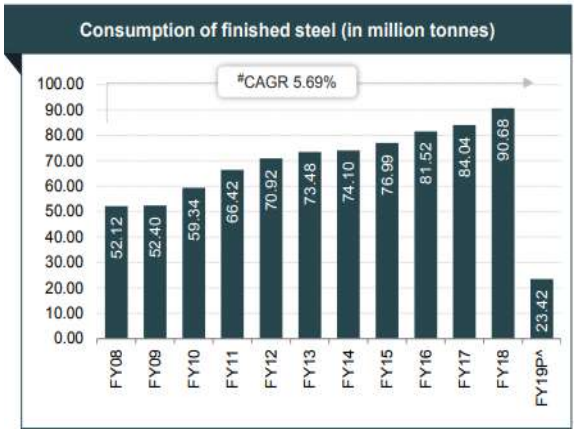
Policy Support

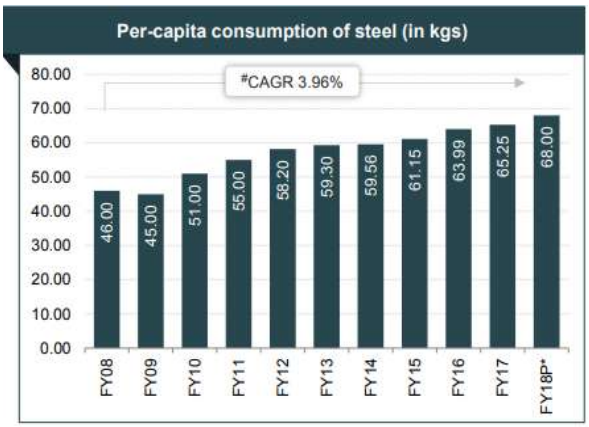
- 100 per cent FDI through the automatic route is allowed. Large infrastructure projects in the PPP mode are being formed
- National Steel Policy (NSP) implemented to encourage the industry to reach global benchmarks
- Policy clarity and stability expected in respect of mining leases and forest clearances
- 20 per cent safeguard duty on steel imports
- An export duty of 30 per cent has been levied on iron ore* (lumps and fines) to ensure supply to domestic industry.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: -* www.ibef.org)

STEEL PRODUCTION IN INDIA HAS BEEN GROWING AT A FAST PACE

- In FY18, crude steel production in India was 102.34 MT, with the total crude steel production growing at a CAGR of 6.63 per cent during FY08- FY18.
- The steel sector contributes over 2 per cent to the GDP of the nation. Also, it employs 0.5 million directly and 2.5 million indirectly.
- During 2017-18, finished steel production for sale in India stood at 104.98 MT. Output during Apr-June 2018 reached 26.72 million tonnes.
- Steel manufacturing output of India is expected to increase to 128.6 MT by 2021, accelerating the countryôs share of global steel production from 5.4 per cent in 2017 to 7.7 per cent by 2021.
- Indiaôs finished steel consumption grew at a CAGR of 5.69 per cent during FY08-FY18 to reach 90.68 MT. Finished steel consumption during April-June 2018 stood at 23.42 million tonnes.
- Steel consumption is expected to grow 5.7 per cent year-on-year to 92.1 MT in 2018.
- It is expected that consumption per capita would increase supported by rapid growth in the industrial sector and rising infra expenditure projects in railways, roads and highways, etc.
- Indiaôs per capita consumption of steel grew at a CAGR of 3.96 per cent from 46 kgs. in FY08 to 68.00 kgs. in FY17. The figure stood at 68 kgs. (P) During Apr 2017-Feb 2018.





(Source: Report: - 'STEEL' India Brand Equity Foundation: - www.ibef.org)

TRENDS IN IMPORTS AND EXPORTS OF STEEL

Indian Government imposed Anti-Dumping Duty on 47 steel products for five years beginning from August 2016. In 2017-18, the countryôs finished steel exports increased 17 per cent year-on-year to 9.62 million tonnes (MT), as compared to 8.24 MT in 2016-17. During the same period, the countryôs finished steel imports rose 3.5 per cent year-on-year to 7.48 MT, as compared to 7.23 MT in 2016- 17. Exports and imports of finished steel stood at 1.35 MT and 1.89 MT during Apr-Jun 2018.

(*Source: Report: - 'STEEL' India Brand Equity Foundation: - www.ibef.org*)

NOTABLE TRENDS IN THE INDIAN STEEL INDUSTRY:

Growing investments

- Most of the companies in the industry are undertaking modernisation and expansion of plants to be more cost efficient. E.g. SAIL has undertaken modernisation and expansion for its 6 plants
- An Inter-Ministerial Group (IMG) functioning under the Ministry of Steel, is monitoring and coordinating major steel investments across the country
- The production capacity of SAIL is expected to increase from 13 MTPA to 50 MTPA in 2025 with the total investment of US$ 24.88 Billion

Strategic alliances

- SAIL and Arcelor Mittal are going to form a joint venture to set up a 1.5 million tonne per annum steel plant
- The consortium of SAIL and National Fertiliser Ltd. (NFL) has been nominated for revival of Sindri Unit of the Fertiliser Corporation of India Ltd
- RINL, Vishakhapatnam Steel Plant and the Power Grid Corporation of India Ltd (POWERGRID) signed a MoU to set up a JV company to manufacture transmission line towers and tower parts including R&D of new high-end products

Entry of international companies

- Attracted by the growth potential of the Indian steel industry, several global steel players have been planning to enter the market
- Liberty House Group, a UK based business, is aiming to acquire Bhushan Power and Steel which will help the conglomerate to enter the Indian market.

Increased Emphasis on Technological Innovations

- Indian steel companies have now started benchmarking their facilities and processes against global standards, to enhance productivity

- These steps are expected to help Indian companies improve raw material and energy consumption as well as improve compliance with environmental and pollution yardsticks
- Companies are attempting coal gasification and gas-based Direct-Reduced Iron (DRI) production. Other alternative technologies such as Hlsmelt, Finex and ITmk3 being adopted to produce hot metal
- Ministry of Steel has issued necessary direction to the steel companies to frame a strategy for taking up more R&D projects by spending at least 1 per cent of their sales turnover on R&D to facilitate technological innovations in the steel sector.
- Ministry has established a task force to identify the need for technology development and R&D
- Ministry has adopted energy efficiency improvement projects for mills operating with obsolete technologies

(*Source: Report: - 'STEEL' India Brand Equity Foundation: -* www.ibef.org)

CHALLENGES FACED BY STEEL INDUSTRY:

Among the Globe India is a 4th largest position of crude steel producer and is expected to attain 2nd position in next 3 to 4 years and contribution of the secondary steel sector in total steel production of India is quite important , basically in the long steel products. But the cost of the steel produced by SRRM sector is very high. It has been noted that major cost involved is cost of the energy, which is approx. 30% of the overall production cost. The direct energy consumed in the re-rolling mill sector is through the heating fuels (Oil, Gas or Coal) as well as in mill and the auxiliaries. However, this sector is unorganized sector and many problems are encountered by this industry. The major challenges / problems facing the re-rolling sector are given below:

Raw Material Issue:

These industry mostly uses pencil ingots, re-rollable scrap and billets as raw material. As these ingots/billets are mainly produced through induction furnaces, they face severe quality problems. Often there occur surface defects like deep ripple marks, cracks etc., internal defects like piping, network of localized porosity along with high gas contents and composition problems like high percentage of sulphur, phosphorous, lead, copper and tin. The aforesaid shortcomings in raw materials / feedstock cause quality problems in rolled product, increase rejection rate and decrease the overall yield. Because of shortage of skilled manpower pre-inspection of feedstock cannot always be carried out successfully, thus the problems are carried up to product stage causing rejection and increase in overall cost.

Reheating Furnace:

The most important cost centres in re-rolling mill industry are reheating furnace. The reheating furnaces have normally been observed by lower productivity, higher range of temperature variation both in product & hearth resulting in energy consumption. There is a lot of gap between the theoretical energy (180 Kcal/Kg) required and practical energy input levels (400 Kcal/Kg). A part from energy efficiency, second major problem is of high burning/scale losses to the tune of 2-3%. The scale losses not only cause appreciable financial losses but also sometime cause surface quality problems in the product. It is also a national loss. The emission levels in term of SPM, SO2 & GHG are also very high. The main reasons behind poor performances of the furnaces are. Unscientific designs-mainly designed by furnace manufactures. No automation & control systems. Non-availability of skilled manpower for operation of furnace the above problems need to be addressed for better results and cost control in reheating furnaces.

Rolling Mill:

The rolling mill industry is the main Section where the material is rolled. The rolling mills of rerolling sector range from very small size of 6ò to 18ò. The rolling mills of rerolling sector are known for their higher energy consumption, low mill utilization, unscientifically designed mill equipments, unscientific mill layouts, inefficient power transmission systems, lower productivities, lower bearing life, lower roll lives and higher breakdowns. There is an urgent need to attend to these problems. Most of the mills do not follow standard operating and maintenance practices. Many of the mills do not follow appropriate rolling process parameters viz no. of passes / average reduction per pass, temperature of material,

soaking, de scaling, Roll diameter and roll speed. Due to the absence of appropriate rolling and predictive maintenances, the formation of cobbles/misrolls is high and thus yield is lower. Most of the mills have manual operation and mechanization /automations is very less. The motors used by the mills are of low efficiency and their capacity resulting in poor performance. The motors used by the mills are of low efficiency and their maintenance practices are also not appropriate. Most of these mills are operated by uneducated but experienced foremen. There is acute dearth of educated / trained manpower to run the mills.

Laboratories for Testing:

In the many rolling mills there are no laboratories for testing of material. Though some TMT / alloy steel manufacturing units have small laboratories, these are either not properly equipped or suitable trained manpower is not available to operate the testing equipments.

Energy Consumption:

The consumption levels of Energy of the rerolling mills are very high as compared to bigger plants the main reason behind this are inefficient reheating furnaces, severe design problems in reheating furnaces as well as rolling mills. Non-adoption of SOP and SMP inappropriate rolling process parameters. Low efficiency of transmission equipments, inappropriate roll pass design. Low level of mill mechanization / automation, inappropriate rolling mill layout and use of low efficiency motors.

Pollution Problems:

Basically the rerolling industry is considered as polluting industry. The major reason is use of high amount of fossil fuels for heating steel in reheating furnaces. Because of cost consideration this sector is now mainly using coal as fuel. Because of lower efficiency of burning of solid fuels and high ash contents, high SPM and GHG levels are generated. The pollution control devices installed in the mills are not properly designed. Because of this the mills are facing continuous pressure from PCBs for pollution abatement.

Manpower Restraints:

Generally the rerolling mills are mainly run by undereducated but experienced foremen and completely illiterate/unskilled firemen. The availability of adequately educated / trained manpower is very less. Due to this, efficiency of operation is deteriorated. There is an urgent need to improve the situation by conducting specific training programs / courses for the sector.

Management Problems:

The rerolling mills are mainly managed by entrepreneurs themselves and presence of professionals is almost nil. Because of this many a times the unit suffers due to differently focused it is felt that decision making. It is felt there is a need the existing entrepreneurs through EDP programs in professional management practices.

(Source: SRMA Steel newsletter 23rd Issue, Steel Re- Rolling Mills Association of India, www.srma.co.in)

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled ñ*Forward Looking Statements*ò beginning on page 19 of this Red Herring Prospectus, for a discussion of the risks and uncertainties related to those statements and also the Section ñRisk Factorsò for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this Section, unless otherwise stated, is derived from our Financial Information, prepared in accordance with Indian GAAP and Companies Act and restated in accordance with the SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the Sections titled ñ*Risk Factors*ò and ñ*Financial Statements*ò as restated beginning on pages 20 and 185 respectively.

Unless otherwise stated, references in this Section to ñSuraniò, ñthe Companyò or ñour Companyò are to Surani Steel Tubes Limited, and references to ñweò, ñourò or ñusò are to the Company

OVERVIEW OF THE COMPANY

Our Company was originally incorporated as ñ*Surani Steel Private Limited*ò a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Further, in order to align with the business of the Company, the name of our Company was changed to ñ*Surani Steel Tubes Private Limited*ò pursuant to special resolution passed by shareholders of the Company in the Extra Ordinary General Meeting held on August 07, 2018 and a fresh Certificate of Incorporation dated August 13, 2018, was issued by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on August 29, 2018 and the name of our Company was changed to ñ*Surani Steel Tubes Limited*ò and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited September 12, 2018 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U27109GJ2012PLC071373.

Our Company, the venture of Vinayak Group, is engaged in the business of manufacturing of Electric Resistance Welding Mild Steel (ñ***ERW MS***ò) Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes ranging from 20NB to 100NB and also in the trading of Hot Rolled Coil (ñ***HR Coil***ò) and HR slit coils. Our Products have wide applications in varied industries like Architectural, Infrastructural, Industrial and Engineering Industry. We rely largely on our dealers to sell our products to our end consumers. As on March 31, 2018, we have entered into arrangements / understanding with over 300 dealers located across Gujarat to market and sell our products in Gujarat. Our Company also generates the revenue from the sale of scraps.

We are an ISO 9001: 2015 certified company for manufacturing and Supply of ERW pipes. We have also been granted the IS 4923:1997 and IS 1161:2014 Quality Standard License from Bureau of Indian Standards. Our company strives to provide diversified range of products, manufactured at our manufacturing plant located at Dahegam, Gandhinagar in Gujarat on approximately 8,300 square meter of land having an installed capacity of 25,000 MT p.a. For the financial year 2017-18, our Company has processed 23,792 MT of ERW MS Pipes. We are committed to elevate the standards of our products and services to offer customer satisfaction through excellence in quality.

Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavour to maintain safety in our premises by adhering to key safety norms. We have in-house testing laboratory to test our raw materials and finished products to match the quality standards and as specified by the customers. We have set up a

new manufacturing facility to manufacture ERW MS Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes ranging from 100NB to 300NB. Our Company has already purchased the land spread over an area of 32019 sq. mtrs. situated at Survey/Block No. 104, 105, 107 of village Sujana Muvada, Taluka- Dahegam, District-Gandhinagar, Gujarat for our new manufacturing facility. We have already purchased the major Plant & Machinery required for the manufacturing of ERW MS Pipes in our new manufacturing facility.

Our Promoters, Karshan Patel and Prakash Patel have more than a decade of experience in field of steel industry and our promoters Dinesh Patel and Mukesh Patel have more than five years of experience in the steel industry and have in-depth knowledge of the products and industry in which we operate. Further, we have a team of professionals to look after matching the standards with the industry.

Our constant effort is to produce pipes of standard quality and sustainability. To achieve this, we stick to strict quality standards, continuous in-house evaluations and training of our workforce. Our company has been constantly executing regular as well as customized orders for pipes to meet the requirements of vivid sectors.

LOCATIONAL PRESENSE

Registered Office & Manufacturing facility: S.No. 110, 115, Opp. Vinayak TMT, Bayad Road, Tal. Dahegam- 382315, Gujarat, India.

FINANCIAL SNAPSHOT

Details of Revenue from Manufacturing, Trading and Scrap Sales are as under:-

(Amount Rs. In Lakhs)

Particulars	As on July 31, 2018	FY 2017-18	FY 2016-17	FY 2015-16
Manufacturing of ERW Pipes	3439.87	9413.73	7423.52	6688.61
Trading of HR Coil & Slit Coil	90.48	394.86	-	1.69
Sale of Scrap	82.57	268.75	192.28	152.01
Total	**3612.92**	**10077.34**	**7615.81**	**6842.32**

Financial Performance of Company *(Amount Rs. In Lakhs)*

Particulars	As on July 31, 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total Revenue	3613.50	10079.72	7670.08	6845.89
EBITDA	90.68	419.40	352.67	341.88
PAT	40.51	172.44	99.90	109.60

Geographical wise sales for FY 2017-18

The details of geographical break up is as under: *(Amount Rs. In Lakhs)*

Particulars	Amount	% to Total Revenue
Gujarat	10071.44	99.94
Rajasthan	6.54	0.06
Total	**10077.98**	**100.00**

Top 5 customers for FY 2017-18 *(Amount Rs. In Lakhs)*

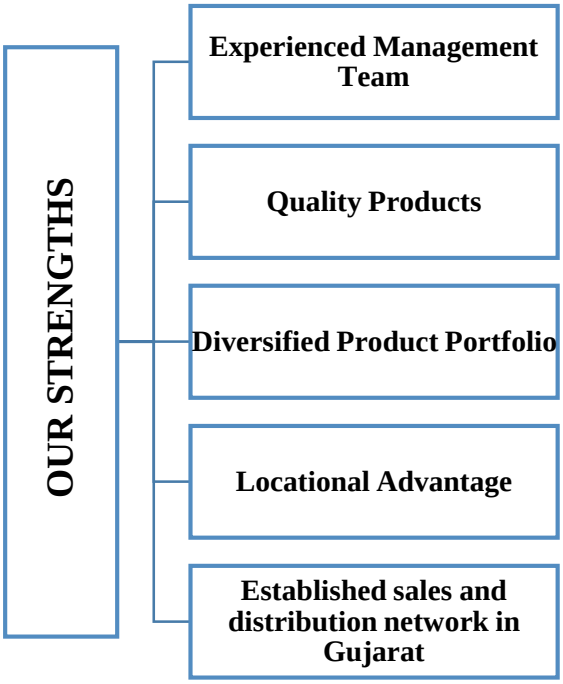
Sr. No.	Customer Name	Amount	% to Total Revenue
1.	Amit Pipe & Tube	782.58	6.54

2.	Calcutta Hardware Mart	700.31	5.85
3.	Kisan Enterprise	695.15	5.81
4.	Kisan Pipe and Steel	468.04	3.91
5.	Shivshakti Marketing	447.56	3.74
Total		**3093.64**	**25.86**

Top 5 Suppliers for FY 2017-18 *(Amount In Lakhs)*

Sr. No.	Suppliers Name	Amount	% to Total Purchase
1.	M.P. Udyog	5631.67	47.79
2.	Giriraj Exim Private Limited	1692.53	14.36
3.	Bikaner Agrico	1212.83	10.29
4.	Sanjay Sales Private Limited	939.32	7.97
5.	Rohit & Company	916.43	7.78
Total		**10392.77**	**88.19**

OUR COMPETITIVE STRENGTHS



1. **Experienced Management Team**

   Our Promoters and the senior management team of our Company have industry experience and have been instrumental in the growth of our Companyôs sustainability. Our Promoters, Karshan Patel and Prakash Patel have more than a decade of experience in field of steel industry and our promoters Dinesh Patel and Mukesh Patel have more than five years of experience in the steel industry and have in-depth knowledge of the products and industry in which we operate. We believe that our management team's experience and their understanding of the Steel business will enable us to continue to take advantage of both current and future opportunities. It is also expected to help us on addressing and mitigating various risks inherent in our business, including significant competition.

2. **Quality Products**

We are a quality conscious organisation, which believes in manufacturing quality products. Our management team is focussed on ensuring minimum defects in our products and quality certifications are only an endorsement of the robust systems and processes developed with years of experience and knowledge. Our products and processes undergo regular quality checks to ensure minimal defects. We have been accredited with ISO 9001:2015 (Quality Management system) from BMS Certification (P) Ltd. and IS 4923: 1997 & IS 1161:2014 from Bureau of Indian Standards for manufacture and supply of ERW pipes.

3. **Diversified Product Range**

Our Company has a varied product range to cater to the requirements of our Customers. Our product portfolio includes diversified variety of pipes in various specifications, sizes, ranging from 20NB to 100NB having wide applications in varied industries like Architectural, Infrastructural, Industrial and Engineering industry. Our range of products allows our existing customers to source most of their product requirements from us and also enables us to expand our business from existing customers, as well as address a larger base of potential new customers.

4. **Locational Advantage**

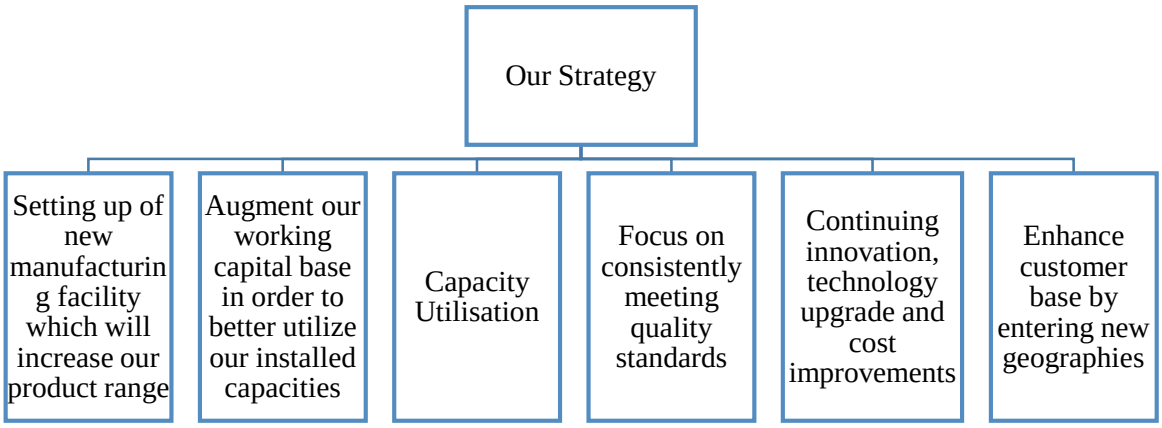
We operate from a manufacturing facility at Dahegam, Gandhinagar in the state of Gujarat where we have set up our registered office and manufacturing plant, which is strategically located and is well connected by roads with the rest of the country. Further, the primary raw materials i.e. HR Coils are easily available from the manufacturers located in Gujarat. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Thus, the location of the site is advantageous to the company in procurement of Raw materials as well as the Finished Products.

5. **Established sales and distribution network in Gujarat**

Our extensive sales and distribution network allows us to reach a wide range of consumers and ensures effective penetration of our products and marketing campaigns. Our sales and distribution network is strategically spread across different regions in Gujarat.

As of March 31, 2018, we have a distribution network comprising of more than 300 dealers situated in Gujarat. We believe that our extensive distribution network enables us to serve our customers and markets in an efficient and timely manner

OUR BUSINESS STRATEGY



1. **Setting up of new manufacturing facility which will increase our product range**

Expansion of our manufacturing capacities is a continuous process to support our growth. We have set up additional manufacturing facility to manufacture ERW MS Pipes (round pipes, square and rectangular hollow Sections). The proposed facility will ensure to meet the requirements of the customers who require the ERW MS Pipes in the range of 100NB to 300 NB. This facility will complement our existing capacity. This will increase range of product for our existing customer.

2. **Augment our working capital base in order to better utilize our installed capacities.**
   Our business of manufacturing of ERW Pipes is working capital intensive. We need to maintain sufficient inventory for the production process and also maintain a balance between debtors & creditors cycle. Since, we are not fully utilising our installed capacities, our growth depends on our ability to increase our utilization over the next few years and also adding new capacity subsequently. This expansion needs access to a larger amount of liquid funds and sufficient working capital. The same are proposed to be funded from the IPO proceeds and from Banking Facilities.

3. **Capacity Utilisation**
   Our company is currently operating at around 80% of its capacity. With the strong relationship we possess with our customers, marketing our product can be done without much effort. Since, the market with the buyer is readily available, we intend to ramp up our production to boost the revenue.

4. **Focus on consistently meeting quality standards**
   Our Company strives to consistently meet quality standards to the customer satisfaction. This is necessary so as to make sure that we get repeat business from our existing customers. This will also aid us in enhancing our brand value.

5. **Continuing innovation, technology upgrade and cost improvements**
   Continuous innovation in our manufacturing process, technology upgrade and cost improvement is a norm at our Company. Our qualified and technical teams try and ensure minimal wastage and extract out maximum from the resources we have at our disposal, be it the raw materials, be it the energy or the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs. Additionally, we use the latest technology and machinery to ensure best quality and competitive product output and regularly upgrade our technology and machineries used in the manufacturing process in order to keep up market standards.

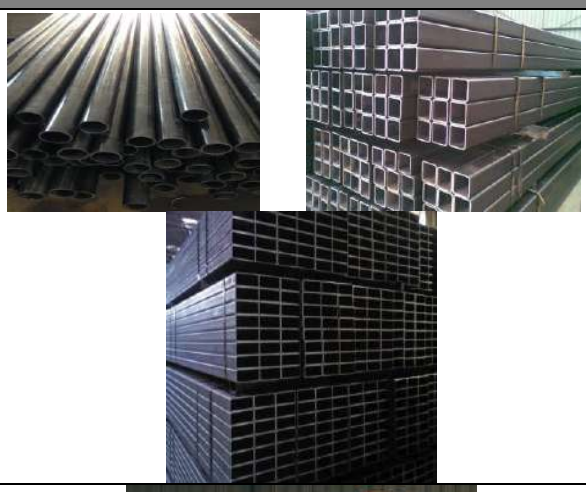
6. **Enhance customer base by entering new geographies**
   We intend to cater to the increasing demand of our existing customers and also to increase our existing customer base by enhancing the distribution reach of our products in different parts of the country. Our Company operates from Dahegam, Gandhinagar, Ahmedabad with having dealers spread across Gujarat. We propose to increase our marketing and sales team which can focus in different regions and also maintain cordial relationship with our customer. Enhancing our presence in additional region will enable us to reach out to a larger population. Further our Company believes in maintain long term relationship with our customers in terms of increased sales. We aim to achieve this by adding value to our customers through innovations, quality assurance and timely delivery of our products.

SWOT ANALYSIS

Strengths	Threats
• Experienced Management Team • Quality Products • Diversified Product Portfolio • Locational Advantage • Established sales and distribution network in Gujarat	• Competition from Local & Big Players • Fluctuation in the cost of raw material • Technological Change

Weakness	Opportunities
• Working Capital Intensive Business • Limited Geographical Reach • Stringent Governmeny Policies	• Enhancing operational effiiency • Setting up the new manufacturing facility for production of higher range of products • Growing domestic demand

OUR MAJOR PRODUCTS

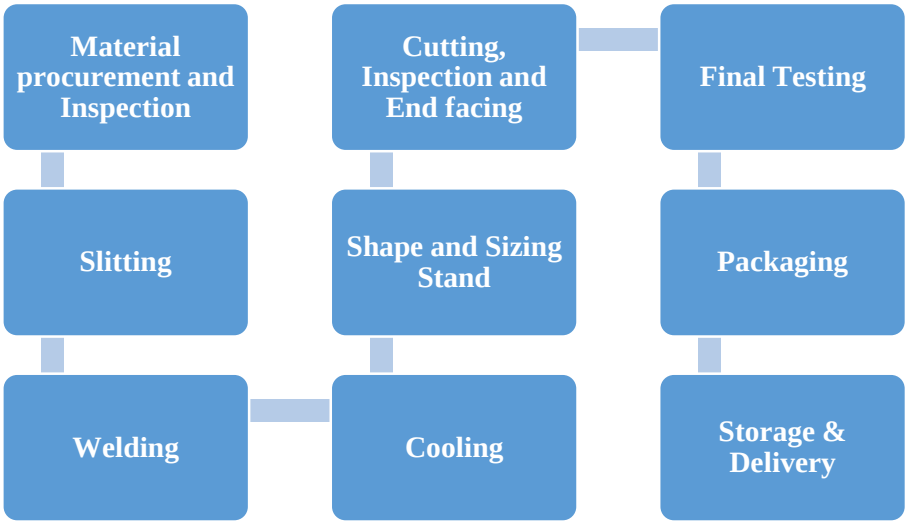
Sr. No.	Product Name	Product	Description
1.	ERW MS Pipes (round pipes, square and rectangular hollow Sections)		ERW MS Pipes of tubes refer electric resistance welded pipe mild steel pipes. They can be manufactured in different shapes like round, rectangular & square. They have various size ranging from 20 NB to 100 NB.
2.	HR Slit Coil		It is a hot rolled steel sheet in coil formed. Generally, it is ranging by width from 70 mm to 500 mm and by thickness 1.2mm to 4.5mm. It is used as raw material in fabrication, engineering, PEB structures etc.
3.	HR Coil		It is Hot rolled steel sheet in coil format. It is ranging from 1000 mm to 1500 mm and it is available in various grades and standards. It is steel raw material used in vast sectors i.e. Industrial, Pipe, engineering, construction etc.

END USERS

We cater our final products to domestic customers. Currently we offer our products through dealers. We manufacture pipes that are used for Architectural, Infrastructural, Industrial and Engineering industry as set forth below:-

Architectural	Infrastructural	Industrial	Engineering
•Shopping Malls •Canopies/Atrium •Glass Curtain wall frames •Partition Frames •Space Frames •Guard Rails & Staircases	•Airport Terminal Building •Bridges •Bus stands •Pedestrian walkovers •Sports Galleries •Railway Platform/Foot over bridges •Gym Equipments	•Industrial Sheds •Trusses, Columns and Purlins •Material Storage Racks •Mine Roof Support Systems •Pallets and Pipe Racks •Conveyor Gantries, Trestles •Steel Plants	•Greenhouse Structures •Truck & Bus Body Members •Hoarding Structures •Amusement park & Playground Equipment •Scaffolding •Furniture •Solar power plant structure •Plant& Machinery Components

OUR PRODUCTION PROCESS



The manufacturing of pipes require a numerous process to obtain a complete product. The major steps include:

1. **Material procurement and Inspection :**

Our major raw material for the processing of ERW & MS Pipes is of Hot Rolled Coil. Once the Hot Rolled Coil is procured in different sizes and width, they are stored in our manufacturing facility.

A material inspection prior to processing of product aims to identify the characteristics accurately. The testing team of our company inspects materials thoroughly according to inspection procedure manual. We have in-house testing team to ensure that the raw materials used in the process are as per the standards.

2. **Slitting:**
In the next phase, the HR coils are processed in slitting machine which are loaded to decoiler and pass through the straightening stands and are slited in cutting line through cutters and side edges and removed as scrap which is rewinded and removed.

3. **Welding:**
The slited coils are pulled through pinch roll stand and get loaded in a looping cage where they are gradually moulded into a round shape form and these unwelded pipes pass through welding electrodes through high frequency welding process, this welding machine seals the two ends of the pipe together.

4. **Cooling:**
The welded pipe/tube is made to pass through cooling zone where there is a continuous cold water supply to control the heat caused by automatic electrical welding.

5. **Shape and Sizing Stand:**
Once the pipes are back to normal temperature, they enter into the sizing stands where the welded pipes are shaped into different forms & sizes i.e. circular, rectangular, square etc. for achieving dimensional accuracy as per standard requirement.

6. **Cutting, Inspection and End facing:**
After the sizing of pipes, they are cut in a standard length and required length through saw cut then the pipes are collected in a bed through run out table and at the same time visual inspection are done where defected pipes are removed. In the process, machines remove rough edges from the pipes, and embosses the logo of company.

7. **Final Testing:**
In final testing stage, the testing has been done in respect of bend properties, Ultrasonic Thickness Measurement (UTM) which makes pipes final finished product which gives customers the necessary information required to determine if the tested item has the adequate metal thickness for which it was designed.

8. **Packaging:**
Once the products meet all the required quality criteria, they are packed into containers, boxes as per the requirements of the customer. Packaging is done keeping in mind the safety of the product.

9. **Storage & Delivery:**
After proper packaging as per the customerôs requirement, they are either directly loaded into trucks for shipment or they are stored in the warehouse inside the premises itself. Necessary care is taken to avoid any defect in the products.

Our Company is also engaged in the trading of HR Coils in the local markets of Gujarat.

OUR RAW MATERIALS

The major raw material used in our manufacturing process is HR Coil. We source HR coil from Local Suppliers. The raw material shall remain same for the proposed manufacturing facility.

LIST OF MAJOR PLANT & MACHINERY

The details of existing major Plant & Machinery for the Manufacturing Unit are given below:-

Name of Plant & Machinery	Quantity
EOT Crane	8
Cooling Tower	1
Foarming Line	5
H F Welder Line	4
Dies And Roll Sets	6
Slitting Line	3
Weigh Bridge and Scale	2
Workshop Machinery	4
Bore well	1
Lab Machine and Equipment	1

CAPACITY UTILIZATION

The production and utilized capacities of our Company for our product i.e. ERW Pipe for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following tables:

Particulars	Existing			Proposed		
	2015-16	2016-17	2017-18	2018-19*	2019-20	2020-21
Total Installed Capacity (M.T) p.a.	25,000	25,000	25,000	40,000	68,000	68,000
Utilized Capacity (M.T) p.a.	20,639	20,511	23,792	25,500	47,600	54,400
Utilized Capacity (%)	82.56	82.04	95.17	63.75	70.00	80.00

**We are planning to start our new manufacturing unit having an installed capacity of 43,000 MT p.a.*

COLLABORATIONS/TIE UPS/JOINT VENTURES

As on the date of this Red Herring Prospectus, our Company has not entered into any technical or other collaboration, tie ups or Joint Venture.

SALES & MARKETING

Marketing is an important function of our organisation. Our success lies in the strength of our relationship with the dealers who have been associated with our Company. We have entered into arrangements / understanding with over 300 dealers located across Gujarat state. Our team through their experience and rapport with these dealers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company.

COMPETITION

Steel being a vast and global industry, we face competition from various domestic and international players. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Among listed Companies, we face competition from listed companies like APL Apollo Tubes Ltd., Hi-tech Pipes Ltd. and Rama Steel Tubes Ltd. etc.

EXPORT AND EXPORT OBLIGATION

The company confirms that they do not have any export related obligations as on the date of filing this Red Herring Prospectus.

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our registered office and manufacturing unit are well equipped with computer systems, internet connectivity, other communications equipment, security and other facilities, which are required for our business operations to function smoothly. They are equipped with requisite utilities and facilities including the following:

Power

We have an electricity supply agreement for a supply of 500 KVA with Uttar Gujarat VIJ Company Ltd. to meet our electricity requirements at our manufacturing unit.

Water

Our Company procures the water require for our manufacturing process from our bore well.

Effluent Disposal / Environment Clearance

During the manufacturing process of pipes varied effluents and contaminants are produced. The company has also received approval from Gujarat Pollution Control Board and the Disposal waste is as per the General Standards notified from time to time.

Health, Safety and Environment

We are committed to maintaining a safe work environment on an ongoing basis. We are subject to health, safety and environmental laws, regulations and certain production safety and environmental technical guidelines which govern our processes and facilities.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As on August 31, 2018 we have 52 employees at our manufacturing unit and registered office, who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

LAND AND PROPERTY

Owned Properties:

We have our properties located at following:

Sr. No.	Address of the Property	Current Usage

1.	Survey/Block No. 110, 115 of Village Sampa, Taluka- Dahegam, District- Gandhinagar, Gujarat	Registered Office and Manufacturing Unit I
2.	Survey/Block No. 104, 105, 107 of Village Sujana Muvada, Taluka- Dahegam, District- Gandhinagar, Gujarat	Proposed Manufacturing Unit II

INSURANCE DETAILS

Our insurance policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage maintained. We maintain standard fire and special perils policy and Employee Compensation Policy, details of which are set forth below:-

Policy No.	Policy Name	Sum Assured (Rs. In Lakhs)	Name of Insurer	Policy Period	
				From	To
2270087015	Standard Fire & Special Perils	1600.00	TATA AIG General Insurance Company Ltd.	October 20, 2018	October 19, 2019
21300036180100000031	Employee Compensation(Unit I)	69.60	The New India Assurance Co. Ltd.	April 18, 2018	April 17, 2019
2280069398	Employee Compensation(Unit II)	8.50	TATA AIG General Insurance Company Ltd.	December 30, 2018	December 29, 2019

INTELLECTUAL PROPERTY RIGHTS

The details of trademark registered in the name of our Company is as under:

Sr. No.	Trademark	Trademark Type	Class	Validity	Trademark No.	Status	Date of Registration
1.	SURANI	Device	6	September 24, 2022	2401652	Registered	September 24, 2012

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislation which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislation and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the business of ERW MS Pipes and steel tubes manufacturing industry. Taxation statutes such as the I.T. Act, and applicable labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled ñ*Government and Other Statutory Approvals*ò beginning on page number 216 of this Red Herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as ñmicro enterpriseò, where the investment in plant and machinery does not exceed twenty-five lakh rupees; ñSmall enterpriseò, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise , where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, ñMicro ï enterpriseò , where the investment in equipment does not exceed ten lakh rupees, ñSmall Enterpriseò where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or ñ Medium Enterpriseò where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Industrial Policy of Relevant State

The Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by bay of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent

assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSME scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support to each cluster for every innovative technology, setting up R&D Institutions, setting new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on ñZero Defectò to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show oneôs products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one-time basis.

Essential Commodities Act

The Essential Commodities Act is an of Parliament of India which was established to ensure the delivery of certain commodities or products, the supply of which if obstructed owing to hoarding or black-marketing would affect the normal life of the people. This includes foodstuff, drugs, fuel (petroleum products) etc. The ECA was enacted way back in 1955. It has since been used by the Government to regulate the production, supply and distribution of a whole host of commodities it declares óessentialô in order to make them available to consumers at fair prices. The list of items under the Act include drugs, fertilizers, pulses and edible oils, and petroleum and petroleum products. The Centre can include new commodities as and when the need arises, and take them off the list once the situation improves. Hereôs how it works. If the Centre finds that a certain commodity is in short supply and its price is spiking, it can notify stock-holding limits on it for a specified period. The States act on this notification to specify limits and take steps to ensure that these are adhered to. Anybody trading or dealing in the commodity, be it wholesalers, retailers or even importers are prevented from stockpiling it beyond a certain quantity. A State can, however, choose not to impose any restrictions. But once it does, traders have to immediately sell into the market any stocks held beyond the mandated quantity. This improves supplies and brings down prices. As not all shopkeepers and traders comply, State agencies conduct raids to get everyone to toe the line and the errant are punished. The excess stocks are auctioned or sold through fair price shops.

The Steel and Steel Products (Quality Control) Order, 2012.

Ministry of Steel. Government of India vide notification no. so 425(E) dated March 12, 2012 issued The Steel and Steel Products (Quality Control) Order, 2012. Clause 3 of the Steel and Steel Products (Quality Control) Second Order, 2012 prohibits to manufacture, sale, storage and distribution of steel and steel products specified in the schedule of the order which do not conform to specific standard and do not bear standards of Bureau of Indian Standard, on obtaining certification marks license. The Steel and Steel Products (Quality Control) Order, 2012 read together with Schedule 1 Import Policy and the Explanatory notes permit import of only such products which meet the prescribed quality

parameters/technical requirements laid down in Indian Standards. The import of items shall be permitted only from manufacturers/exporters who have obtained BIS license for use of standard marks and the product meets the prescribed quality parameters/technical requirements of the relevant Indian Standards and also bears the standard marks. Import of second/defective/old and used CRGO sheets, strips and coil in any shape and size is not permitted.

Insolvency and Bankruptcy Code, 2016

The aim of this code is to consolidate the existing framework by creating a single law for insolvency and bankruptcy. The provision of this code is applicable to any company incorporated under the Companies act 2013, or under any previous law, limited liability partnership incorporated under LLP Act, 2008. Partnership firm and individuals, and any other body incorporated under any law for the time being in force. The Insolvency & Bankruptcy Code is applicable to the corporate person only when the amount of default is not less than one lakh rupees. When a corporate debtor fails to pay his debts, then the financial creditor or an operational creditor of a corporate debtor can make an application in prescribed format to the Adjudication authority i.e. National company law tribunal for initiate the corporate insolvency resolution process against the corporate debtor. The Adjudication Authority after ascertaining the existence of default from the records available with information utility or other evidence furnished by the applicant, if satisfied that default has occurred and the application is complete in all manner then accept the application and communicate his decision to the applicant. When the adjudicating authority passes the order of admission of such application that date called the insolvency commencement date. The Adjudicating Authority after the admission of the application declare the moratorium period, make a public announcement for submission of claims, and appoint an interim resolution professional.

Anti-Trust Laws

Competition Act, 2002

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

The prima facie duty of the commission is to eliminate practices having an adverse effect on competition, promote and sustain competition, protect the interest of the consumer and ensure freedom of trade. The commission shall issue a notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to a maximum of Rupees One Crore. The central government vide notification dated March 04, 2016 increased the threshold limits for the purpose of combinations under Competition Act, 2002.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in the law relating to the Companies Act, 1956 made way for the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post-incorporation. The conversion of the private company into a public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, the appointment of liquidator

also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to bank companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

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

Further, The Companies Amendment Act, 2015 is passed on May 25, 2015, also The Companies Amendment Act, 2017is passed on January 3, 2018. The Companies Amendment Act, 2017 includes major amendments in the definition, financial statement, corporate social responsibility, disclosure under boardôs report, general meeting, and disclosure in the Red Herring prospectus.

EMPLOYMENT AND LABOUR LAWS

Contract Labour (Regulation and Abolition) Act, 1970("CLRA")

The Contract Labour (Regulation and Abolition) Act, 1970 has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility of the principal employer of an establishment to which the CLRA applies to make an application to the registered office in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employeesô provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952. The Ministry of Labour and Employment, Government of India with effect from September 01, 2014 introduced certain amendments to the scheme. The key amendment includes an amendment in provident fund scheme, pension scheme and insurance scheme.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under Section 5A of the EPF Act. The provisions relating to recovery of damages for default in the payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or another officer so authorized shall be produced for inspection from time to time. The amount received as the employerôs contribution and also Central Governmentôs contribution to the insurance fund shall be credited to an account called as ñDeposit-Linked Insurance Fund Account.ò

<u>The Employees' Pension Scheme, 1995</u>

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is a member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is a member of the fund.

<u>Payment of Bonus Act, 1965</u>

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year to pay a bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity. The Payment of Bonus Act, 2015 is passed on December 31, 2015. The amendment includes an increase in wage threshold for determining the applicability of the Act from INR Rs. 10,000/- to Rs. 21,000/- per month and wage ceiling for calculation of bonus has been increased from INR Rs. 3,500/- to Rs. 7,000/- per month.

<u>Payment of Gratuity Act, 1972</u>

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

<u>Minimum Wages Act, 1948("MWA")</u>

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage paid by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed. The Payment of Wages (Amendment) Act, 2017 is passed on February 15, 2017, and it has repealed The Payment of

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two monthsô notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise. The Maternity Benefit (Amendment) Act, 2017 received the assent of the president on March 27, 2017. The amendment act results in increased duration of the paid maternity leave, surrogacy leave.

Equal Remuneration Act, 1979

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for preventing discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule. The Child Labour (Prohibition and Regulation) Amendment Act, 2016 has come into force on July 30, 2016.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person, shall be treated as a trade dispute. For every trade dispute, a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing a restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an ñInternal Complaints Committeeò and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at the workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

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 legislation, 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 upon retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, layoffs and retrenchment.

TAX RELATED LEGISLATIONS

Value Added Tax ("VAT")

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input taxon sales whereby tax is paid at the stage of purchase of goods by a trader and on the purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Gujarat Value Added Tax Act, 2003 ("GVAT")

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation, the following Acts are repealed.
ÅThe Gujarat Sales Tax Act, 1969,
ÅThe Bombay Sales of Motor Spirit Taxation Act, 1958,
ÅThe Purchase Tax on Sugarcane Act, 1989.
However, provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act. It is important to note that VAT is now replaced by GST.

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of ódealerô defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlours, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc. are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or

the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

Monthly Salary	Amount payable in Gujarat
Less than Rs. 5999	Nil
Rs. 6000 to Rs. 8999	Rs. 80 per month
Rs. 9000 to Rs. 11999	Rs. 150 per month
Rs. 12000 & above	Rs. 200 per month

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ótaxable servicesô, as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6thof the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. It is important to note that Service Tax is now replaced by GST.

Central Sales Tax Act, 1956 ("CST")

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) when a sale or purchase takes place outside a State (c) when a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

The Central Excise Act, 1944

The Central Excise Act, 1944 (ñCentral Excise Actò) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to a duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act, a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on the supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for the imposition of tax on the supply of goods or services and will be levied by Centre on the intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying the tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (GST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods

and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise ï goods of special importance, textiles and textile products, commonly known as CVD ï special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for a special category of states like North-East shall be Rs. 5 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 1 crore (75 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on some precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed ï

a) 5% in case of restaurants etc.
b) 1% of the turnover in case of manufacturer
c) 1% turnover of taxable supplies of goods, in case of another supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

The Factories Act, 1948 ("Factories Act")

The Factories Act, 1948 aims at regulating labour employed in factories. A ñfactoryò is defined as ñany premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried onò. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the ñoccupierò, being the person who has ultimate control over the affairs of the factory. The

Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

ENVIRONMENTAL LEGISLATIONS

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 (a) 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 (b) 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 Act")

The Air Act was enacted with an objective to protect the environment from smoke and other toxic effluents released into the atmosphere by industries. With a view to curbing air pollution, the Air 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 Air Act if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Water 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 the prior consent of the board constituted under the Water Act.

Hazardous Waste (Management and Handling) Rules, 1989 ("Hazardous Waste Rules")

The Hazardous Waste Rules, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Water (Prevention and Control of Pollution) Cess Act, 1977

The Water (Prevention and Control of Pollution) Cess Act, 1977 is a Central Act of Parliament which provides for the levy and collection of cesses on water consumed by industries and local authorities. The act is applicable to the whole of India except the State of Jammu and Kashmir. It is an act to augment the resources of the State Pollution Control Boards. The Act provides that the State Pollution Control Boards and Committees shall levy and collect Cess from persons carrying on any industry and from all local authorities for the purposes of and utilization under the Water (Prevention and Control of Pollution) Act 1974. It also prescribes for higher rates of cess in the event of the assessee not meeting the standards prescribed under the Environment Protection Act 1986 or with the provisions of Section 25 of the Water (Prevention and Control of Pollution) Act 1974.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

This policy seeks to extend the coverage and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Intergenerational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of the exclusive right, for a limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999 ("TM Act")

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws ï which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881,The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS:

FEMA Regulations

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 the exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue a security to a person resident outside India. 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 thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

THE FOREIGN DIRECT INVESTMENT

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment **(ñFDIò)** through press notes and press releases. The Department of Industrial Policy and

Promotion, Ministry of Commerce and Industry, Government of India **(ñDIPPò),** has issued consolidated FDI Policy Circular of 2017 **(ñFDI Policy 2017ò)**, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India **(ñRBIò)** also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as ñ*Surani Steel Private Limited*ò a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Further, in order to align with the business of the Company, the name of our Company was changed to ñ*Surani Steel Tubes Private Limited*ò pursuant to special resolution passed by shareholders of the Company in the Extra Ordinary General Meeting held on August 07, 2018 and a fresh Certificate of Incorporation dated August 13, 2018, was issued by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on August 29, 2018 and the name of our Company was changed to Surani Steel Tubes Limited and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited September 12, 2018 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U27109GJ2012PLC071373.

Mukesh Patel and Dinesh Patel were the initial subscribers to our Company. The Current Promoters of our Company are Mukesh Patel, Dinesh Patel, Karshan Patel, Prakash Patel, Mani Patel, Prakash Karsanbhai Patel HUF and Karsanbhai Devjibhai Patel HUF.

The details of their shareholding have been disclosed in the chapter titled, ñ*Capital Structure*ò beginning on page 83 of this Red Herring Prospectus.

CORPORATE PROFILE

For information of our Companyôs corporate profile, including details of our business activities, products portfolio, technology, market and geographical segments, capacity built-up, marketing, growth of our business, managerial competence, major suppliers and customers, environmental issues, if any, etc., see ñ*Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", "Our Management" and "Financial Statements*ò beginning on pages 132, 186, 20, 160 and 185 respectively. Further, as on date of Red Herring Prospectus, our Company does not have any export sales.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

There has been no change in our Registered Office of our Company since the incorporation of our Company.

MAIN OBJECTS

The object clause of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

"To carry on business to manufacture, import, export, break and deal in all kind of non-ferrous casting, founders, smelters, miners, refiners, distributors, seller, importers, exporters, agents, wholesale and retail dealers in metal ferrous and non-ferrous, metallic substances and alloys and the rollers, re-rollers, drawers of stainless-steel, steel alloys, iron and steel, ships scraps, billets, ingots, flats, metal, scraps and wastes, sheet plates, materials, rounds, sheets, strips, plates, tubes, pipes, structures, baling hoops, wires, rods, angles, bars, gates, channels, blocks, pellets, slabs, blooms, beams, squares, window channels, M. S. Steel rounds, ties and related ferrous, non-ferrous articles."

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been incorporated in our Memorandum of Association of our Company, after approval of our members:

Date of Shareholderôs Approval	Amendment
January 12, 2013	Increase in authorised share capital from Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each to Rs. 2,75,00,000/- divided into 27,50,000 Equity Shares of Rs. 10/- each.
October 01, 2016	Increase in authorised share capital from Rs. 2,75,00,000/- divided into 27,50,000 Equity Shares of Rs. 10/- each to Rs. 4,50,00,000/- divided into 45,00,000 Equity Shares of Rs. 10/- each.
March 03, 2018	Increase in authorised share capital from Rs. 4,50,00,000/- divided into 45,00,000 Equity Shares of Rs. 10/- each to Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each.
August 07, 2018	Change in name clause pursuant to change in name of Company from Surani Steel Private Limited to Surani Steel Tubes Private Limited. A Fresh Certificate of Incorporation dated August 13, 2018 pursuant to change of name was issued by the Registrar of Companies, Ahmedabad.
August 10, 2018	Increase in authorised share capital from Rs. 6,00,00,000/- divided into 60,00,000 Equity Shares of Rs. 10/- each to Rs. 9,00,00,000/- divided into 90,00,000 Equity Shares of Rs. 10/- each.
August 29, 2018	Amendment to Memorandum of Association upon Conversion of our Company from Private Limited Company to a Public Limited Company and the consequent change in name of our Company to Surani Steel Tubes Limited. A fresh Certificate of Incorporation dated September 12, 2018 pursuant to the conversion of Company was issued by the Registrar of Companies, Ahmedabad.

KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

Financial Year	Events
2012	Incorporation of the Company.
2016	ISO 9001: 2015 certificate for Quality Management System.
2017	Certificate of Investment Intention, Vibrant Gujarat 2017.
2018	Change of name from ñSurani Steel Private Limitedò to ñSurani Steel Tubes Private Limitedò
2018	Conversion to Public Company in the name and style of ñSurani Steel Tubes Limitedò

HOLDING/SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no holding and/or subsidiary company as on this date of filing of this Red Herring Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, refer to the Section titled ñ*Capital Structure*ò beginning on page 83 of this Red Herring Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

The Company is not operating under any injunction or restraining order.

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

Our Company has not merged/amalgamated itself nor has acquired any business/undertaking, since incorporation.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of this Red Herring Prospectus.

OTHER AGREEMENTS

Our Company has not entered into any agreements/arrangement except under normal course of business of the Company, as on the date of filing of this Red Herring Prospectus.

STRATEGIC/ FINANCIAL PARTNERS

Our Company does not have any strategic/financial partner as on the date of filing of this Red Herring Prospectus.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Red Herring Prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There have been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Red Herring Prospectus.

CHANGE IN ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities of our Company during the last five years.

STRIKES AND LOCKOUTS

There have been no strikes or lockouts in our Company since incorporation.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

NUMBER OF SHAREHOLDERS

Our Company has 34 (Thirty Four) shareholders as on date of this Red Herring Prospectus.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to Section titled ñ*Financial Statements*ò beginning on page 185 of this Red Herring Prospectus.

BUSINESS INTEREST BETWEEN OUR COMPANY AND OUR SUBSIDIARIES

Except as disclosed in ñ*Related Party Transactions*ò on page 183 we do not have any Subsidiary, Holding Company which has any business interest in our Company.

SIGNIFICANT SALE\PURCHASE BETWEEN OUR SUBSIDIARY /ASSOCIATE /HOLDING /JV AND OUR COMPANY

We do not have any Subsidiary, Holding, Joint Venture and Associate Company as on date of filing this Red Herring Prospectus.

DEFUNCT / STRUCK-OFF COMPANY

Neither the Company nor any of our Group Company have become defunct or have been struck off as on the date of filing of this Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Article of Association, our Company is required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. Our Company currently have 5 (Five) directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name, Fatherôs Name, Age, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship
1.	**Name:** Mukesh Patel **Fatherôs Name:** Visharam Patel **Age:** 40 years **Designation:** Joint Managing Director **Address**: 11 Vinayak Park, Opp. Ashirwad Hospital Collage Road Dahegam 382305 Gujarat, India **Occupation:** Business **Nationality:** Indian **DIN**: 05331136 **Term**: 5 Years, w.e.f, August 14, 2018, liable to retire by rotation.	Appointment as Director on July 31, 2012 Designated as Joint Managing Director on August 14, 2018	**Public Limited Company** Nil **Private Limited Company** Nil **Limited Liability Partnership** Nil
2.	**Name:** Dinesh Patel **Fatherôs Name:** Karshan Patel **Age:** 30 Years **Designation:** Joint Managing Director **Address**: 4, Vinayak Park Society, B/H Atithi Hotel, Dahegam 382305 Gujarat, India **Occupation:** Business **Nationality:** Indian **DIN:** 03585273 **Term**: 5 Years, w.e.f, August 14, 2018, liable to retire by rotation.	Appointment as Director on July 31, 2012 Designated as Joint Managing Director on August 14, 2018	**Public Limited Company** Nil **Private Limited Company** Nil **Limited Liability Partnership** Nil
3.	**Name:** Karshan Patel **Fatherôs Name:** Devji Patel **Age:** 63 years **Designation:** Non-Executive Director **Address**: 4, Vinayak Park Society, B/H Atithi Hotel, Dahegam 382305 Gujarat India **Occupation:** Business **Nationality:** Indian	Appointment as Non-Executive Director on August 14, 2018	**Public Limited Company** 1. Vinayak TMT Bars Private Limited. **Private Limited Company** Nil **Limited Liability Partnership** Nil

Sr. No.	Name, Fatherôs Name, Age, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship
	DIN: 00621993 **Term**: Liable to retire by rotation		
4.	**Name:** Hetika Kinger **Fatherôs Name:** Dipak Nandlal Kinger **Age:** 24 years **Designation:** Independent Director **Address**: FF 104, Emerald Residency-3, Near Chirag Motors Cross Road, Near Parimal Garden, Ahmedabad-380061 **Occupation:** Professional **Nationality:** Indian **DIN**: 08228689 **Term**: 5 Years w.e.f. September 21, 2018	Appointment as Additional Independent Director on September 21, 2018 Regularized as Independent Director on September 29, 2018	**Public Limited Company** Nil **Private Limited Company** Nil **Limited Liability Partnership** Nil
5.	**Name:** Dinesh Dhanji Patel **Fatherôs Name:** Dhanji Patel **Age:** 48 years **Designation:** Independent Director **Address:** Champalpur Champa, Palaiya, Dahegam, Gandhinagar 382305 Gujarat **Occupation:** Professional **Nationality:** Indian **DIN:** 08231737 **Term:** 5 Years w.e.f. September 21, 2018	Appointment as Additional Independent Director on September 21, 2018 Regularized as Independent Director on September 29, 2018	**Public Limited Company** Nil **Private Limited Company** Nil **Limited Liability Partnership** Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mukesh Patel

Mukesh Patel, aged 40 years, is the Promoter & Joint Managing Director of our Company. He has been Director of the Company since incorporation and thereafter has been designated as Joint Managing Director of the Company with effect from August 14, 2018. He has completed his B Com Honors (Part-I) examination from the University of Burdwan. He has an experience of more than 5 years in steel and pipe industry. He currently looks after the overall operations of the company.

Dinesh Patel

Dinesh Patel, aged 30 years, is Promoter & Joint Managing Director of our company. He has been Director of the Company since incorporation and thereafter has been designated as Joint Managing Director of the Company with effect from August 14, 2018. He holds a Masterôs degree in Business Administration from University of Norway. He has an experience of more than 5 years in steel and pipe industry. He is presently looking after sales and production department in the company.

Karshan Patel

Karshan Patel, aged 62 years, is the Promoter & Non-Executive Director of our Company. He has been appointed as Non- Executive Director of the Company with effect from August 14, 2018. He is an under matriculate. He has an experience of more than 10 years in steel industry.

Hetika Kinger

Hetika Kinger, aged 24 years, is an Independent Director of our Company appointed on September 21, 2018 and regularised as Independent Director on September 29, 2018 w.e.f. September 21, 2018 . She holds a Bachelorôs degree in Commerce from Gujarat University. She is also an associate member of Institute of Company Secretaries of India.

Dinesh Dhanji Patel

Dinesh Dhanji Patel, aged 48 years, is an Independent Director of our Company appointed on September 21, 2018 and regularised as Independent Director on September 29, 2018 w.e.f. September 21, 2018. He holds a Bachelorôs degree in Commerce from Gujarat University.

CONFIRMATIONS

As on the date of this Red Herring Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013

Director	Other Director	Relation
Karshan Patel	Dinesh Patel	Father-Son

2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS

Except as mentioned below, no other Directors have received remuneration during the financial year ended March 31, 2018:-

Name of Director	Amount (Rs. In Lakhs)
Mukesh Patel	3.60
Dinesh Patel	3.60

Compensation to our Joint Managing Director

We have not entered into any service agreement with our Joint Managing Directors providing for benefits upon termination of employment. However, the compensation payable to our Joint Managing Directors will be governed as per the terms of their appointment and Agreement entered between our Company and Joint Managing Directors and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 the rules made thereunder

(including any statutory modification(s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and Articles of Association of the Company.

Terms and conditions of employment of our Joint Managing Directors:

i. Mukesh Patel

Mukesh Patel has been appointed as Joint Managing Director of our Company for a period of 5 years w.e.f. August 14, 2018, subject to retirement by rotation. The terms of his appointment as per Agreement dated August 14, 2018 are as follows:-

Remuneration	Rs. 75,000/- per month
Term	5 Years w.e.f August 14, 2018

ii. Dinesh Patel

Dinesh Patel has been appointed as Joint Managing Director of our Company for a period of 5 years w.e.f. August 14, 2018, subject to retirement by rotation. The terms of his appointment as per Agreement dated August 14, 2018 are as follows.

Remuneration	Rs. 75,000/- per month
Term	5 Years w.e.f. August 14, 2018

Terms and conditions of employment of our Non-Executive Director and Independent Directors

Non-Executive and Independent Directors of our Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

SHAREHOLDING OF OUR DIRECTORS IN THE 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 Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Dinesh Patel	4,07,000	7.02%	[ŏ]
2.	Mukesh Patel	2,15,000	3.71%	[ŏ]
3.	Karshan Patel	2,12,000	3.66%	[ŏ]

INTERESTS OF DIRECTORS

Interest in Promotion of the Company

Our Directors, Mukesh Patel, Dinesh Patel and Karshan Patel may be deemed to be interested to the extent of being Promoter of our Company. They may also be deemed to be interested to the extent of any dividend payable to him and other distributions in respect of the Equity Shares held by them. For further details, refer to chapters titled *"Our Promoter and Promoter Group"* and *"Related Party Transaction* beginning on page 174 and 183 of this Red Herring Prospectus.

Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Red Herring Prospectus.

Interest as member of our Company

As on date of this Red Herring Prospectus, our Directors together hold 8,34,000 Equity Shares in our Company i.e. 14.39 % of the pre - issue paid up equity share capital of our Company. Therefore, our

Directors are interested to the extent of their respective shareholding and the dividend declared and other distributions, if any, by our Company.

Interest as a Creditor of our Company

As on the date of this Red Herring Prospectus, except as stated in the chapter titled ñ*Financial Indebtedness*ò and Annexure titled ñ*Related Party Transactions*ò under chapter titled ñ*Financial Statements as Restated*ò our Company has not availed loans from Directors of our Company.

Interest as Director of our Company

Except as stated above and in the chapters titled ñ*Financial Statements as Restated*ò and ñ*Capital Structure*ò beginning on pages 185 and 83 respectively of this Red Herring Prospectus our Directors, may deemed to be interested to the extent of remuneration, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AOA of our Company.

Interest as Key Managerial Personnel of our Company

Mukesh Patel and Dinesh Patel, Joint Managing Directors of our Company are the Key Managerial Personnel of the Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AOA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled *"Related Party Transactions"* under chapter titled *"Financial Statements as Restated"* beginning on page 185 of this Red Herring Prospectus.

Interest in transactions involving acquisition of land

Our Directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to under the heading titled ñ*Land and Property"* under chapter titled *"Our Business"* beginning on page 132 of this Red Herring Prospectus. Our Directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation 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.

Other Indirect Interest

Except as stated in chapter titled ñ*Financial Statements as Restated*ò beginning on page 185 of this Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

Interest in the Business of Our Company

Except as stated in ñ*Related Party Transactions*ò in the chapter titled ñ*Financial Statements as Restated*ò beginning on page 185 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any subsidiary or associate Company as on date of filing this Red Herring Prospectus.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Red Herring Prospectus:

Name	Date of event	Nature of event	Reason
Karshan Patel	August 14, 2018	Appointment	Appointment as Non-Executive Director
Mukesh Patel	August 14, 2018	Change in Designation	Designated as Joint Managing Director
Dinesh Patel	August 14, 2018	Change in Designation	Designated as Joint Managing Director
Hetika Kinger	September 21, 2018	Appointment	Appointment as Additional Independent Director
Dinesh Dhanji Patel	September 21, 2018	Appointment	Appointment as Additional Independent Director
Hetika Kinger	September 29, 2018	Regularization	Regularized as Additional Independent Director
Dinesh Dhanji Patel	September 29, 2018	Regularization	Regularized as Additional Independent Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on August 14, 2018 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, consent of members be and is hereby accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Companyôs bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the company and free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of 100 crores.

CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with NSE. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Boardôs supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Currently our Board has 5 (five) directors out of which 2 (two) are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Listing Agreements and the Companies Act, 2013 to the extent applicable

The following committees have been formed in compliance with the corporate governance norms:

A) Audit Committee

B) Stakeholders Relationship Committee

C) Nomination and Remuneration Committee

A) Audit Committee

Our Company has constituted an audit committee ("Audit Committee"), as per Section 177 of the Companies Act 2013 vide resolution passed in the meeting of the Board of Directors date September 21, 2018. The constituted Audit Committee comprises following members:

Name of the Director	Status	Nature of Directorship
Dinesh Dhanji Patel	Chairman	Independent Director
Hetika Kinger	Member	Independent Director
Karshan Patel	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

I. The Audit Committee shall have following powers/responsibilities:
   a. To investigate any activity within its terms of reference.
   b. To seek information from any employee.
   c. To obtain outside legal or other professional advice, and
   d. To secure attendance of outsiders with relevant expertise if it considers necessary

II. The Audit Committee shall mandatorily review the following information:
   a. Management discussion and analysis of financial condition and results of operations Statement of significant related party transactions (as defined by the audit committee), submitted by management;
   b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
   c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
   d. Internal Audit reports relating to internal control weaknesses; and
   e. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

   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 Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

III. The role of the Audit Committee not limited to but includes:
   1. Overseeing the companyôs financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
   2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
   3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
   4. Approving initial or any subsequent modification of transactions of the Company with related parties;
   5. Scrutinizing inter-corporate loans and investments;
   6. Valuation of undertakings or assets of the Company, wherever it is necessary;
   7. Evaluation of internal financial controls and risk management systems;

8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Directorôs Responsibility Statement to be included in the Boardôs report in terms of clause (c) of sub-Section 314 of the Companies Act, 2013;
   b) Changes, if any, in accounting policies and practices along with reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions; and
   g) Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
11. 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;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. 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;
14. Discussing with the internal auditors any significant findings and follow up there on;
15. 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;
16. Discussing with the 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;
17. Looking 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;
18. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
19. Reviewing and monitoring the auditorôs independence and performance, and effectiveness of audit process;
20. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven daysô notice in advance.

Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B) Stakeholder's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee *("Stakeholders' Relationship Committee")* to redress complaints of the shareholders. The Stakeholders Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on September 21, 2018.

The Stakeholderôs Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Dinesh Dhanji Patel	Chairman	Independent Director
Hetika Kinger	Member	Independent Director
Karshan Patel	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholderôs Relationship Committee.

The scope and function of the Stakeholderôs Relationship Committee and its terms of reference shall include the following:

A. **Tenure:** The Stakeholder/ Investor Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder / Investor Relationship Committee as approved by the Board.

B. **Meetings:** The Stakeholder/ Investor Relationship Committee shall meet at least at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher

C. **Terms of Reference:** Redressal of shareholdersô and investorsô complaints, including and in respect of:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;

2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and

3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances;
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties;
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of insider Trading) Regulations, 1992 as amended from time to time;
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting;
8. Carrying out any other function contained in the SME equity listing agreement as and when amended from time to time.

C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on September 21, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Dinesh Dhanji Patel	Chairman	Independent Director
Hetika Kinger	Member	Independent Director
Karshan Patel	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. **Tenure**: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. **Meetings**: The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration/Compensation Committee shall be called by at least seven daysô notice in advance.

The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven daysô notice in advance.

C. **Terms of Reference:**

- Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment ad removal and shall carry out evaluations of every directorôs performance;

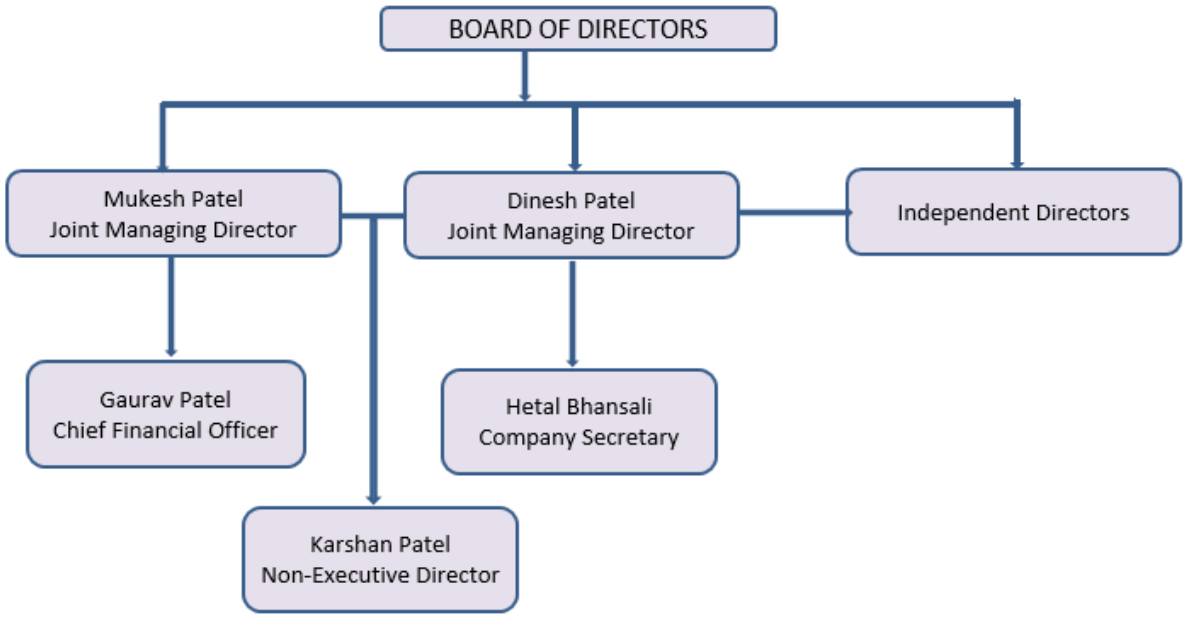
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc;
- To formulate and administer the Employee Stock Option Scheme.
- Formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company;
- Devise a policy on the Board diversity;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its equity shares on NSE Emerge. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

Hetal Bhansali, Company Secretary & Compliance Officer, will be responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

ORGANIZATIONAL 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.

Set forth below are the details of our Key Management Personnel as prescribed under the Companies Act, 2013, in addition to Mukesh Patel and Dinesh Patel, Joint Managing Directors of our Company. For details of our Joint Managing Directors, see ï ñBrief Profile of our Directorsò on page 161.

The details of our Key Managerial Personnel are set out below:

Gaurav Patel, Chief Financial Officer

Gaurav Patel, aged 34 years, has been appointed as the Chief Financial Officer of our company w.e.f September 21, 2018. He holds a Bachelorôs degree in Commerce from Gujarat University. He is currently responsible for looking after accounting, finance and taxation of our company.

Hetal Bhansali, Company Secretary & Compliance Officer

Hetal Bhansali, aged 27 years, has been appointed as the Company Secretary & Compliance Officer of our company w.e.f November 01, 2018. She holds Bachelor degree in Commerce from Pt. Ravishankar Shukla University, Raipur and is also a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India. She has an experience of more than 2 years as Company Secretary in Cosa Ceramics Pvt. Ltd. She is entrusted with the responsibility of legal, secretarial and statutory compliance of our company.

STATUS OF KEY MANAGERIAL PERSONNEL

All the Key Managerial Personnel are permanent employees of our Company

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the Key Managerial Personnelôs are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013.

RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of our Directors of the Company are related to the Key Managerial Personnel within the meaning of Section 2(77) of the Companies Act, 2013.

Director/Promoter	Key Managerial Personnel	Relation
Karshan Patel	Dinesh Patel	Father-Son

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Dinesh Patel	4,07,000	7.02%	4.91%
2.	Mukesh Patel	2,15,000	3.71%	2.59%

REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel have been paid gross remuneration as on the date of this Red Herring Prospectus.

Amount (Rs. in Lakhs)

Name of the Key Managerial Personnel	Remuneration paid during FY 2017-18
Mukesh Patel	3.60
Dinesh Patel	3.60

BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Directors, Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Red Herring Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company 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 and dividends payable thereon, if any.

Except as disclosed in this Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated in the heading titled *"Related Party Transactions"* under the Section titled ñ*Financial Statements as Restated*ò beginning on page 185 of this Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

The Changes in the Key Managerial Personnel in the last three years are as follows:

Name	Date of Appointment	Nature of event	Reason
Maulik Dixit	July 07, 2018	Appointment	Appointed as Company Secretary
Mukesh Patel	August 14, 2018	Change in Designation	Designated as Joint Managing Director
Dinesh Patel	August 14, 2018	Change in Designation	Designated as Joint Managing Director
Gaurav Patel	September 21, 2018	Appointment	Appointed as Chief Financial Officer
Maulik Dixit	October 31, 2018	Resignation	Resigned as Company Secretary
Hetal Bhansali	November 01, 2018	Appointment	Appointment as Company Secretary

Other than the above changes, there have been no changes to the KMP of our company that are not in the normal cause of employment.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled ñ*Related Party Transactions*ò in the Section titled ñ*Financial Statements as Restated*ò beginning on page 185 of this Red Herring Prospectus, no amount or benefit has been paid or given within the three 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 PROMOTERS

Our Company is promoted by Mukesh Patel, Dinesh Patel, Karshan Patel, Prakash Patel, Mani Patel, Prakash Karsanbhai Patel HUF and Karsanbhai Devjibhai Patel HUF. As on date of this Red Herring Prospectus, our promoters holds, in aggregate 20,95,000 Equity Shares representing 36.12% of the pre-issue paid up share capital of our Company.

Brief profile of our Promoters is as under:

	Mukesh Patel, Promoter & Joint Managing Director Mukesh Patel, aged 40 years, is the Promoter & Joint Managing Director of our Company. He has been Director of the Company since incorporation and thereafter has been designated as Joint Managing Director of the Company with effect from August 14, 2018. He has completed his B Com Honours (Part-I) commerce examination from the University of Burdwan. He has an experience of more than 5 years in steel and pipe industry. He currently looks after the overall operations of the company. **Passport No:** N3341379 **Driving License:** GJ18 20140005953 **Voters ID:** MHL2130078 **Address**: 11 Vinayak Park, Opp. Ashirwad Hospital Collage Road Dahegam 382305, Gujarat, India **Ventures Promoted by our Promoter:** 1. Mukeshbhai Patel HUF For further details relating to Mukesh Patel, including terms of appointment as our Joint Managing Director, other directorships, please refer to the chapter titled ñ*Our Management"* beginning on page 160 of this Red Herring Prospectus.
	Dinesh Patel, Promoter & Joint Managing Director Dinesh Patel, aged 30 years, is the Promoter & Joint Managing Director of our company. He has been Director of the Company since incorporation and thereafter has been designated as Joint Managing Director of the Company with effect from August 14, 2018. He holds a Masterôs degree in Business Administration from University of Norway. He has an experience of more than 5 years in steel and pipe industry. He is presently looking after sales and production department in the company. **Passport No:** S5672594 **Driving License:** GJ18 20100166306 **Voters ID:** MHL3684917 **Ventures Promoted by our Promoter:** Nil **Address**: 4, Vinayak Park Society, B/h Atithi Hotel, Dahegam-382305 Gujarat, India For further details relating to Dinesh Patel, including terms of appointment as our Joint Managing Director, other directorships,

	please refer to the chapter titled ñ*Our Management"* beginning on page 160 of this Red Herring Prospectus.
	Karshan Patel, Promoter & Non-Executive Director Karshan Patel, aged 63 years, is the Promoter & Non-Executive Director of our Company. He has been Non- Executive Director of the Company with effect from August 14, 2018. He is an under matriculate. He has an experience of more than 10 years in steel industry. **Passport No:** S5683153 **Driving License:** GJ18 20070024802 **Voters ID:** MHL3280179 **Address**: 4, Vinayak Park Soc, B/H Atithi Hotel, Dahegam, Gandhinagar -382305, Gujarat, India **Ventures Promoted by our Promoter:** 1. Vinayak TMT Bars Private Limited. 2. Karsanbhai Devjibhai Patel HUF. For further details relating to Karsan Patel, including terms of appointment as our Non-Executive Director, other directorships, please refer to the chapter titled ñ*Our Management"* beginning on page 160 of this Red Herring Prospectus.
	Prakash Patel, Promoter Prakash Patel, aged 36 years, is the Promoter of our Company. He is an under matriculate. He has more than 9 years of experience in steel industry. **Passport No:** L3310659 **Driving License:** GJ18 20070013051 **Voters ID:** MHL3527967 **Address**: 4, Vinayak Park Soc, Opp Dahegam College, Dahegam, Gandhinagar 382305 Gujarat, India **Ventures Promoted by our Promoter:** 1. Prakash Karsanbhai Patel HUF. He holds directorship in Vinayak TMT Bars Pvt. Ltd.
	Mani Patel, Promoter Mani Patel, aged 61 years, is the Promoter of our Company. She is an under matriculate. **Passport No:** S5682765 **Driving License:** Not Avaliable **Voters ID:** MHL3820161 **Ventures Promoted by our Promoter:** Nil

	Address: 4, Vinayak Park Soc, B/H Atithi Hotel, Ahmedabad Road, Dahegam, Gandhinagar 382305 Gujarat, India

OTHER PROMOTERS

Karsanbhai Devjibhai Patel HUF

Karsanbhai Devjibhai Patel HUF was formed on July 11, 1982 and its members are Karshan Patel, Mani Patel, Prakash Patel, Dinesh Patel and Daksha Patel. Karshan Patel is the Karta of Karsanbhai Devjibhai Patel HUF.

PAN: AAJHK5562N
Address: 4, Vinayak Park Soc, B/H Atithi Hotel, Ahmedabad Road, Dahegam, Gandhinagar 382305 Gujarat, India

Prakash Karsanbhai Patel HUF

Prakash Karsanbhai Patel HUF was formed on September 20, 2006 and its members are Prakash Patel, Jyoti Patel, Heet Patel and Mantra Patel. Prakash Patel is the Karta of Prakash Karsanbhai Patel HUF

PAN: AAMHP3538A
Address: 4, Vinayak Park Soc, B/H Atithi Hotel, Ahmedabad Road, Dahegam, Gandhinagar 382305 Gujarat, India

DECLARATION

Our Company confirms that the permanent account number, bank account number and passport number of our individual Promoters and the permanent account number and bank account number of other than promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus with it.

INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our Promoters in our Company, please refer *"Capital Structure"* on page 83 of this Red Herring Prospectus.

Our Promoters may also be deem to be interested in our Company to the extent of their shareholding/ interest in our group company /or ventures promoted by them with which our Company transacts during the course of its operations.

Our Promoters, Karshan Patel, Dinesh Patel and Mukesh Patel, are also the Directors and KMPs of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act, 2013 and in terms of the agreements entered into with our company, if any and AoA of our Company. For details please see *"Our Management", 'Financial Statements"* and *"Capital Structure"* beginning on pages 160, 185 and 83 respectively of this Red Herring Prospectus.

Our Promoter does not have any interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS

Our Group Company viz. Vinayak TMT Bars Private Limited, deals in the similar business activities as that of our Company. The entites do not have any non-compete agreement in place among themselves. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and Group Company in circumstances where our respective interests diverge. In cases of

conflict, our Promoter may favour itself or other ventures in which our Promoters have interests. Except as disclosed in this Red Herring Prospectus, our promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

RELATED PARTY TRANSACTIONS

For the transactions with our Promoters, Promoter Group and Group Company, please refer to chapter titled ñ*Related Party Transactions"* on page 183 of this Red Herring Prospectus.

Except as stated in *"Related Party Transactions"* beginning on page 183 of this Red Herring Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

PAYMENT OR BENEFITS TO PROMOTERS

Except as stated otherwise in the chapter titled ñ*Related Party Transactions*ò on page 183 of this Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations is as under:

A. Natural Persons who are part of the Promoter Group:

Relationship with Promoters	Mukesh Patel	Dinesh Patel	Karshan Patel	Prakash Patel	Mani Patel
Father	Vishram Patel	Karshan Patel	Late Devji Patel	Karshan Patel	Late Valji Patel
Mother	Laxmi Patel	Mani Patel	Late Jana Patel	Mani Patel	Late Lal Patel
Brother	-	Prakash Patel	Narayan Patel Ratanshi Patel	Dinesh Patel	Ravji Patel and Mahendra Patel
Sister	Deepa Patel, Jyoti Patel and Priti Patel	Daksha Patel	Mani Patel, Jamana Limbani and Ganga Patel	Daksha Patel	Jamna Patel
Spouse	Dimple Patel	Hetal Patel	Mani Patel	Jyoti Patel	Karshan Patel
Son(s)	Vedansh Patel	-	Prakash Patel and Dinesh Patel	Heet Patel and Mantra Patel	Dinesh Patel and Prakash Patel
Daughter(s)	Prisha Patel	Pratha Patel	Daksha Patel	N.A.	Daksha Patel
Spouseôs Father	Late Girdhar Patel	Parshotam Raiyani	Late Valji Patel	Debji Kanji Patel	Late Devji Patel
Spouseôs Mather	Nirmala Patel	Kastur Raiyani	Late Lal Patel	Bhanu Patel	Late Jana Patel
Spouseôs Brother	Lalit Patel	Bhavin Raiyani	Ravji Patel and Mahendra Patel	Kapil Debji Patel	Narayan Patel and Ratanshi Patel
Spouseôs Sister	Bhavana Patel, Shobhana Patel and Sarika Patel	Dipti Patel Jagruti Diwani	Jamna Patel	Daksha Patel	Mani Patel, Jamana Limbani and Ganga Patel

B. Companies, Firms, Entities and HUFs forming part of our Promoter Group:

1. Shankar Timber Co.
2. Shree Umiya Vijay Saw mill.
3. Umiya Enterprise.
4. Vedant Ispat.
5. Vinayak Techno Cast Industries.
6. Mukeshbhai Patel HUF.
7. Vishrambhai Patel HUF.

Our Company has issued letters dated September 18, 2018 to the relatives of our Individual promoters, **Relatives of Mukesh Patel** i.e. Deepa Patel, Jyoti Patel, Priti Patel, Nirmala Patel, Lalit Patel, Bhavana Patel, Shobhana Patel, Sarika Patel, **Relatives of Dinesh Patel** i.e. Daksha Patel, Parshotam Raiyani, Kastur Raiyani, Bhavin Raiyani, Dipti Patel, Jagruti Diwani, **Relatives of Karshan Patel i.e.** Narayan Patel, Ratanshi Patel, Mani Patel, Jamana Limbani, Ganga Patel, Jamna Patel and **Relatives of Prakash Patel** i.e. Bhanu Patel and Daksha Patel, asking for details of entity(ies) in which they severally or jointly may have an interest along with the personal documents for identification of promoter group. However, we have not received reply from any of these relatives. Therefore, the disclosures made in this Red Herring Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group and Group Companies.

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, our Promoter is not related to any of our Companyôs Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoter	Director	Relationship
Karshan Patel	Dinesh Patel	Father
Prakash Patel	Karshan Patel	Son
	Dinesh Patel	Brothers
Mani Patel	Karshan Patel	Spouse
	Dinesh Patel	Mother

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

None of our Promoter has disassociated themselves from any company during the last three years.

CHANGES IN CONTROL

There was no change in management of our Company during three years immediately preceding the date of filing of this Red Herring Prospectus.

LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, please refer *"Outstanding Litigation and Material Developments"* on page 206 of this Red Herring Prospectus.

CONFIRMATIONS

Our Company, our Promoters and members of promoter group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters 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.

Except as disclosed in *"Related Party Transactions"* on page 183 of this Red Herring Prospectus, our Promoters are not related to any of the sundry debtors nor to the beneficiaries of Loans and Advances given by/to our Company.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled ñ*Our Promoter and Promoter Group*ò and ñ*Our Group Company*ò beginning on page 174 and 180, of this Red Herring Prospectus, there are no ventures promoted by our Promoter in which they have any business interests / other interests.

DEFUNCT / STRUCK-OFF COMPANY

None of our Group Company remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Company during the five years preceding the date of filing of this Red Herring Prospectus with SEBI. Further, none of our Group Company fall under the definition of sick companies under SICA and none of them is under winding up.

OUR GROUP COMPANY

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of ñGroup Companiesò, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and other companies as per the policy adopted by our Board. Pursuant to a resolution dated September 15, 2018, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18, no other Company is material in nature.

Based on the above, the following are our Group Company:

1. Vinayak TMT Bars Private Limited

OUR GROUP COMPANY

The details of our Group Company are provided below:

1. Vinayak TMT Bars Private Limited

Corporate Information

Vinayak TMT Bars Private Limited (ñ**Vinayak**ò) is a Private Limited Company incorporated on July 29, 2008 under the provisions of Companies Act, 1956 and has its registered office situated at State Highway No.69, Dahegam- Bayed Road Village: Barot Na Mosampur, Post- Sampa, Dahegam-382305, Gujarat, India. The Corporate Identification Number of Vinayak is U27310GJ2008PTC054624. The current paid up capital of Vinayak is Rs. 3,37,50,000 (Rupees Three Crore Thirty Seven Lakh Fifty Thousand only).

Board of Directors as on the date of this Red Herring Prospectus:

1. Karshan Patel;
2. Prakash Patel;
3. Vasant Patel; and
4. Priyankkumar Parikh.

Main object of the Company:

"To carry on the business of manufacturers, importers, exporters and dealers in all kinds of metals, metallic substances and alloys and the rolling, re-rolling, drawing etc. of sheets, rods, pipes and bars all sort of ingots, blocks, slabs, billets, shots and pallets, slabs, blooms, coils, wires, joists, girders, beams, and all other rolled, forged or extruded shapes, squares, angles, teels, channels, window Sections and all other Sections and all other Sections of iron, steels, wires and ferrous and non-ferrous articles of all kinds.

FINANCIAL PERFORMANCE

Amount (Rs. in Lakhs except NAV)

Particulars	2015-16	2016-17	2017-18
Equity Paid Up Capital	300.00	300.00	337.50
Preference Paid Up Capital	100.00	-	-
Reserves and Surplus (excluding revaluation reserve if any)	2,001.35	1,822.43	2598.48
Net Asset Value (In Rs.)	767.12	707.47	869.92

Note: *Reserves & Surplus doesn't include Capital Redemption Reserve.*

NATURE AND EXTENT OF INTEREST OF PROMOTERS

Our Promoters holds the Equity Share Capital in Vinayak as set for the below:-

Sr. No.	Name of Promoter	No. of Equity Shares held	Percentage of shares held
1.	Prakash Patel	24,781	7.34
2.	Karsan Patel	16,901	5.01
3.	Mani Patel	10,893	3.23
4.	Dinesh Patel	4,231	1.25
	Total	**56,806**	**16.83**

NEGATIVE NET WORTH

None of our Group Company has negative net worth as on the date of filing this Red Herring Prospectus.

DEFUNCT / STRUCK-OFF COMPANY

Our Group Company has not remain defunct and no application has been made to the Registrar of Companies for striking off the name of our Group Company during the five years preceding the date of filing of this Red Herring Prospectus. Further, our Group Companies is not falling under the definition of sick companies under SICA and Insolvency and Bankruptcy Code, 2016 as applicable and none of them is under winding up.

NATURE AND EXTENT OF INTEREST OF OUR GROUP COMPANY

In the promotion of our Company

Our Group Company does not have any interest in the promotion or any business interest or other interest in our Company.

In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Red Herring Prospectus

None of our Group Company have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the date of filing of this Red Herring Prospectus or proposed to be acquired by it.

In transactions involving acquisition of land, construction of building and supply of machinery

None of our Group Company is interested in any transactions involving acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS

Our Group Company, Vinayak TMT Bars Private Limited, deals in similar business activities as that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and in circumstances where our respective interests diverge. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises.

SALES/PURCHASES BETWEEN OUR COMPANY AND GROUP COMPANY

Other than as disclosed in the chapter titled *"Related Party Transactions"* beginning on page 183 of this Red Herring Prospectus, there are no sales/purchases between the Company and the Group Company.

RELATED PARTY TRANSACTIONS

For details, please refer to the Section titled *"Related Party Transactions"* beginning on 183 of this Red Herring Prospectus.

RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANIES AND SIGNIFICANCE OF THE FINANCIAL PERFORMANCE OF OUR COMPANY

Our Company has only one Group Company i.e. Vinayak TMT Bars Private Limited.

CONFIRMATIONS

Our Group Company is not listed on any Stock Exchange nor have made any public or rights issue of securities in the preceding 3 (three) years.

Our Group Company has not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Company have become not been declared sick companies under the SICA. Additionally, our Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

LITIGATIONS INVOLVING OUR GROUP COMPANIES

For details related to litigations and regulatory proceedings involving our group company, please refer to the chapter titled ñ*Outstanding Litigation and Material Developments"* beginning on page 206 of this Red Herring Prospectus.

PAYMENT OR BENEFIT TO OUR GROUP COMPANY

Except as stated in chapter titled ñ*Related Party Transactions*ò beginning on page 183 of this Red Herring Prospectus, there has been no payment of benefits to our Group Company during the previous financial years nor is any benefit proposed to be paid to them.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure XXXI of restated financial statement under the Section titledā ó*Financial Statements*ô beginning on page 185 of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders, at their discretion, subject to the provisions of the Article of Association and the Companies Act, 2013. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, and restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects. Our Company has no formal dividend policy. Our Company has not declared dividends during the last five Fiscals. For further details, please refer to chapter titled *"Financial Statements as restated"* in the Section titled *"Financial Information"* beginning in page 185 of this Red Herring Prospectus. Our Company may also, from time to time, pay interim dividends.

SECTION V ï FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AS RESTATED

Particulars	Page No.
Restated Financial Statements	F-1 to F-45

RESTATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Surani Steel Tubes Limited
S.No. 110,115, Opp. Vinayak TMT Bars Pvt Ltd,
Tal. Dahegam, Sampa
Gandhinagar, Gujarat – 382315

Dear Sirs,

Re.: Proposed Public Issue of Equity Shares of Surani Steel Tubes Limited

1. We have examined the attached Restated Summary Statement of Assets and Liabilities of **Surani Steel Tubes Limited,** (hereinafter referred to as "**the Company"**) as at July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flow for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014(collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the Company and approved by the Board of Directors of the company in connection with the Initial Public Offering (IPO) on EMERGE Platform of National Stock Exchange of India Limited ("**NSE**").

2. These Restated Summary Statements have been prepared in accordance with the requirements of:

   (i) Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
   (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("**ICDR Regulations"**) issued by the Securities and Exchange Board of India ("**SEBI"**) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
   (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").

3. The Restated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 which have been approved by the Board of Directors.

4. In accordance with the requirements of the Act, ICDR Regulations and Guidance Note we report that:

   (i) The "**Restated Statement of Asset and Liabilities**" as set out in **Annexure I** to this report, of the Company as at July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Asset and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

   (ii) The "**Restated Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.

   (iii) The "**Restated Statement of Cash Flow**" as set out in **Annexure III** to this report, of the Company for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 are prepared by the Company and approved by the Board of Directors. These Statement of Cash

Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

5. Based on our examination and audited financial statements, we report that the Restated Financial Statements have been made after incorporating:

   a) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.

   b) Adjustments for prior period and other material amounts in the respective financial years to which they relate and there are no qualifications which require adjustments.

   c) There are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.

   d) There are no audit qualifications in the Audit Reports issued by the Statutory Auditors for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 which would require adjustments in this Restated Financial Statements of the Company.

   e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.

   f) There are no revaluation reserves, which needed to be disclosed separately in the Restated Financial Statements in the respective financial years.

6. For the purpose of our examination, we have relied on:

   a. Auditor's report issued by Jethaliya & Associates, Chartered Accountants dated December 14, 2018, August 23, 2018, August 09, 2017 and Ambalal Patel &Co., Chartered Accountants dated September 05, 2016, September02, 2015 and August 12, 2014,respectively on the financial statements of the Company as at July 31, 2018, March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

   b. For the purpose of restated financials, financial statement for the period ended on 31 July, 2018 and financial year ended on March 2018 have been re-audited by us.

7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus/ Prospectus ("**Offer Document**").

8. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10. In our opinion, the above financial information contained in Annexure I to XXXV of this report read with the respective Significant Accounting Polices and Notes to Restated Summary Statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, SEBI ICDR Regulations and Guidance Note.

11. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For S. N. Shah & Associates
Chartered Accountants
Firm Registration No.:109782W

CA Priyam Shah
Partner
Membership No. 144892
Place: Ahmedabad
Date: 28-12-2018

Annexure of Restated Financial Statements of the Company:-

i. Summary Statement of Assets and Liabilities, as restated as ANNEXURE I;
ii. Summary Statement of Profit and Loss, as restated as ANNEXURE II;
iii. Summary Statement of Cash Flow, as restated as ANNEXURE III;
iv. Significant Accounting Policies and Notes to Accounts in ANNEXURE IV;
v. Details of Share Capital as Restated as appearing in ANNEXURE V to this report;
vi. Details of Reserves and Surplus as Restated as appearing in ANNEXURE VI to this report;
vii. Details of Long Term Borrowings as Restated as appearing in ANNEXURE VII to this report;
viii. Details of Deferred Tax Liabilities as Restated as appearing in ANNEXURE VIII to this report;
ix. Details of Long Term Provision as Restated as appearing in ANNEXURE IX to this report;
x. Details of Short Term Borrowings as Restated as appearing in ANNEXURE X to this report;
xi. Details of Trade Payables as Restated as appearing in ANNEXURE XI to this report;
xii. Details of Other Current Liabilities as Restated as appearing in ANNEXURE XII to this report;
xiii. Details of Short Term Provisions as Restated as appearing in ANNEXURE XIII to this report;
xiv. Details of Fixed Assets as Restated as appearing in ANNEXURE XIV to this report;
xv. Details of Long Term Loans & Advances as Restated as appearing in ANNEXURE XV to this report;
xvi. Details of Other Non-Current Investments as Restated as appearing in ANNEXURE XVI to this report;
xvii. Details of Inventories as Restated as appearing in ANNEXURE XVII to this report
xviii. Details of Trade Receivables as Restated as appearing in ANNEXURE XVIII to this report;
xix. Details of Cash and Cash Equivalents as Restated as appearing in ANNEXURE XIX to this report;
xx. Details of Short Term Loans & Advances as Restated as appearing in ANNEXURE XX to this report;
xxi. Details of Other Current Assets as Restated as appearing in ANNEXURE XXI to this report;
xxii. Details of Revenue from Operations as appearing in ANNEXURE XXII to this report;
xxiii. Details of Other Income as Restated in ANNEXURE XXIII to this report;
xxiv. Details of Cost of Material Consumed as Restated as appearing in ANNEXURE XXIV to this report;
xxv. Details of Purchase of Stock-in-Trade as Restated as appearing in ANNEXURE XXV to this report;
xxvi. Details of Changes in Inventories of Goods Traded as Restated as appearing in ANNEXURE XXVI to this report;
xxvii. Details of Employee Benefit Expenses as Restated as appearing in ANNEXURE XXVII to this report;
xxviii. Details of Finance Costs as Restated as appearing in ANNEXURE XXVIII to this report;
xxix. Details of Depreciation and Amortization as Restated as appearing in ANNEXURE XXIX to this report;
xxx. Details of Other Expenses as Restated as appearing in ANNEXURE XXX to this report;
xxxi. Details of Related Parties Transactions as Restated as appearing in ANNEXURE XXXI to this report;
xxxii. Details of Significant Accounting Ratios as Restated as appearing in ANNEXURE XXXII to this report;
xxxiii. Capitalization Statement as Restated as at March 31, 2018 as appearing in ANNEXURE XXXIII to this report;
xxxiv. Statement of Tax Shelters as Restated as appearing in ANNEXURE XXXIV to this report;
xxxv. Statement of Contingent Liabilities, enclosed as ANNEXURE XXXV to this report.

ANNEXURE I
STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. In lakhs)

Particulars	Annexure	As at July 31, 2018	As at March 31,				
			2018	2017	2016	2015	2014
EQUITY AND LIABILITIES							
Shareholders' Funds							
a. Share Capital	V	580.00	580.00	250.00	250.00	250.00	250.00
b. Reserves & Surplus	VI	501.83	461.32	218.88	118.99	9.39	-6.86
Non-Current Liabilities							
a. Long Term Borrowings	VII	535.79	360.81	577.21	580.58	579.11	584.95
b. Deferred Tax Liabilities	VIII	46.79	56.19	57.32	52.18	6.80	-
c.Long Term Provisions	IX	6.88	5.94	4.63	3.13	1.59	0.75
Current Liabilities							
a. Short Term Borrowings	X	1,086.80	1,075.15	687.05	572.58	398.13	460.18
b. Trade Payables	XI	709.02	792.47	838.99	537.00	211.42	168.65
c. Other Current Liabilities	XII	186.81	138.87	162.68	171.17	136.53	83.67
d. Short Term Provisions	XIII	59.68	57.60	39.57	12.66	1.86	-
T O T A L		**3,713.60**	**3,528.36**	**2,836.35**	**2,298.30**	**1,594.83**	**1,541.34**
ASSETS							
Non-Current Assets							
a. Fixed Assets	XIV						
i. Tangible Assets		635.65	634.81	634.18	635.57	556.27	548.33
Less: Accumulated Depreciation		210.03	197.25	158.45	118.53	68.03	33.92
ii. Intangible Assets (Net)		0.02	0.02	0.09	0.20	0.30	-
iii Capital Work in Progress		798.29	632.44	227.84	-	10.26	-
Net Block		**1,223.93**	**1,070.01**	**703.66**	**517.24**	**498.79**	**514.41**
b. Deferred Tax Assets (Net)	VIII	-	-	-	-	-	1.36
b. Long Term Loans & Advances	XV	76.55	47.82	108.44	21.60	23.39	21.59
c. Non-Current Investments	XVI	10.00	10.00	10.00	10.00	1.00	-
Current Assets							
a. Inventories	XVII	1,604.25	1,681.89	1,137.74	1,052.23	516.79	519.25
b. Trade Receivables	XVIII	683.93	618.19	801.32	559.24	467.79	410.31
c. Cash and Cash Equivalents	XIX	11.64	8.36	6.58	14.06	56.23	0.97
d. Short Term Loans & Advances	XX	65.11	82.56	28.53	66.83	13.17	44.87
e. Other Current Assets	XXI	38.20	9.53	40.08	57.11	17.67	28.59
T O T A L		**3,713.60**	**3,528.36**	**2,836.35**	**2,298.30**	**1,594.83**	**1,541.34**

ANNEXURE II
STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. In lakhs)

Particulars	Annexure	As at July 31, 2018	For the year ended March 31,				
			2018	2017	2016	2015	2014
INCOME							
Revenue from Operations	XXII	3,612.92	10,077.98	7,666.98	6,843.09	5,811.60	3,597.59
Other Income	XXIII	0.57	1.74	3.10	2.81	2.55	2.32
Total Income (A)		**3,613.50**	**10,079.72**	**7,670.08**	**6,845.89**	**5,814.16**	**3,599.92**
EXPENDITURE							
Cost of materials consumed	XXIV	3,372.60	9,281.49	6,931.19	6,289.45	5,451.41	3,503.54
Purchase of Trading Goods	XXV	22.57	412.75	-	-	3.96	21.36
Changes in inventories of Finished Goods and Stock in Trade	XXVI	21.42	(376.26)	46.08	(158.15)	(34.02)	(218.59)
Employee benefit expenses	XXVII	45.51	137.66	153.82	121.91	82.73	54.45
Finance costs	XXVIII	41.39	101.53	136.14	131.76	134.07	104.50
Depreciation and Amortisation expense	XXIX	12.78	38.88	40.02	50.60	34.16	33.92
Other Expenses	XXX	60.72	204.67	186.32	250.80	117.44	105.09
Total Expenses (B)		**3,576.99**	**9,800.73**	**7,493.58**	**6,686.38**	**5,789.75**	**3,604.27**
Profit before exceptional items and tax (C)		**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Exceptional Items		**-**	-	-	-	-	-
Profit before tax (D)		**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Tax expense :		**-**					
(i) Current tax		7.51	93.61	53.73	32.52	3.82	-
(ii) Deferred tax		(9.40)	(1.13)	5.14	45.38	8.16	(1.36)
(iii) MAT Credit		(2.12)	14.07	17.74	(27.99)	(3.82)	-
Total Tax Expense (E)		**(4.00)**	**106.55**	**76.61**	**49.91**	**8.16**	**(1.36)**
Profit for the year (D-E)		**40.51**	**172.44**	**99.90**	**109.60**	**16.25**	**(2.99)**

ANNEXURE III
STATEMENT OF CASH FLOW AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	For the year ended March 31,				
		2018	2017	2016	2015	2014
Cash flow from operating activities:						
Net Profit before tax as per Profit And Loss A/c	**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Adjusted for:						
Loss on sale of Fixed Assets	-	-	-	-	0.09	-
Depreciation &Amortisation	12.78	38.88	40.02	50.60	34.16	33.92
Provision for Gratuity	0.94	1.31	1.50	1.=54	0.84	0.75
Foreign Exchange Fluctuation	41.31	-	-	-	0.29	-
Interest & Finance Cost	(0.28)	97.01	136.14	131.76	134.07	104.50
Dividend Income	(0.21)	-	(0.08)	(0.03)	-	-
Interest income	-	(0.09)	-	(0.69)	(0.38)	-
Operating Profit Before Working Capital Changes	**91.05**	**416.10**	**354.09**	**342.70**	**193.48**	**134.82**
Adjusted for (Increase)/ Decrease:						
Trade Receivables	(65.74)	183.13	(242.08)	(91.45)	(57.48)	(410.31)
Inventories	77.64	(544.15)	(85.51)	(535.43)	2.45	(512.85)
Long Term Loans and Advances	(28.73)	60.62	(86.84)	1.79	(1.80)	2.50
Short Term Loans and Advances	17.45	(54.02)	38.20	(53.56)	31.69	(34.50)
Trade payables	(83.45)	(46.52)	301.99	325.58	42.47	157.75
Provisions	-	-	-	-	-	-
Current Liabilities	9.88	(50.29)	(8.49)	34.64	23.72	39.57
Other Current Assets	(26.55)	16.47	(0.71)	(11.45)	14.75	(28.59)
Cash Generated From Operations Before Extra-Ordinary Items	**(8.46)**	**(18.66)**	**270.64**	**12.82**	**249.29**	**(651.62)**
Add:- Extra-Ordinary Items	-	-	-	-	-	-
Cash Generated From Operations	**(8.46)**	**(18.66)**	**270.64**	**12.82**	**249.29**	**(651.62)**
Direct Tax Paid	(5.44)	(75.50)	(26.72)	(21.81)	(1.96)	-
Net Cash Flow from/(used in) Operating Activities: (A)	**(13.89)**	**(94.16)**	**243.92**	**(9.00)**	**247.33**	**(651.62)**
Cash Flow From Investing Activities:						
Purchase of Fixed Assets	(166.69)	(405.23)	(226.44)	(69.05)	(18.67)	(81.96)
Sale of Fixed Asset/Reversal of Fixed Assets	-	-	-	-	0.04	-
Purchase of Long Term Investments	-	(0.00)	-	(9.00)	(1.00)	-
Dividend Income	0.28	-	0.08	0.03	-	-

Particulars	As at July 31, 2018	For the year ended March 31,				
		2018	2017	2016	2015	2014
Interest Income	0.21	-	-	0.69	0.38	-
Net Cash Flow from/(used in) Investing Activities: (B)	**(166.21)**	**(405.23)**	**(226.36)**	**(77.34)**	**(19.25)**	**(81.96)**
<u>Cash Flow from Financing Activities:</u>						
Proceeds From Share Capital	-	400.00	-	-	-	-
Increase/(Decrease) Long Term Borrowing	213.04	(189.91)	(3.37)	1.47	23.30	340.63
Increase/ (Decrease) in Short Term Borrowing	11.65	388.10	114.47	174.46	(62.06)	460.18
Interest & Financial Charges	(41.31)	(97.01)	(136.14)	(131.76)	(134.07)	(104.50)
Net Cash Flow from/(used in) Financing Activities (C)	**183.38**	**501.18**	**(25.04)**	**44.16**	**(172.83)**	**696.31**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**3.28**	**1.79**	**(7.48)**	**(42.17)**	**55.25**	**(37.27)**
Cash & Cash Equivalents As At Beginning of the Year	**8.36**	**6.58**	**14.06**	**56.23**	**0.97**	**38.24**
Cash & Cash Equivalents As At End of the Year	**11.64**	**8.36**	**6.58**	**14.06**	**56.23**	**0.97**

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure and with the notes on adjustments for the Restated Statement of the Assets and Liabilities, the Restated Statement of Profit and Loss and the Restated of Cash Flows.

ANNEXURE – IV

RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Corporate information:

Surani Steel Tubes Limited is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's operations comprises of manufacturing and trading of steel products.

2. Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at July 31, 2018 ,March 31, 2018, 2017, 2016, 2015 and 2014and the related restated summary statement of profits and loss and cash flows for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). The Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial Public Offering of equity shares. The Company's management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

3. Accounting Conventions:

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 except in case of leave salary, gratuity & other retirement employee benefits including statutory if any applicable and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

4. Use of estimates:

The preparation of financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the management's best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates

5. Fixed Assets:

Property, Plant, Equipment except Land are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Property, Plant, Equipment comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalized only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

Intangible assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses.

Capital Work in progress includes cost of assets at sites and construction expenditure.

6. Depreciation:

In respect of Financial Years 2014-15, 2015-16, 2016-17, 2017-18 and for the period ended July 31, 2018

Depreciation of Fixed Assets is provided on original cost of the asset on Straight Line Method ('SLM') method and in the manner prescribed in Schedule II of the Companies Act, 2013.Accordingly the unamortized carrying value is being depreciated over remaining useful life by Straight Line Method ('SLM').

Depreciation on additions or sale/discard of asset is being provided on pro-rata basis from the date on which such asset is ready to be put to use or date of sale/discard.

Except for some class of asset whose useful lives were more than the life prescribed in schedule II of the act, the useful life in respect of such class of asset were derived based on technical evaluations out by the management with consultation from chartered engineer.

In respect of Financial Years 2013-14

Depreciation on fixed assets is provided on Straight Line method (SLM) at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 on single shift working.

Depreciation is provided on Roll-Sets on the basis of useful life of three years on Written Down Value Method as specified in schedule XIV of the Companies Act, 1956 on Pro Rata basis from the date assets put to use.

7. Inventories:

The inventories of intermediate finished goods and finished goodshave been valued at cost or net realizable value whichever is lower. The Costs in respect of all items of inventories have been computed on FIFO basis. The cost of inventories comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT/GST credit availed of by the Company during the year. Waste & Scrap are valued at Net Realisable value.

8. Revenue Recognition:

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. The revenue in respect of service contract is recognized based on order/contract with the parties.

9. Foreign Currency Transactions:

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

10. Borrowing Costs:

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

11. Employee Benefits:

a) Short Term Employee Benefits

Short-term employee benefits are recognised as expense in the Statement of Profit & Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

As regards Liability towards Leave encashment, the employees have the option of enchasing or availing the unaveiled leave. The company measures the expected cost of such leave as the additional amount that it expects to pay as a result of the unused entitlements that has accumulated at the reporting date and makes provision as short term employee benefit.

b) Long Term Employee Benefits:
Long term employees benefits and post-employment benefits both funded and non-funded are recognised as expenses in the statement of Profit and Loss of the year in which the related services is rendered based on actuarial valuation.
Company's Contribution towards provident fund are accounted for at pre-determined rates and deposited in to an EPFO.

Gratuity is accounted for on the basis of actuarial valuation.

The management is also of the opinion that the payment of Pension Act and Employees State Insurance Act is not applicable to the Company.

12. Taxes on Income:

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

13. Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

14. Provisions, Contingent Liabilities and Contingent Assets:

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

15. Cash and Cash Equivalents-For the Purpose of Cash Flow Statements:

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

16. Operating Cycle:

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

17. Earnings Per Share:

The earnings per share as per AS-20 "Earning Per Share" has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

B. NOTES TO ACCOUNTS ON RESTATED FINANCIAL STATEMENTS:

1. Reconciliation of Restated Profits:

The summary of the material adjustments made to audited financial statements of the respective years and their impact on the restated summary statement of profit and loss have been given as under:

(Rs. In lakhs)

Particulars	For the Period Ended July 31, 2018	For the Year ended March, 31 2018	For the Year ended March, 31 2017	For the Year ended March, 31 2016	For the Year ended March, 31 2015	For the Year ended March, 31 2014
I. Net profit/(Loss) after Tax as per Audited Profit & Loss Account	**25.08**	**176.41**	**118.71**	**143.14**	**15.94**	**0.13**
II. Adjustments for:						
Bad Debts Written off	-	-	-	14.18	(1.38)	(12.80)
Gratuity	-	4.63	(1.50)	(1.54)	(0.84)	(0.75)
Tax Provision	15.43	(8.60)	(17.31)	(46.18)	2.52	10.43
III. Net Profit/ (Loss) After Tax as Restated	**40.51**	**172.44**	**99.90**	**109.60**	**16.25**	**(2.99)**

Notes:

1. The company did not make provision for gratuity in the statement of profit & loss for each of the financials years ended on March 31, 2014, 2015, 2016& 2017. The restated summary financial statements, the company has now charged the gratuity to the statement of profit& loss of the respective year/period as per actuarial valuation report.
2. The company had policy not to consider section 43B payments as per Income tax Act, 1961 as being not material for computing the deferred taxes. The deferred tax liabilities/(assets) were hitherto rounded to the nearest thousand rupees. The adjustments to the deferred tax liabilities/(assets) represent effect of change in the depreciation as per restated financial statements, change in unabsorbed losses, consideration of section 43B payments for computing deferred tax and non-rounding of deferred tax liabilities/(assets) to the nearest thousand rupees.
3. **Provision for Taxation**-We have reworked Income Tax Liability for all the 5 years and for period ended July 31, 2018 considering effects of the above restatements and the same has been provided in the Restated Financial Statements.(See Annexure – Statement of Tax Shelters for reference of Income Tax Liability)
4. **Adjustment for Deferred Tax-**We have reworked Income Tax Liability for all the 5 years and for period ended July 31, 2018 considering effects of the Depreciation and the same has been provided in the Restated Financial Statement**s.**
5. Bad debts written off has been transferred to the year in which sales was made to the party whose outstanding amount was written off.

2. 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 regroupings as per the audited financials of the Company for the period ended 31 July 2018, prepared in accordance with Revised schedule VI to the Companies Act, 1956 or the Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

3. Managerial Remuneration:

(Rs. In lakhs)

Particulars	For the period ending July 31, 2018	For the Year ended March, 31 2018	For the Year ended March, 31 2017	For the Year ended March, 31 2016	For the Year ended March, 31 2015	For the Year ended March, 31 2014
Dinesh Karshanbhai Patel	1.20	3.60	3.60	3.00	3.00	2.25
MukeshVishrambhai Patel	1.20	3.60	3.60	3.00	3.00	2.25
T O T A L	**2.40**	**7.20**	**7.20**	**6.00**	**6.00**	**4.50**

4. Auditors Remuneration include:

(Rs. In Lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March, 31 2018	For the Year ended March, 31 2017	For the Year ended March, 31 2016	For the Year ended March, 31 2015	For the Year ended March, 31 2014
For Statutory Audit	0.81	0.85	0.65	0.55	0.45	0.35
For Tax Audit	-	0.31	0.25	0.20	0.17	0.10
For Services related to Income Tax & Service Tax, Company Law	-	0.08	0.07	0.22	0.19	0.20
For Other Services	-	0.24	0.19	0.32	0.23	0.04
T O T A L	**0.81**	**1.47**	**1.15**	**1.29**	**1.04**	**0.69**

5. Defined Contribution Benefit Plans-Gratuity

The details of components of net benefit expenses recognized in the statement of profit & loss and amounts recognized in the balance sheet and other relevant details have been given as under:

(Rs. In Lakhs)

Particulars	For the period ended July 31, 2018	For the Year Ended as At March 31,				
		2018	2017	2016	2015	2014
A. Statement of Profit & Loss Account						
I. Expenses Recognised In The Statement of Profit & Loss						
Current Service Cost	0.73	1.92	2.00	1.56	0.97	-
Net Interest Cost	0.16	0.32	0.23	0.12	0.07	-
Actuarial (Gains)/Losses	0.06	(0.92)	(0.73)	(0.14)	(0.19)	-
Past Service Cost - Non-Vested Benefit Recognized During the Period	-	-	-	-	-	-
Past Service Cost - Vested Benefit Recognized During the Period	-	-	-	-	-	-
(Expected Contributions by the Employees)	-	-	-	-	-	-
(Gains)/Losses on Curtailments And Settlements	-	-	-	-	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-	-	-	-	-

Particulars	For the period ended July 31, 2018	For the Year Ended as At March 31,				
		2018	2017	2016	2015	2014
Change in Asset Ceiling	-	-	-	-	-	-
Expenses Recognized in the Statement of Profit or Loss	0.94	1.31	1.50	1.54	0.84	-
II. Net Interest Cost for Current Period						
Present Value of Benefit Obligation at the Beginning of the Period	5.94	4.63	3.13	1.59	0.75	-
(Fair Value of Plan Assets at the Beginning of the Period)	-	-	-	-	-	-
Net Liability/(Asset) at the Beginning	5.94	4.63	3.13	1.59	0.75	-
Interest Cost	0.16	0.32	0.23	0.12	0.07	-
(Expected Return on Plan Assets)	-	-	-	-	-	-
Net Interest Cost for Current Period	0.16	0.32	0.23	0.12	0.07	-
III. Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss for Current Period						
Actuarial (Gains)/Losses on Obligation For the Period	0.06	(0.92)	(0.73)	(0.14)	(0.19)	-
Actuarial (Gains)/Losses on Plan Asset For the Period	-	-	-	-	-	-
Sub-Total	0.06	(0.92)	(0.73)	(0.14)	(0.19)	-
Actuarial (Gains)/Losses Recognized in the Statement of Profit or Loss	0.06	(0.92)	(0.73)	(0.14)	(0.19)	-
IV. Actual Return on Plan Assets						
Expected Return on Plan Assets	-	-	-	-	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-	-
Actual Return on Plan Assets	-	-	-	-	-	-
B. Balance Sheet						
I. Changes in the Present Value of the Obligation						
Opening Balance of Present Value of Obligation	5.94	4.63	3.13	1.59	0.75	0.00
Current Service Cost	0.73	1.92	2.00	1.56	0.97	0.75
Interest Cost	0.16	0.32	0.23	0.12	0.07	0.00
Liability Transferred In/ Acquisitions	-	-	-	-	-	-
Liability Transferred Out/ Divestments	-	-	-	-	-	-
(Gains)/ Losses on Curtailment	-	-	-	-	-	-

Particulars	For the period ended July 31, 2018	For the Year Ended as At March 31,				
		2018	2017	2016	2015	2014
Liabilities Extinguished on Settlement	-	-	-	-	-	-
Benefit Paid Directly by the Employer	-	-	-	-	-	-
Benefit Paid From the Fund	-	-	-	-	-	-
The Effect Of Changes in Foreign Exchange Rates	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	0.10	(1.05)	0.00	0.13	0.22	-
Actuarial (Gains)/Losses on Obligations - Due to Experience	(0.04)	0.12	(0.73)	(0.27)	(0.41)	-
Closing Balance of Present Value of Obligation	6.88	5.94	4.63	3.13	1.59	-
II. Changes in Fair Value of Plan Assets						
Opening Balance of Fair Value of Plan Assets	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-
Contributions by The Employer	-	-	-	-	-	-
Expected Contributions by the Employees	-	-	-	-	-	-
Assets Transferred In/Acquisitions	-	-	-	-	-	-
Assets Transferred Out/ Divestments	-	-	-	-	-	-
Benefit Paid from the Fund	-	-	-	-	-	-
Assets Distributed on Settlements	-	-	-	-	-	-
Effects of Asset Ceiling	-	-	-	-	-	-
The Effect Of Changes In Foreign Exchange Rates	-	-	-	-	-	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-	-
Closing Balance of Fair Value of Plan Assets	-	-	-	-	-	-
III. Percentage of Each Category of Plan Assets to Total Fair Value of Plan Assets As At the Year End						
Government of India Assets	-	-	-	-	-	-
State Government Securities	-	-	-	-	-	-
Special Deposits Scheme	-	-	-	-	-	-
Debt Instruments	-	-	-	-	-	-
Corporate Bonds	-	-	-	-	-	-
Cash And Cash Equivalents	-	-	-	-	-	-

Particulars	For the period ended July 31, 2018	For the Year Ended as At March 31,				
		2018	2017	2016	2015	2014
Insurance fund	-	-	-	-	-	-
Asset-Backed Securities	-	-	-	-	-	-
Structured Debt	-	-	-	-	-	-
Others	-	-	-	-	-	-
IV. Amount Recognized in the Balance Sheet						
(Present Value of Benefit Obligation at the end of the Period)	6.88	5.94	4.63	3.13	1.59	0.75
Fair Value of Plan Assets at the end of the Period	-	-	-	-	-	-
Funded Status (Surplus/ (Deficit))	(6.88)	(5.94)	(4.63)	(3.13)	(1.59)	(0.75)
Unrecognized Past Service Cost at the end of the Period	-	-	-	-	-	-
(Net Liability)/Asset Recognized in the Balance Sheet	(6.88)	(5.94)	(4.63)	(3.13)	(1.59)	(0.75)
V. Balance Sheet Reconciliation						
Opening Net Liability	5.94	4.63	3.13	1.59	0.75	-
Expense Recognized in Statement of Profit or Loss	0.94	1.31	1.50	1.54	0.84	0.75
Net Liability/(Asset) Transfer In	-	-	-	-	-	-
Net (Liability)/Asset Transfer Out	-	-	-	-	-	-
(Benefit Paid Directly by the Employer)	-	-	-	-	-	-
(Employer's Contribution)	-	-	-	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	6.88	5.94	4.63	3.13	1.59	0.75
C. Others						
I. Other Details						
No of Active Members (Nos.)	54	51	56	65	34	41
Per Month Salary For Active Members (Rs.)	8.93	8.33	8.87	10.43	4.92	4.52
II. Principal Actuarial Assumptions						
Expected Return on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Rate Of Discounting (%)	7.77	7.87	6.81	7.45	7.75	8.8
Rate Of Increase In Salaries (%)	4	4	4	4	4	4

Particulars	For the period ended July 31, 2018	For the Year Ended as At March 31,				
		2018	2017	2016	2015	2014
Rate of Employee Turnover (%)	For service 2 years and below30.00 % p.a. For service 3 years to 5 years 20.00% p.a. For service 6 years to 7 years 10.00% p.a. For service 8 years to 10 years 5.00% p.a.					
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)					
Mortality Rate After Employment	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

6. The company has initiated the process of obtaining confirmations from the suppliers as to their status as Micro, Small or Medium Enterprise registered under the applicable category as per the provisions of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006). However, the company is yet to receive confirmations from suppliers as to their as Micro, Small and Medium Enterprises and hence interest due to them if any as per the provision of the Micro, Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006) could not be determined or provided.

ANNEXURE - V
DETAILS OF SHARE CAPITAL AS RESTATED

(i) Details of Share Capital as Restated **(Rs. In lakhs, except No. of shares)**

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Equity Share Capital						
Authorised Share capital						
2013-14 to 2015-16						
27,50,000 Equity Shares of Rs. 10/- each				275.00	275.00	275.00
2016-17						
45,00,000 Equity Shares of Rs. 10/- each			450.00			
2017-18						
60,00,000 Equity Shares of Rs. 10/- each		600.00				
As at 31-07-2018						
60,00,000 Equity Shares of Rs. 10/- each	600.00					
T O T A L	**600.00**	**600.00**	**450.00**	**275.00**	**275.00**	**275.00**
Issued, Subscribed and Paid Up Share Capital						
Issued and Subscribed Share Capital						
2013-14 to 2016-17						
25,00,000Equity Shares of Rs. 10/= each		-	250.00	250.00	250.00	250.00
2017-18						
58,00,000Equity Shares of Rs. 10/= each		580.00	-	-	-	-
As at 31-07-2018						
58,00,000Equity Shares of Rs. 10/= each	580.00					
T O T A L	**580.00**	**580.00**	**250.00**	**250.00**	**250.00**	**250.00**

(ii) Reconciliation of number of shares outstanding at the end of year

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Equity Shares of Rs 10/- each						
Equity shares at the beginning of the year/Period	5,800,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Add: Shares Allotted during the year	-	8,00,000	-	-	-	-
Add: Bonus Shares issued during the year	-	2,500,000	-	-	-	-
Equity Shares at the end of the year/Period	**5,800,000**	**5,800,000**	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**

(iii) Details of shareholders holding more than 5% of the aggregate shares in the company(No. of shares in lakhs)

Name of Shareholder	As at 31st July, 2018		As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016		As at 31st March, 2015		As at 31st March, 2014	
	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
DineshbhaiKarshanbhai Patel	4.07	7.02%	4.07	7.02%	1.50	6.00%	1.50	6.00%	1.50	6.00%	1.50	6.00%
KarshanbhaiDevjibhai Patel (HUF)	3.52	6.07%	3.52	6.07%	2.20	8.80%	2.20	8.80%	2.20	8.80%	2.20	8.80%
ManibenKarshanbhai Patel	4.06	7.00%	4.06	7.00%	1.50	6.00%	1.50	6.00%	1.50	6.00%	1.50	6.00%
PrakashKarshanbhai Patel (HUF)	2.99	5.16%	2.99	5.16%	1.80	7.20%	1.80	7.20%	1.80	7.20%	1.80	7.20%
ShitalVinod Patel	5.50	9.48%	5.50	9.48%	2.50	10.00%	2.50	10.00%	2.50	10.00%	2.50	10.00%

ANNEXURE – VI
DETAILS OF RESERVES AND SURPLUS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Surplus (Profit & Loss Account)						
Opening Balance	141.32	218.88	118.99	9.39	(6.86)	(3.86)
Add: Profit for the year/Period	40.51	172.44	99.90	109.60	16.25	(2.99)
Less: Apportion For Issue of Bonus Shares	-	(250.00)	-	-	-	-
T O T A L (A)	**181.83**	**141.32**	**218.88**	**118.99**	**9.39**	**(6.86)**
Securities Premium						
Opening Balance	320.00	-	-	-	-	-
Add: Transfer from Profit & Loss	-	-	-	-	-	-
Add: Additions During the Year/Period	-	320.00	-	-	-	-
Less: Utilized for allotment of Bonus Shares	-	-	-	-	-	-
Closing Balance	320.00	320.00	-	-	-	-
T O T A L	**501.83**	**461.32**	**218.88**	**118.99**	**9.39**	**(6.86)**

ANNEXURE - VII
DETAILS OF LONG TERM BORROWINGS AS RESTATED **(Rs. In lakhs)**

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured						
From Banks:						
-Term Loan -State Bank of India	-	-	-	-	-	217.43
-Cosmos Bank Term Loan A/C	28.34	36.59	86.24	127.27	162.38	-
-Cosmos Bank Working Capital Term Loan A/C	4.76	9.04	18.26	27.72	35.77	-
-COSMOS Term Loan Account (Unit II)	366.76	222.76	-	-	-	-
-Car Loan	-	-	-	-	-	4.96
Unsecured						
Loan from Directors, Relatives & Shareholders	135.93	92.43	277.93	250.76	226.98	226.18
Loan from Others	-	-	194.79	174.83	153.99	136.37
T O T A L	**535.79**	**360.81**	**577.21**	**580.58**	**579.11**	**584.95**

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS

From Banks	Nature of Security	Terms of Repayment	Guarantee
Term Loan - State Bank of India	Primarily Secured By Hypothecation of Plant & Machinery and further the same facility has also been secured by Equitable mortgage in favor of State Bank of India on the Land and Building , Immovable properties of directors and personal guarantee of some of the Directors	Repayable in 72 monthly installments of Rs. 3.50 Lacs commencing from the month of March 2014	Personal guarantee of both the directors.
-Cosmos Bank Working Capital Term Loan A/C	Primarily Secured By all current assets of the company and further the same facility has also been secured by Equitable mortgage in favor of Cosmos bank on the Land and Building , Immovable properties of directors and personal guarantees of some of the Directors	Repayable in 60 monthly installments of Rs. 1.13 Lacs commencing from the month of March 2015.	Personal guarantee of both the directors.
-COSMOS Term Loan Account (Unit II)	Primarily Secured By Hypothecation of Plant & Machinery and further the same facility has also been secured by Equitable mortgage in favor of Cosmos bank on the Land and Building , Immovable properties of directors and personal guarantees of some of the Directors	Repayable in 65 monthly installments of Rs. 14.66 Lacs commencing from the month of December 2018.	Personal guarantee of both the directors

ANNEXURE - VIII
DETAILS OF DEFERRED TAX LIABILITIES/(ASSETS) AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Opening Balance	56.19	57.32	52.18	6.80	(1.36)	-
Add: Deferred Tax Liabilities			5.14	45.38	8.16	
Less: Deferred Tax Assets	(9.40)	(1.13)	-	-	-	(1.36)
T O T A L	46.79	56.19	57.32	52.18	6.80	(1.36)

ANNEXURE - IX
DETAILS OF LONG TERM PROVISIONS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Provision for Gratuity	6.88	5.94	4.63	3.13	1.59	0.75
T O T A L	**6.88**	**5.94**	**4.63**	**3.13**	**1.59**	**0.75**

ANNEXURE - X
DETAILS OF SHORT TERM BORROWINGS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured						
Cash Credit:						
- State Bank of India	-	-	-	-	-	406.76
-The Cosmos Co-Operative Bank Ltd.	1086.60	1,075.15	687.05	572.58	398.13	-
Unsecured						
Intercorporate Deposit	-	-	-	-	-	53.42
T O T A L	**1086.60**	**1,075.15**	**687.05**	**572.58**	**398.13**	**460.18**

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

From Banks	Nature of Security	Terms of Repayment	Guarantee
Cash Credit - State Bank of India	Primarily Secured By Hypothecation of stock and receivables and further the same facility has also been secured by Equitable mortgage in favor of State Bank of India on the Land and Building , Immovable properties of directors and personal guarantees of some of the Directors	To be Repaid on Demand	Personal guarantee of both the directors.
The Cosmos Co-Operative Bank Ltd.	Primarily Secured By Hypothecation of stock and receivables and further the same facility has also been secured by Equitable mortgage in favor of Cosmos Bank on the Land and Building , Immovable properties of directors and personal guarantees of some of the Directors	To be Repaid on Demand	Personal guarantee of both the directors.

ANNEXURE - XI
DETAILS OF TRADE PAYABLES AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good						
Due to Other than Micro, Small and Medium Enterprises						
For Goods	679.84	758.11	838.79	537.00	210.55	167.26
Expenses & Others	29.18	34.36	0.21	-	0.86	1.39
T O T A L	**709.02**	**792.47**	**838.99**	**537.00**	**211.42**	**168.65**

Details of Trade Payables to Related Parties:

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Due to Directors, their relatives & Associates	-	-	-	-	-	-
T O T A L	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE - XII
DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Current maturities of long term debt						
-Cosmos Term Loan A/c	53.79	52.03	59.66	73.24	73.24	44.10
-Cosmos Term Loan A/c Unit II	71.58	35.77	-	-	-	-
Cosmos Working Capital Term Loan	12.41	11.92	13.58	-	-	-
	-					
Other payables						
Statutory Dues	0.65	0.99	52.04	59.61	37.64	31.21
Advances from Customers	11.09	5.17	5.44	0.80	6.32	5.73
Dealers Deposit	2.04	2.04	2.04	1.92	1.82	-
Share Call Money		-	-	-	-	-
Other payables	35.25	30.96	29.92	35.59	17.52	2.63
T O T A L	**186.81**	**138.87**	**162.68**	**171.17**	**136.53**	**83.67**

ANNEXURE – XIII
DETAILS OF SHORT TERM PROVISIONS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Provision for Income Tax	59.68	57.60	39.57	12.66	1.86	-
T O T A L	**59.68**	**57.60**	**39.57**	**12.66**	**1.86**	**-**

ANNEXURE – XIV

RESTATED STATEMENT OF FIXED ASSETS

(Rs. In Lakhs)

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At April 1, 2013	Additions	Deductions	As At March 31, 2014	As At March 31, 2014	As At March 31, 2013
A. TANGIBLE ASSESTS										
Land	-	41.74	-	41.74	-	-	-	1.02	41.74	-
Buildings	-	58.44	-	58.44	-	1.02	-	31.72	57.41	-
Plant and Equipment	-	433.98	-	433.98	-	31.72	-	0.03	402.26	-
Furniture and Fixtures	-	0.59	-	0.59	-	0.03	-	0.79	0.56	-
Vehicles	-	10.37	-	10.37	-	0.79	-	0.35	9.58	-
Office equipment	-	3.21	-	3.21	-	0.35	-	1.02	2.86	-
TOTAL(A)	**-**	**548.33**		**548.33**		**33.92**		**33.92**	**514.41**	**-**
B. Capital Work in Progress	466.37	42.78	(509.15)	-	-	-	-	-	-	-
TOTAL(A+B)	**466.37**	**591.10**	**(509.15)**	**548.33**	**-**	**33.92**	**-**	**33.92**	**514.41**	**-**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
A. TANGIBLE ASSETS										
Land	41.74	-	-	41.74	-	-	-	-	41.74	41.74
Buildings	58.44	-	-	58.44	1.02	1.88	-	2.90	55.54	57.41
Plant and Equipment	433.98	4.92	-	438.90	31.72	29.62	-	61.34	377.55	402.26
Furniture and Fixtures	0.59	-	-	0.59	0.03	0.06	-	0.09	0.50	0.56
Vehicles	10.37	0.60	(0.15)	10.82	0.79	1.26	(0.02)	2.04	8.78	9.58
Office equipment	3.21	2.58	-	5.78	0.35	1.31	-	1.66	4.12	2.86
TOTAL(A)	**548.33**	**8.09**	**(0.15)**	**556.27**	**33.92**	**34.13**	**(0.02)**	**68.03**	**488.24**	**514.41**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At April 1, 2014	Additions	Deductions	As At March 31, 2015	As At March 31, 2015	As At March 31, 2014
B.) INTANGIBLE ASSETS										
Computer software.	-	0.32	-	0.32	-	0.02	-	0.02	0.30	-
C. Capital Work in Progress	-	10.26	-	10.26	-	-	-	-	10.26	-
TOTAL(A+B)	**548.33**	**18.67**	**(0.15)**	**566.85**	**33.92**	**34.16**	**(0.02)**	**68.06**	**498.79**	**514.41**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At April 1, 2015	Additions	Deductions	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
A. TANGIBLE ASSETS										
Land	41.74	-	-	41.74	-	-	-	-	41.74	41.74
Buildings	58.44	33.16	-	91.59	1.02	2.90	2.62	5.52	86.07	55.54
Plant and Equipment	438.90	43.08	-	481.97	31.72	61.34	44.56	105.90	376.07	377.55
Furniture and Fixtures	0.59	1.99	-	2.59	0.03	0.09	0.18	0.28	2.31	0.50
Vehicles	10.82	-	-	10.82	0.79	2.04	1.28	3.32	7.50	8.78
Office equipment	5.78	1.08	-	6.86	0.35	1.66	1.86	3.52	3.35	4.12
TOTAL(A)	**556.27**	**79.31**	**-**	**635.57**	**33.92**	**68.03**	**50.50**	**118.53**	**517.04**	**488.24**
B) INTANGIBLE ASSETS										
Computer software.	0.32	-	-	0.32	0.02	0.10	-	0.13	0.20	0.30
C. Capital Work in Progress	10.26	-	(10.26)	-	-	-	-	-	-	-
TOTAL(A+B)	**566.85**	**79.31**	**(10.26)**	**635.90**	**68.06**	**50.60**	**-**	**118.66**	**517.24**	**498.79**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	As At April 1, 2016	**Additions**	**Deductions**	**Subsidy**	**As At March 31, 2017**	**As At April 1, 2017**	**Additions**	**As At March 31, 2016**	**As At March 31, 2017**	**As At March 31, 2016**
A. TANGIBLE ASSETS										
Land	41.74	-	-	-	41.74	-	-	-	41.74	41.74
Buildings	91.59	-	-	(2.22)	91.59	5.52	2.90	8.42	83.18	86.07
Plant and Equipment	481.97	0.40	-	-	480.16	105.90	34.25	140.16	340.00	376.07
Furniture and Fixtures	2.59	0.15	-	-	2.74	0.28	0.26	0.54	2.20	2.31
Vehicles	10.82	-	-	-	10.82	3.32	1.28	4.59	6.22	7.50
Office equipment	6.86	0.27	-		7.13	3.52	1.23	4.75	2.38	3.35
TOTAL(A)	**635.57**	**0.82**	**-**	**(2.22)**	**634.18**	**118.53**	**39.92**	**158.45**	**475.73**	**517.04**
B) INTANGIBLE ASSETS										
Computer software.	0.32	-	-	-	-	0.13	0.10	0.23	0.09	0.20
C.Capital Work in Progress	**-**	**227.84**	**-**	**-**	**227.84**	**-**	**-**	**-**	**227.84**	**-**
TOTAL(A+B)	**635.90**	**228.66**	**-**	**(2.22)**	**862.34**	**118.66**	**40.02**	**158.68**	**703.66**	**517.24**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As At April 1, 2017	**Additions**	**Deductions**	**Subsidy**	**As At March 31, 2018**	**As At April 1, 2017**	**Additions**	**Deductions**	**As At March 31, 2018**	**As At March 31, 2018**	**As At March 31, 2017**
A. TANGIBLE ASSETS											
Land	41.74	-	-	-	41.74	-	-	-	-	41.74	41.74
Buildings	91.59	-	-	-	91.59	8.42	2.90	-	11.31	80.28	83.18
Plant and Equipment	480.16	0.43	-	-	480.59	140.16	33.32	-	173.48	307.11	340.00
Furniture and Fixtures	2.74	0.12	-	-	2.86	0.54	0.27	-	0.80	2.05	2.20
Vehicles	10.82	-	-	-	10.82	4.59	1.28	-	5.87	4.95	6.22
Office equipment	7.13	0.09	-	-	7.21	4.75	1.04	-	5.79	1.43	2.38
TOTAL(A)	**634.18**	**0.63**	**-**	**-**	**634.81**	**158.45**	**38.80**	**-**	**197.25**	**437.56**	**475.73**
B) INTANGIBLE ASSETS											
Computer software.	0.32	-	-	-	0.32	0.23	0.08	-	0.31	0.02	0.09
C.Capital Work in Progress	**227.84**	**404.60**	**-**	**-**	**632.44**	**-**	**-**	**-**	**-**	**632.44**	**-**
TOTAL(A+B)	**862.34**	**405.23**	**-**	**-**	**1267.57**	**158.68**	**38.88**	**-**	**197.56**	**1070.01**	**703.66**

DESCRIPTION OF FIXED ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As At April 1, 2018	**Additions**	**Deductions**	**Subsidy**	**As At July 31, 2018**	**As At April 1, 2018**	**Additions**	**Deductions**	**As At July 31, 2018**	**As At March 31, 2018**	**As At July 31, 2017**
A. TANGIBLE ASSETS											
Land	41.74	-	-	-	41.74	-	-	-	-	41.74	41.74
Buildings	91.59	-	-	-	91.59	11.31	0.97	-	12.28	79.31	80.28
Plant and Equipment	480.16	0.03	-	-	480.62	174.48	11.09	-	184.57	296.05	307.11
Furniture and Fixtures	2.74	-	-	-	2.86	0.80	0.09	-	0.89	1.96	2.05
Vehicles	10.82	0.58	-	-	11.39	5.87	0.44	-	6.31	5.09	4.95
Office equipment	7.13	0.23	-	-	7.44	5.79	0.19	-	5.97	1.47	1.43
TOTAL(A)	**634.18**	**0.84**	**-**	**-**	**635.65**	**197.25**	**12.78**	**-**	**210.03**	**425.62**	**437.56**
B) INTANGIBLE ASSETS											
Computer software.	0.32	-	-	-	0.32	0.31	-	-	0.31	0.02	0.02
C.Capital Work in Progress	**227.84**	**404.60**	**-**	**-**	**798.29**	**-**	**-**	**-**	**-**	**798.29**	**632.44**
TOTAL(A+B)	**862.34**	**405.23**	**-**	**-**	**1434.26**	**197.56**	**38.88**	**-**	**197.27**	**1223.93**	**1070.01**

ANNEXURE – XV
DETAILS OF LONG TERM LOANS & ADVANCES

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Unsecured but Considered Good						
Due By Directors, Their Relatives and Associates	-	-	-	-	-	-
Capital Advances	67.11	38.38	99.00	-	1.00	-
Security Deposits	9.44	9.44	9.44	21.60	22.39	21.59
T O T A L	**76.55**	**47.82**	**108.44**	**21.60**	**23.39**	**21.59**

ANNEXURE – XVI
DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Investment in Equity Instruments-Unquoted (Others)						
Cosmos Co-Operative Bank (10,000 shares at Rs. 100 per share)	10.00	10.00	10.00	10.00	1.00	-
T O T A L	**10.00**	**10.00**	**10.00**	**10.00**	**1.00**	**-**

ANNEXURE – XVII
DETAILS OF INVENTORIES AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Closing Inventory						
1.Raw Material						
H.R Coil	872.22	929.08	717.36	581.57	224.12	272.47
2. Finished Goods						
ERW MS Pipes	685.45	713.68	389.91	440.48	268.27	237.81
3.Trading Goods						
H.R Coils/M.s Pipes	25.31	20.77	-	-	2.31	0.23
4.Stores and Spares						
Stores and Spares Stock	12.29	11.64	9.86	8.30	8.87	0.94

5.Others Scarp	8.98	6.71	20.60	21.88	13.22	7.80
T O T A L	**1604.25**	**1,681.89**	**1,137.74**	**1,052.23**	**516.79**	**519.25**

ANNEXURE – XVIII

DETAILS OF TRADE RECEIVABLES AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Unsecured, considered good						
Less than six months	653.77	586.40	788.18	544.55	435.49	410.21
More than six months	30.16	31.79	13.14	14.70	32.30	0.10
T O T A L	**683.93**	**618.19**	**801.32**	**559.24**	**467.79**	**410.31**

Details of Trade Receivables from Related Parties

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
From						
Key Management Persons	-	-	-	-	-	-
Associate Concerns	-	-	-	-	-	-
T O T A L	**-**	**-**	**-**	**-**	**-**	**-**

ANNEXURE - XIX
DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Balance with Banks						
- In Current Accounts	0.83	8.27	5.34	10.88	30.34	0.15
- Bank FD	-	-	-	-	23.85	-
Cash On Hand	10.81	0.09	1.24	3.18	2.04	0.82
T O T A L	**11.64**	**8.36**	**6.58**	**14.06**	**56.23**	**0.97**

ANNEXURE - XX
DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Advance to supplier	6.35	4.67	5.44	6.56	9.29	13.05
Balances with Government Authorities	56.14	73.42	11.91	59.35	3.14	31.21
Advance to Staff	-	-	-	0.10	-	-
Loans & Advance to Others	-	-	-	-	0.20	0.20

Prepaid Expenses	2.62	4.47	11.18	0.82	0.55	0.41
T O T A L	**65.11**	**82.56**	**28.53**	**66.83**	**13.17**	**44.87**

ANNEXURE - XXI
DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(Rs. In lakhs)

Particulars	As at July 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Accrued Income	36.09	9.53	26.01	25.30	13.85	28.59
MAT Credit	2.12	-	14.07	31.81	3.82	-
T O T A L	**38.21**	**9.53**	**40.08**	**57.11**	**17.67**	**28.59**

ANNEXURE – XXII
DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

(Rs. In lakhs)

Particulars	For the Period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
A. Sales						
Manufactured Goods						
-ERW MS PIPES	3439.87	9,747.06	8,372.58	7,549.00	6,350.53	3,958.49
Traded Goods						
HR COILS	90.48	394.86	-	1.69	1.86	20.79
Sale of Scrap	82.57	268.75	192.28	152.02	116.28	58.83
Less:						
Excise duty on Sale of Finished Goods	-	(333.33)	(949.06)	(860.39)	(665.47)	(440.52)
B. Service Charge Income						
Sale of Services	-	0.64	0.68	0.76	8.40	-
Other Operating Income – **Claims Received**	-	-	50.50	-	-	-
T O T A L	**3612.92**	**10,077.98**	**7,666.98**	**6,843.09**	**5,811.60**	**3,597.59**

ANNEXURE - XXIII
DETAILS OF OTHER INCOME AS RESTATED

(Rs. In lakhs)

Particulars	For the Period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Other income	0.57	1.74	3.10	2.81	2.55	2.32
Net Profit Before Tax as Restated	36.50	278.99	176.51	159.51	24.40	(4.35)
Percentage	**1.57%**	**0.62%**	**1.76%**	**1.76%**	**10.47%**	**-53.41%**

Source of Other Income

Particulars	For the period ended July 31, 2018	For the period ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	Remark
Interest Income	0.09	0.92	1.70	0.11	0.01	0.49	Recurring and related to business activity
UGVCL Interest	-	0.63	1.22	1.83	1.94	1.83	Recurring and related to business activity
Interest on FDR	0.21	0.09	-	0.69	0.38	-	Recurring and related to business activity
Sundry Balances Written off	-	0.10	-	-	-	-	Non-Recurring and not related to business activity
Dividend Income	0.28	-	0.08	0.03	-	-	Non-Recurring and Non-related to business activity
Other Misc. Income	-	-	0.11	0.15	0.23	0.01	Recurring and related to business activity
Total Other Income	**0.57**	**1.74**	**3.10**	**2.81**	**2.55**	**2.32**	

ANNEXURE – XXIV
DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Opening Stock	929.08	717.36	581.57	224.12	272.47	6.40
Add : Purchases	3,341.13	9,571.10	7,099.40	6,648.67	5,403.30	3,795.57
Less : Closing Stock	(872.22)	(929.08)	(717.36)	(581.57)	(224.12)	(272.47)
Less: Discount	(25.40)	(77.89)	(32.41)	(1.77)	(0.23)	(25.96)
T O T A L	**3,372.60**	**9,281.49**	**6,931.19**	**6,289.45**	**5,451.41**	**3,503.54**

ANNEXURE – XXV
DETAILS OF PURCHASE OF TRADING GOODS AS RESTATED

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Purchases of Trading Goods	22.57	412.75	-	-	3.96	21.36
T O T A L	**22.57**	**412.75**	**-**	**-**	**3.96**	**21.36**

ANNEXURE – XXVI

DETAILS OF CHANGES IN INVENTORIES OF FINISHED GOODS AND TRADED GOODS AS RESTATED

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Opening Stock	741.16	364.90	410.99	252.84	218.82	-
Less: Closing Stock	719.74	741.16	364.90	410.99	252.84	218.59
T O T A L	**21.42**	**(376.26)**	**46.08**	**(158.15)**	**(34.02)**	**(218.59)**

ANNEXURE – XXVII
DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Salary & Wages	40.05	121.62	135.74	106.74	69.51	46.54
Directors' Remuneration	2.40	7.20	7.20	6.00	6.00	4.50
Contribution to Provident & Pension/Other Funds	0.25	0.92	0.86	0.66	0.72	0.34
Leave Encashment Expense	1.50	4.36	6.28	4.23	3.25	0.00
Staff Welfare	0.37	2.25	2.24	2.75	2.42	2.31
Employee Gratuity	0.94	1.31	1.50	1.54	0.84	0.75
T O T A L	**45.51**	**137.66**	**153.82**	**121.91**	**82.73**	**54.45**

ANNEXURE – XXVIII
DETAILS OF FINANCE COSTS AS RESTATED

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Interest to Banks	41.31	97.01	83.52	73.21	70.14	60.01
Interest to Others	-	-	51.25	57.48	49.35	41.03
Bank Charges	0.08	3.71	1.37	1.07	14.58	3.47
Interest on Taxes	0.00	0.81	-	-	-	-
T O T A L	**41.39**	**101.53**	**136.14**	**131.76**	**134.07**	**104.50**

ANNEXURE – XXIX
DETAILS OF DEPRECIATION AND AMORTISATION AS RESTATED

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014	For the Year ended March 31, 2013
Depreciation & Amortization	12.78	38.88	40.02	50.60	34.16	33.92
T O T A L	**12.78**	**38.88**	**40.02**	**50.60**	**34.16**	**33.92**

ANNEXURE – XXX

DETAILS OF OTHER EXPENSES AS RESTATED **(Rs. In lakhs)**

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
I. DIRECT EXPENSES						
Factory Expense	0.18	0.68	0.40	0.65	0.24	0.80
Consumables Stores Expense	13.99	49.53	49.53	69.02	26.98	19.28
Repair & Maintenance Machinery	0.67	4.84	3.11	33.23	2.23	0.87
Power & Fuel Expense	26.81	77.75	74.27	76.26	56.20	38.44
Transport Expense	-	-	0.61	0.70	0.64	1.04
Total	**41.65**	**132.80**	**127.92**	**179.87**	**86.30**	**60.43**
II. ADMINISTRATIVE, SELLING & OTHER EXPENSES						
Rates & Taxes	0.03	0.13	1.29	0.98	0.21	0.34
Auditors Remuneration	0.81	1.47	1.15	1.29	0.70	0.45
Telephone & Mobile Expenses	0.24	0.88	1.03	-	0.67	0.53
Discount/Kasar	0.58	5.31	14.11	7.70	0.77	3.91
Travelling Expenses	1.06	3.65	4.20	3.73	1.73	2.87
Internet Expense	0.19	0.34	0.37	0.37	0.41	0.35
Insurance Expenses	0.80	2.66	2.43	1.55	1.39	0.93
Office Expenses	0.55	1.05	0.55	0.81	1.01	0.57
Legal & Professional Fees	1.46	7.95	6.66	3.11	4.73	4.00
Printing & Stationary	-	-	0.71	0.88	0.78	1.06
Security Expense	-	-	2.06	2.07	2.52	1.75
Advertisements	2.57	12.03	2.75	4.69	2.33	9.89
Sales Promotion Expenses	-	-	11.41	9.25	1.85	1.77
Carriage Outward	-	-	1.33	3.11	-	-
Petrol & Diesel Expenses	1.45	6.16	2.73	1.85	1.76	1.40
Commission Expense	-	-	-	17.49	-	-
Training & HR Development	3.50	8.07	-	-	-	-
ROC Charges	-	4.29	-	-	-	-
Bad Debts W/off	-	-	-	0.50	1.38	12.80

Excise Duty/Service Tax Expense	-	7.17	-	-	-	-
Rent	-	-	-	1.34	2.86	-
Foreign Exchange Loss	-	-	-	-	0.29	-
Other Expenses	5.83	10.71	5.60	10.24	5.73	2.04
T O T A L	**19.07**	**71.88**	**58.40**	**70.93**	**31.14**	**44.67**

ANNEXURE - XXXI

DETAILS OF RELATED PARTY TRANSACTIONS AS RESTATE

Name of Relative	Nature of Relation
Key Management Personnel	
Dinesh Karshanbhai Patel	Director
MukeshVishrambhai Patel	Director
Relatives of Key Management Personnel	
Dimpleben Mukeshbhai Patel	Relative of Key Management Personnel
Hetalben Dineshbhai Patel	HUF of Key Management Personnel
Maniben Karshanbhai Patel	Relative of Key Management Personnel
Prakash Karshanbhai Patel	Relative of Key Management Personnel
Laxmiben Karshanbhai Patel	Relative of Key Management Personnel
Prakash Karshanbhai Patel HUF	Relative of Key Management Personnel
Karshanbhai Devjibhai Patel	Relative of Key Management Personnel
Vishrambhai Sivgan Patel	Relative of Key Management Personnel
Vishrambhai Sivgan Patel HUF	Relative of Key Management Personnel
Karshanbhai Devjibhai Patel HUF	Relative of Key Management Personnel
MukeshVishrambhai Patel HUF	Relative of Key Management Personnel
Vinayak TMT Bars Pvt Ltd	Enterprise over which Key Management Personnel and their relative exercise Significant influence.

DETAILS OF TRANSACTIONS AND OUTSTANDING BALANCES **(Rs in Lakhs)**

Name of the Related Party	Nature of Transactions	As at 31st July, 2018		2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the period Ended July 31, 2018	As At July 31, 2018	For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
Dinesh Karshanbhai Patel	Loan Taken	8.00	(8.86)	-	(0.86)	10.00	(66.36)	-	(59.86)	51.50	(52.73)	22.56	(20.22)
	Loan Repaid	-		12.00		10.00		-	-	23.00		15.00	
	Interest Paid	-		-		7.22		7.93	-	4.45		2.81	
	Director's Remuneration	1.20		3.60		3.60		3.00	-	3.00		2.25	
MukeshVishrambhai Patel	Loan Taken	-	(16.72)	-	(16.72)	-	(29.22)	-	(26.37)	-	(24.18)	15.50	(23.18)
	Loan Repaid	-		-		-		1.00		1.50			
	Interest Paid	-		-		(3.16)		3.54		2.78		2.12	
	Director's Remuneration	1.20		3.60		3.16		3.00		3.00		2.25	
Dimpleben Mukeshbhai Patel	Loan Taken	-	(0.95)	-	(0.95)	-	(10.95)	-	(9.89)	-	(10.99)	3.25	(9.91)
	Loan Repaid	-		-		-		2.50		-		-	
	Interest Paid	-		-		1.19		1.56		1.19		1..05	
Hetalben Dineshbhai	Loan Taken	-	(0.05)	22.00	(0.05)	-	(4.55)	-	(4.10)	4.50	(8.57)	22.00	(3.47)
	Loan Repaid	-		-		-		5.00		-		20.00	

Name of the Related Party	Nature of Transactions	As at 31st July, 2018		2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the period Ended July 31, 2018	As At July 31, 2018	For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
Patel	Interest Paid	-		-		0.49		0.59		0.67		1.63	
Maniben Karshanbhai Patel	Loan Taken	-	(0.25)	-	(0.25)	-	(53.25)	25.00	(48.06)	-	(42.53)	27.00	(47.39)
	Loan Repaid	-		-		-		25.00		9.50		4.50	
	Interest Paid	-		-		5.77		6.14		5.16		4.55	
Prakash Karshanbhai Patel	Loan Taken	35.50	(36.50)	-	(1.00)	-	(5.00)	-	(4.46)	-	(3.92)	22.00	(28.69)
	Loan Repaid	-		-		-		-		27.00		4.00	
	Interest Paid	-		-		0.60		0.59		2.49		2.85	
Laxmiben Karshanbhai Patel	Loan Taken	-	(0.83)	-	(0.83)	-	(20.83)	-	(18.80)	-	(16.56)	11.00	(21.47)
	Loan Repaid	-		-		-		-		7.00		-	
	Interest Paid	-		-		2.26		2.49		2.33		2.04	
Prakash Karshanbhai Patel HUF	Loan Taken	-	(0.86)	10.00	(0.86)	-	(18.36)	-	(16.57)	-	(14.59)	7.00	(13.17)
	Loan Repaid	-		8.00		-		-		-		-	
	Interest Paid	-		-		1.99		2.19		1.58		1.25	
	Commission	-		-		-		4.17		-		-	
Karshanbhai Devjibhai Patel	Loan Taken	-	(0.67)	3.00	(0.67)	-	(3.67)	-	(3.32)	-	(2.92)	17.50	(21.59)
	Loan Repaid	-		-		-		-		20.00		5.00	
	Interest paid	-		-		0.40		0.44		1.48		2.22	
Vishrambhai	Loan Taken	-	(28.13)	28.00	(28.13)	-	(6.63)	3.00	(5.98)	-	(8.01)	8.25	(12.36)

Name of the Related Party	Nature of Transactions	As at 31st July, 2018		2017-18		2016-17		2015-16		2014-15		2013-14	
		Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)	Amount of Transaction	Amount Receivable/ (Payable)
		For the period Ended July 31, 2018	As At July 31, 2018	For the year Ended March 31, 2018	As At March 31, 2018	For the year Ended March 31, 2017	As At March 31, 2017	For the year Ended March 31, 2016	As At March 31, 2016	For the year Ended March 31, 2015	As At March 31, 2015	For the year Ended March 31, 2014	As At March 31, 2014
Sivgan Patel	Loan Repaid	-		2.00		-		-		5.50		-	
	Interest Paid	-		-		0.72		1.08		1.29		1.10	
Vishrambhai Sivgan Patel HUF	Loan Taken	-	(19.53)	-	(19.53)	-	(24.53)	-	(22.14)	-	(15.85)	2.50	(2.66)
	Loan Repaid	-		-		-		4.00		12.50		-	
	Interest Paid	-		-		2.66		2.55		0.76		0.18	
	Commission	--		-		-		1.15		-		-	
Karshanbhai Devjibhai Patel HUF	Loan Taken	-	(0.53)	10.00	(0.53)	-	(4.53)	-	(4.09)	12.50	(3.60)	3.00	(3.25)
	Loan Repaid	-		8.00		-		-		-		-	
	Interest Paid	-		-		0.49		0.54		0.39		0.28	
	Commission	-		-		-		1.92		-		-	
MukeshVishrambhai Patel HUF	Loan Taken	-	(22.05)	-	(22.05)	-	(30.05)	1.50	(27.12)	-	(22.52)	17.50	(18.82)
	Loan Repaid	-		-		-		-		1.50		-	-
	Interest Paid	-		-		3.25		3.45		2.44		1.47	-
Vinayak TMT Bars Pvt Ltd	Purchase	-	-	-	-	25.75	-	-		0.96		-	-
	Sales	67.79	-	210.81		163.09		123.68		64.72		-	

ANNEXURE - XXXII
DETAILS OF SIGNIFICANT ACCOUNTING RATIOS AS RESTATED

(Rs. In lakhs, except No. of shares data)

Ratios	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Restated PAT as per P& L Account	40.51	172.44	99.90	109.60	16.25	(2.99)
Weighted Average Number of Equity Shares at the end of the Year	5,800,000	50,13,150	25,00,000	25,00,000	25,00,000	25,00,000
No. of shares outstanding at the end of the year	5,800,000	58,00,000	25,00,000	25,00,000	25,00,000	25,00,000
No. of shares outstanding after Bonus Issue of Shares	5,800,000	58,00,000	50,00,000	50,00,000	50,00,000	50,00,000
Weighted Average Number of Equity Shares after Bonus Issue at the end of the Year	5,800,000	50,13,150	50,00,000	50,00,000	50,00,000	50,00,000
Net Worth	1,081.83	1,041.32	468.88	368.99	259.39	243.14
Earnings Per Share						
Basic & Diluted	0.70	3.44	4.00	4.38	0.65	(0.12)
Basic & Diluted (After Bonus Issue)	0.70	3.44	2.00	2.19	0.32	(0.06)
Return on Net Worth (%)	3.74%	16.56%	21.31%	29.70%	6.26%	-1.23%
Net Asset Value Per Share (Rs)	18.65	17.95	18.76	14.76	10.38	9.73
Net Asset Value Per Share (Rs)- After Bonus Issue	18.65	17.95	9.38	7.38	5.19	4.86
Nominal Value per Equity share (Rs.)*	10.00	10.00	10.00	10.00	10.00	10.00

1. The Ratios have been computed on the basis of the Restated Summary Financial Statements.
2. The Ratio have been computed as per the following formulas:

Sr. No.	Particulars	Formula
a.	Basic Earnings Per Share (Rs.)	Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders / Weighted Average Number of Equity Shares Outstanding During Year
b.	Diluted Earnings Per Share (Rs.)	Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders / Weighted Average Number of Equity Shares Outstanding During Year
c.	Return on Net Worth (%)	Restated Profit/(Loss) After Tax For the Year Attributable to Equity Shareholders / Net Worth As At The End Of The Year
d.	Net Assets Value Per Share (Rs.)	Net Worth As At The End Of The Year / No. of shares outstanding at the end of the year

3. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year, adjusted by the number of equity shares issued during the year multiplied by the time-weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.
4. Net worth for ratios mentioned represents sum of share capital and reserves and surplus (surplus in the statement of profit and loss).

5. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.
6. Bonus Shares were issued in the ratio of 1:1 on 10.03.2018. Thereby, EPS and Net Asset Value per share are provided pre bonus issue and post bonus issue.

ANNEXURE - XXXIII
CAPITALISATION STATEMENT AS AT JULY 31, 2018

(Rs. In lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	1,086.80	[•]
Long Term Debt (B)	673.57	[•]
Total debts (C=A+B)	1,760.38	[•]
Shareholders' funds		
Equity share capital (D)*/^	580.00	[•]
Reserve and surplus - as restated (E)	501.83	[•]
Total shareholders' funds (F=D+E)	1081.83	[•]
Long term debt / shareholders funds	0.62	[•]
Total debt / shareholders funds	1.63	[•]

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

2. The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3. A short term debt represents borrowings due within 12 months from the date of balance sheet.

4. A long term debt represents borrowings due after 12 months from the date of balance sheet and includes current maturities of long term debts.

5. Long Term Debts/Equity has been computed as: $\frac{\text{Long Term Debts}}{\text{Total Shareholders' Fund}}$

6. Total Debts/Equity has been computed as: $\frac{\text{Total Debts}}{\text{Total Shareholders' Fund}}$

ANNEXURE - XXXIV

STATEMENT OF TAX SHELTERS

(Rs. In lakhs)

Particulars	For the period ended July 31, 2018	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Restated Profit before tax as per books (A)	**36.50**	**278.99**	**176.51**	**159.51**	**24.40**	**(4.35)**
Tax Rates						
Income Tax Rate (%)	27.82%	33.06%	33.06%	30.90%	30.90%	30.90%
Minimum Alternate Tax Rate (%)	20.59%	20.39%	20.39%	19.06%	19.06%	19.06%
Adjustments :						
Total Income considered separately (B)						
Timing/Permanent Differences (C)						
Permanent Timing Difference						
Effects of Other Allowance/Disallowance	0.05	0.14	0.16	0.05	0.09	-
Deduction – 80G	(0.03)	(0.06)	(0.08)	-	-	-
Temporary Timing Differences						
Book Depreciation	12.78	38.88	40.02	50.60	34.16	33.92
Preliminary Expense Disallowed	-	-	(0.77)	(0.77)	(0.77)	(0.77)
Unpaid Gratuity	0.94	1.31	1.50	1.54	0.84	0.75
Loss of Earlier Year Set-off	(30.84)	-	-	(135.95)	(7.03)	-
Income Tax Depreciation Allowance	-	(36.13)	(54.83)	(60.31)	(51.69)	(172.52)
Total Timing/Permanent Differences (C)	**(17.10)**	**4.14**	**(14.01)**	**(144.84)**	**(24.40)**	**(138.63)**
Net Adjustments D = (B+C)	**(17.10)**	**4.14**	**(14.01)**	**(144.84)**	**(24.40)**	**(138.63)**
Tax expense / (saving) thereon	**(4.76)**	**1.37**	**(4.63)**	**(44.76)**	**(7.54)**	**(42.84)**
Taxable Income/(Loss) (A+D+E+F)	**19.40**	**283.13**	**162.50**	**14.67**	**-**	**(142.98)**
Income Tax on above	**5.40**	**93.61**	**53.73**	**4.53**	**-**	**(44.18)**
VIII. Book Profit						
Profit/(Loss) Before Tax As Restated	36.50	278.99	176.51	159.51	24.40	(4.35)
Less: Unabsorbed Book Loss	-	-	-	-	(4.35)	-
Restated Profit/(Loss) As Per Section 115JB	**36.50**	**278.99**	**176.51**	**159.51**	**20.05**	**(4.35)**
MAT on Book Profit	**7.51**	**56.88**	**35.99**	**32.52**	**3.82**	**-**
Tax paid as per normal or MAT	MAT	Normal	Normal	MAT	MAT	
Current Tax Rounded	7.51	93.61	53.73	32.52	3.82	

Notes:

1. The Permanent and Timing Differences and other adjustments have been computed based on the return of income filed by the company for the respective years as adjusted for restatement effects.
2. The Tax Rates include basic rate, applicable surcharge, education cess and secondary & higher secondary education cess as applicable for respective years.
3. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

ANNEXURE XXXV
RESTATED STATEMENT OF CONTINGENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at July 31, 2018	As At March 31,				
		2018	2017	2016	2015	2014
Guarantee Given by the Bank on Behalf of the company	33.06	33.06	-	-	-	-
T O T A L	**33.06**	**33.06**	**-**	**-**	**-**	**-**

Notes:

1. The above statement should be read with the notes to restated summary financial statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV and V.

MANAGEMENTôS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which have been included in this Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements for the period ended July 31, 2018 and financial year ended March 31, 2018, 2017 and 2016, including the related notes and reports, included in this Red Herring Prospectus have been prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited financial statements for the respective financial years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 20 and 19,respectively, and elsewhere in this Red Herring Prospectus.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

OVERVIEW OF OUR BUSINESS

Our Company was originally incorporated as ñ*Surani Steel Private Limited*ò a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies Gujarat, Dadra & Nagar Haveli. Further, the name of our Company was changed to ñ*Surani Steel Tubes Private Limited*ò pursuant to special resolution passed by shareholders of the Company in the Extra Ordinary General Meeting held on August 07, 2018 and a fresh Certificate of Incorporation dated August 13, 2018, was issued by the Registrar of Companies, Ahmedabad. Subsequently, our Company was converted into a Public Limited Company pursuant to shareholders resolution passed at Extra-ordinary General Meeting of our Company held on August 29, 2018 and the name of our Company was changed to ñ*Surani Steel Tubes Limited*ò and a fresh Certificate of Incorporation consequent upon Conversion of Private Company to Public Limited September 12, 2018 was issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U27109GJ2012PLC071373.

Our Company, the venture of Vinayak Group, is engaged in the business of manufacturing of Electric Resistance Welding Mild Steel (ñERW MSò) Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes ranging from 20NB to 100NB and also in the trading of Hot Rolled Coil (ñHR Coilò) and HR slit coils. Our Products have wide applications in varied industries like Architectural, Infrastructural, Industrial and Engineering Industry. We rely largely on our dealers to sell our products to our end consumers. As on March 31, 2018, we have entered into arrangements / understanding with over 300 dealers located across Gujarat to market and sell our products in Gujarat. Our Company also generates the revenue from the sale of scraps.

We are an ISO 9001: 2015 certified company for manufacturing and Supply of ERW pipes. We have also been granted the IS 4923:1997 and IS 1161:2014 Quality Standard License from Bureau of Indian Standards. Our company strives to provide diversified range of products, manufactured at our manufacturing plant located at Dahegam, Gandhinagar in Gujarat on approximately 8,300 square meter of land having an installed capacity of 25,000 MT p.a. For the financial year 2017-18, our Company has processed 23,792 MT of ERW MS Pipes. We are committed to elevate the standards of our products and services to offer customer satisfaction through excellence in quality.

Our manufacturing facility is equipped with requisite infrastructure including machinery, other handling equipment to facilitate smooth manufacturing process. We endeavour to maintain safety in our premises

by adhering to key safety norms. We have in-house testing laboratory to test our raw materials and finished products to match the quality standards and as specified by the customers. We have set up a new manufacturing facility to manufacture ERW MS Pipes (round pipes, square and rectangular hollow Sections) in various specifications, sizes ranging from 100NB to 300NB. Our Company has already purchased the land spread over an area of 32019 sq. mtrs. situated at Survey/Block No. 104, 105, 107 of village sujana muvada, Taluka- Dahegam, District-Gandhinagar, Gujarat for our new manufacturing facility. We have already purchased the major Plant & Machinery required for the manufacturing of ERW MS Pipes in our new manufacturing facility.

Our Promoters, Karshan Patel and Prakash Patel have more than a decade of experience in field of steel industry and our promoters Dinesh Patel and Mukesh Patel have more than five years of experience in the steel industry and have in-depth knowledge of the products and industry in which we operate. Further, we have a team of professionals to look after matching the standards with the industry.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST STUB PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen 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. The company has increased the borrowing power to Rs. 10,000.00 lakhs in the Extra Ordinary General Meeting held on August 14, 2018;

2. The Board approved and passed resolution on September 15, 2018, to raise funds by making Initial Public Offering; and

3. The shareholders approved and passed special resolution on September 17, 2018, to authorize the Board of Directors to raise funds by making Initial Public Offering.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the Section titled ñ*Risk Factors*ò beginning on page 20 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and market conditions;
- Change in laws and regulations that apply to the industry in which our Company operate;
- Competitive environment in the steel industry;
- Availability of stock-in-trade;
- Fluctuation in prices;
- Seasonal business;
- Our operational performance; and
- High volume- Low margin business.

SIGNIFICANT ACCOUNRING POLICIES

Basis of Preparation

The restated summary statement of assets and liabilities of the Company as at July 31, 2018, March 31, 2018, 2017, 2016, 2015 and 2014 and the related restated summary statement of profits and loss and cash flows for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited financial statements of the Company for the period ended on July 31, 2018 and financial year ended March 31, 2018, 2017, 2016, 2015 and 2014, approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of

India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ñthe SEBI Guidelinesò) issued by SEBI and Guidance note on Reports in Companies Prospectus (Revised). The Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the SME Platform of NSE in connection with its proposed Initial Public Offering of equity shares. The Companyôs management has recast the financial statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of Restated Summary Statements.

Accounting Conventions

The Financial Statements of the Company are prepared under the historical cost convention on accrual basis of accounting and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 except in case of leave salary, gratuity & other retirement employee benefits including statutory if any applicable and generally accepted accounting principles in India. The accounting policies not referred to otherwise have been consistently applied by the Company during the year.

Use of estimates

The preparation of restated financial statements in accordance with the GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities, classification of assets and liabilities into non-current and current and disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of income and expenses during the reporting period. Although the financial statements have been prepared based on the managementôs best knowledge of current events and procedures/actions, the actual results may differ on the final outcome of the matter/transaction to which the estimates relates

Fixed Assets

Property, Plant & Equipment except Land are stated at cost of acquisition/construction (less Accumulated Depreciation, if any). The cost of Property, Plant & Equipment comprises of their purchase price, including freight, duties, taxes or levies and directly attributable cost of bringing the assets to their working conditions for their intended use. Subsequent expenditures on Fixed Assets have been capitalized only if such expenditures increase the future benefits from the existing assets beyond their previously assessed standard of performance.

Intangible assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses. Capital Work in progress includes cost of assets at sites and construction expenditure.

Depreciation

In respect of Financial Years 2014-15, 2015-16, 2016-17 and 2017-18 and for the period ended July 31, 2018

Depreciation of Fixed Assets is provided on original cost of the asset on written down value method and in the manner prescribed in Schedule II of the Companies Act, 2013.Accordingly the unamortized carrying value is being depreciated over remaining useful life by Written down value method

Except for some class of asset whose useful lives were more than the life prescribed in schedule II of the act, the useful life in respect of such class of asset were derived based on technical evaluations out by the management with consultation from chartered engineer.

In respect of Financial Year 2013-14

Depreciation on fixed assets is provided on Straight Line method (SLM) at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 on single shift working.

Depreciation is provided on Roll-Sets on the basis of useful life of three years on Written Down Value Method as specified in schedule XIV of the Companies Act, 1956 on Pro Rata basis from the date assets put to use.

Inventories

The inventories of intermediate finished goods and finished goods have been valued at cost or net realizable value whichever is lower. The Costs in respect of all items of inventories have been computed on FIFO basis. The cost of inventories comprises of the purchase price including duties and taxes, freight inwards and other expenditure directly attributable to the acquisition. The purchase price does not include CENVAT/VAT/GST credit availed of by the Company during the year. Waste & Scrap are valued at Net Realisable value.

Revenue Recognition

All income and expenses are accounted on accrual basis. The Company recognised Sale of Goods when it had transferred the property in Goods to the buyer for a price or all significant risks and rewards of ownership had been transferred to the buyer and no significant uncertainty existed as to the amount of consideration that would be derived from such sale. The recognition event is usually the dispatch of goods to the buyer such that the Company retains no effective control over the goods dispatched. The revenue in respect of service contract is recognized based on order/contract with the parties.

Foreign Currency Transactions

The transactions in foreign currency have been recorded using the rate of exchange prevailing on the date of transactions. The difference arising on the settlement/restatement of the foreign currency denominated Current Assets/Current Liabilities into Indian rupees has been recognized as expenses/income (net) of the year and carried to the statement of profit and loss.

Borrowing Costs

Borrowing cost attributable to acquisition of qualifying assets for the period such asset is put to its commercial use, is capitalized as part of the cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

Employee Benefits

a) Short Term Employee Benefits

Short-term employee benefits are recognised as expense in the Statement of Profit & Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues.

As regards Liability towards Leave encashment, the employees have the option of enchasing or availing the unaviled leave. The company measures the expected cost of such leave as the additional amount that it expects to pay as a result of the unused entitlements that has accumulated at the reporting date and makes provision as short term employee benefit.

b) Long Term Employee Benefits

Long term employees benefits and post-employment benefits both funded and non-funded are recognised as expenses in the statement of Profit and Loss of the year in which the related services is rendered based on actuarial valuation.
Companyôs Contribution towards provident fund are accounted for at pre-determined rates and deposited in to an EPFO.
Gratuity is accounted for on the basis of actuarial valuation.

The management is also of the opinion that the payment of Pension Act and Employees State Insurance Act is not applicable to the Company.

Taxes on Income

Taxes on income comprises of current tax and deferred tax. Taxes on income have been determined based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income taxes are determined for future consequences attributable to timing differences between financial determination of income and income chargeable to tax as per the provisions of Income Tax Act, 1961. Deferred tax liability has been worked out using the tax rate and tax laws that were in force as on the date of balance sheet and has not been discounted to its present value after giving effects of carried forward balances of unabsorbed depreciation, unabsorbed business losses as per the Income Tax Act, 1961 and other timing differences as at the Balance Sheet date.

The MAT Credit available as per the Income Tax Act, 1961 has been recognized as assets where there is convincing evidence that the asset can realized in future for adjustment against the income tax liabilities are being reviewed as at each Balance Sheet date for reasonableness of its realization.

Impairment of Assets:

As at each balance sheet date, the carrying values of assets are reviewed for impairment if any indication of impairment exists.

Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of the Company's resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure of contingent liabilities is made when there is a possible obligation that may, but probably will not, require an outflow of resources. As a measure of prudence, the contingent assets are not recognized.

Cash and Cash Equivalents-For the Purpose of Cash Flow Statements

For the purpose of Cash Flow Statements, cash and cash equivalents include Cash on Hand and Balances with Banks in the Current Account as well as Fixed Deposits account.

Operating Cycle

Based on the activities of the company and normal time between incurring of liabilities and their settlement in cash or cash equivalents and acquisition/right to assets and their realization in cash or cash equivalents, the company has considered its operating cycle as 12 months for the purpose of classification of its liabilities and assets as current and non-current.

Earnings per Share

The earnings per share as per AS-20 ñEarning Per Shareò has been computed on the basis of net profit after tax divided by the weighted average number of shares outstanding during the year.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises of revenue from manufacturing of Electric Resistance Welding Mild Steel (ñERW MSò) Pipes, trading of Hot Rolled Coil (ñHR Coilò) & HR slit coils, sale of scrap material and income on account of service charges. It also includes other operating revenue in the nature of claims received

The following table sets forth breakdown of our revenue from operations for the period/year indicated:

Particulars	For the Period ended July 31, 2018		For the Year ended March 31, 2018		For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Rs. in Lakhs	%	Rs. in Lakhs	%	Rs. in Lakhs	%	Rs. in Lakhs	%
Revenue from manufacture of ERW MS Pipes (Net of Excise Duty)	3,439.87	95.21	9,413.73	93.41	7,423.52	96.82	6,688.61	97.74
Revenue from Trading of HR Coils	90.48	2.50	394.86	3.92	-	-	1.69	0.02
Revenue from Scrap Sale	82.57	2.29	268.75	2.67	192.28	2.51	152.02	2.22
Revenue from Service Charges			0.64	0.01	0.68	0.01	0.76	0.01
			-	-	50.5	0.66	-	-
Total Revenue from operations	**3,612.92**	**100.00**	**10,077.98**	**100**	**7,666.98**	**100**	**6,843.09**	**100**

Other Income

Our other income comprises of recurring and non-recurring incomes which are also related to business activities as well as not related to business activities. Our recurring income which are related to business activity include interest on term deposits, UGVCL Interest, interest on FDR and other miscellaneous income. Non-recurring income which is not related to business activity include dividend income and sundry balances written off.

Expenses

Our expenses comprise of cost of material consumed, purchase of stock-in-trade, changes in inventory of finished goods, stock-in-trade & work-in-progress, employee benefit expenses, finance costs, depreciation and amortisation expenses and other expenses.

Cost of material consumed

Our cost of material consumed comprises of cost incurred towards purchase of raw material such as HR Coil as reduced by discount received on purchase and the net increase or decrease in the raw material stock at the beginning & end of the year.

Purchase of Stock in Trade

It comprises of purchase of HR Coil and HR slit coil for sale in domestic market.

Changes in Inventory of finished goods, stock-in-trade and work-in-progress

Our changes in Inventory of finished goods, stock-in-trade and work-in-progress consist of changes in our inventory level of finished goods, stock-in-trade and work-in-progress during the period which is the difference of closing and opening balance.

Employee benefit expenses

Our employee benefit expenses include salary and wages, contribution to provident and pension funds, directorsô remuneration, leave encashment expenses, provision for gratuity and staff welfare expenses.

Finance costs

Our finance costs comprise of interest expenses on borrowing from banks, interest expenses on borrowing from other than banks, interest on taxes and other bank charges.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses comprise of depreciation on tangible fixed assets and amortisation of intangible assets.

Other expenses

Our other expenses include direct expenses and administrative, selling & other expenses. Our direct expenses consist of consumable stores expenses, factory expenses, power & fuel expenses, repairs & maintenance expenses and transport charges. Our administrative, selling & other expenses consist of advertisement expenses, auditors fees, bad debts w/off, carriage outward, commission charges, , foreign exchange loss, indirect tax expenses, insurance expenses, internet charges, legal & professional fees, office expenses, other expenses, petrol & diesel expenses, power & fuel expenses, printing & stationary expenses, rates & taxes, rebate & discount, rent expenses, roc charges, sales promotion expenses, security charges, telephone & mobile expenses, training & HR development expenses, and travelling expenses

Our Results of Operations

The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended July 31, 2018 and financial year ended 2018, 2017 and 2016, the components of which are also expressed as a percentage of total revenue for such periods:

Particulars	For the Period ended July 31, 2018		For the Year ended March 31, 2018		For the Year ended March 31, 2017		For the Year ended March 31, 2016	
	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*	Rs. in Lakhs	(%)*
Total Revenue:								
Revenue from operations	3,612.92	99.98	10,077.98	99.98	7,666.98	99.96	6,843.09	99.96
Other income	0.57	0.02	1.74	0.02	3.10	0.04	2.81	0.04
Total Revenue	**3,613.50**	**100.00**	**10,079.72**	**100.00**	**7,670.08**	**100.00**	**6,845.89**	**100.00**
Expenses:								
Cost of material consumed	3,372.60	93.33	9,281.49	92.08	6,931.19	90.37	6,289.45	91.87
Purchase of Stock-in-Trade	22.57	0.62	412.75	4.09	-	-	-	-
Changes in inventories of finished goods, traded goods and work-in-progress	21.42	0.59	(376.26)	(3.73)	46.08	0.60	(158.15)	(2.31)
Employee benefit expenses	45.51	1.26	137.66	1.37	153.82	2.01	121.91	1.78
Finance costs	41.39	1.15	101.53	1.01	136.14	1.77	131.76	1.92
Depreciation and amortization expenses	12.78	0.35	38.88	0.39	40.02	0.52	50.60	0.74
Other expenses	60.72	1.68	204.67	2.03	186.32	2.43	250.80	3.66
Total Expenses	**3,576.99**	**98.99**	**9,800.73**	**97.23**	**7,493.58**	**97.70**	**6,686.38**	**97.67**
Profit before exceptional,	**36.50**	**1.01**	**278.99**	**2.77**	**176.51**	**2.30**	**159.51**	**2.33**

extraordinary items and tax								
Extraordinary and Exceptional items	-	-	-	-	-	-	-	-
Profit before tax	**36.50**	**1.01**	**278.99**	**2.77**	**176.51**	**2.30**	**159.51**	**2.33**
Tax expense :								
(i) Current tax	7.51	0.21	93.61	0.93	53.73	0.70	32.52	0.48
(ii) MAT Credit	(9.40)	(0.26)	(1.13)	(0.01)	5.14	0.07	45.38	0.66
(iii) Deferred tax	(2.12)	(0.06)	14.07	0.14	17.74	0.23	(27.99)	(0.41)
Total Tax Expense	**(4.00)**	**(0.11)**	**106.55**	**1.06**	**76.61**	**1.00**	**49.91**	**0.73**
Profit for the year	**40.51**	**1.12**	**172.44**	**1.71**	**99.90**	**1.30**	**109.60**	**1.60**

**** (%)*** *column represents percentage of total revenue.*

Review of Operation for the Period Ended July 31, 2018

Total Revenue

Revenue from operations

Our revenue from operations for the period ended July 31, 2018 amounted to Rs. 3,612.92 lakhs which was primarily on account of revenue from sale of manufactured ERW MS Pipes of Rs.3,439.87 lakhs, sale of trading goods of Rs. 90.48 lakhs and sale of scrap of Rs. 82.57 lakhs

Other Income

Our other income for the period ended July 31, 2018 amounted to Rs. 0.57 lakhs comprising of dividend income from investment in Cosmos Co-operative Bank of Rs. 0.28 lakhs, interest on fixed deposit of Rs. 0.21 lakhs and other interest income of Rs 0.09 lakhs.

Total Expenses

Our total expenses, excluding tax for the period ended July 31, 2018 amounted to Rs. 3,576.99 lakhs which were 98.99 % of our total revenue.

Cost of material consumed

Our cost of material consumed for the period ended July 31, 2018 amounted to Rs.3372.60 lakhs which majorly comprise of purchase of HR coil which is used as basic raw material for manufacture of MS pipes.

Purchase of Stock in Trade

Our purchase of stock in trade for the period ended July 31, 2018 amounted to Rs. 22.57 lakhs which include purchase of HR coil and HR slit coil for sale in domestic market

Employee benefit expenses

Our employee benefit expenses for the period ended July 31, 2018 amounted to Rs. 45.51 lakhs which include salary, wages & bonus of Rs. 40.05 lakhs, directorôs remuneration of Rs. 2.40 lakhs, leave encashment expenses of Rs. 1.50 lakhs, provision for gratuity of Rs. 0.94 lakhs, staff welfare expenses of Rs. 0.37 lakhs and contribution to provident and other funds by Rs. 0.25 lakhs.

Finance costs

Our Finance cost for the period ended July 31, 2018 amounted to Rs. 41.39 lakhs which include interest on secured and unsecured loans of Rs. 41.31 lakhs and other bank charges of Rs. 0.08 lakhs.

Depreciation and Amortization Expenses

Our Depreciation and amortization expenses were Rs. 12.78 lakhs for the period ended July 31, 2018 on account of depreciation on tangible fixed assets.

Other expenses

Our other expenses for the period ended July 31, 2018 were Rs. 60.72 lakhs primarily consisting of direct expenses of Rs. 41.65 lakhs and administrative, selling & distribution expenses of Rs. 19.07 lakhs. Break up of other expenses includes power and fuel expenses of Rs. 26.81 lakhs, consumables & stores of Rs. 13.99 lakhs, training and HR development expenses of Rs. 3.50 lakhs, advertisement expenses of Rs. 2.57 lakhs, legal & professional expenses of Rs. 1.46 lakhs, petrol & diesel expenses of Rs. 1.45 lakhs, travelling expenses of Rs. 1.06 lakhs, auditors remuneration of Rs. 0.81 lakhs, insurance expenses of Rs. 0.80 lakhs, repairs & maintenance of Rs. 0.67 lakhs, discount expenses of Rs. 0.58 lakhs, office expenses of Rs. 0.55 lakhs, telephone & mobile expenses of Rs. 0.24 lakhs, internet charges of Rs. 0.19 lakhs, factory expenses of Rs. 0.18 lakhs and other miscellaneous expenses of Rs. 5.83 lakhs.

Profit before tax

Our Profit before tax for the period ended July 31, 2018 was Rs. 36.50 lakhs which was 1.01% of our total revenue.

Tax expenses

Our tax benefit for the period ended July 31, 2018 were Rs. 4.00 lakhs which was primarily on account of reversal of deferred tax liability of Rs. 9.40 lakhs and MAT credit availed of Rs. 2.12 lakhs which was partially set off by current tax expense of Rs. 7.51 lakhs.

Profit after tax

Our profit after tax for the period ended July 31, 2018 was Rs. 40.51 lakhs forming 1.12% of our total revenue.

FINANCIAL YEAR 2017-18 COMPARED WITH FINANCIAL YEAR 2016-17

Total Revenue

Our total revenue increased by 31.42% to Rs. 10,079.92 lakhs for the financial year 2017-18 from Rs. 7,670.08 lakhs for the financial year 2016-17 due to the factors described below:

Revenue from operations

Our revenue from operations increased by 31.45% to Rs. 10,077.98 lakhs for the financial year 2017-18 from Rs. 7,666.98 lakhs for the financial year 2016-17 which was mainly on account of increase in our net revenue from sale of manufactured ERW MS Pipes by 26.81% to Rs. 9,413.73 lakhs for the financial year 2017-18 from Rs. 7,423.52 lakhs for the financial year 2016-17, increase in trading sales by Rs. 394.86 lakhs and increase in revenue from scrap sales by Rs. 76.47 lakhs. However the increase was partially offset by decrease in revenue from claims received which was Nil for the financial year 2017-18 from Rs. 50.50 lakhs for the financial year 2016-17. The increase in manufacturing sales was on account of increase in overall capacity utilization from 82.04% in financial year 2016-17 to 95.17% in financial year 2017-18. The increase in sale of traded goods was on account of taking benefit of substantial fluctuation in prices of raw material.

Other income

Our other income decreased by 43.87% to Rs. 1.74 lakhs for financial year 2017-18 from Rs. 3.10 lakhs for the financial year 2016-17 mainly due to decrease in interest income from late payment of debtors by Rs. 0.77 lakh, UGVCL interest by Rs. 0.59 lakh, discount received by Rs. 0.11 lakh and dividend income by Rs. 0.08 lakh. However this decrease was partially offset by increase in sundry balances written off by Rs. 0.10 lakh and interest on fixed deposits with bank by Rs. 0.08 lakh.

Total Expenses

Our total expenses, excluding tax increased by 30.79% to Rs. 9,800.73 lakhs for the financial year 2017-18 from Rs. 7,493.58 lakhs for the financial year 2016-17, due to the factors described below:

Cost of material consumed

Our cost of material consumed increased by 33.91% to Rs.9281.49 lakhs for the financial year 2017-18 from Rs. 6,931.19 lakhs for the financial year 2016-17. The increase was majorly on account of increase in purchase of raw material due to increase in our overall capacity utilisation of the company.

Purchase of Stock in Trade

Our purchase of stock in trade was Rs. 412.75 lakhs for the financial year 2017-18 which was Nil for the financial year 2016-17. The increase in purchase was majorly on account of increase in demand of HR coil and availability of good margins for the trading of our raw material goods.

Employee benefits expenses

Our employee benefit expenses decreased by 10.51% to Rs. 137.66 lakhs for the financial year 2017-18 from Rs. 153.82 lakhs for the financial year 2016-17. The decrease was mainly due to decrease in salary, wages & bonus by Rs. 14.12 lakhs, leave encashment expense by Rs. 1.92 lakhs and provision for gratuity by Rs. 0.19 lakh. The decrease in salary & wages was due to shifting of technology from labour intensive to capital intensive. As on March 31, 2018 our total number of employees were 51 as compared to 56 as on March 31, 2017.

Finance costs

Our finance costs decreased by 25.42% to Rs. 101.53 lakhs for the financial year 2017-18 from Rs. 136.14 lakhs for the financial year 2016-17. The decrease was mainly on account of decrease in interest on unsecured loans by Rs. 51.25 lakhs. However the decrease was partially offset by increase in interest on loans from banks by Rs.13.49 lakhs, bank charges by Rs. 2.34 lakhs and interest on taxes by Rs. 0.81 lakhs.

Depreciation and amortisation expense

Our depreciation and amortisation expenses decreased by 2.85% to Rs. 38.88 lakhs for the financial year 2017-18 from Rs. 40.02 lakhs for the financial year 2016-17. The decrease in our depreciation expenses was mainly on account of decrease in net block of tangible fixed assets value.

Other expenses

Our other expenses increased by 9.85% to Rs. 204.67 lakhs for the financial year 2017-18 from Rs. 186.32 lakhs for the financial year 2016-17. The increase was mainly due to increase in advertisement expenses by Rs. 9.28 lakhs, training & HR development expenses by Rs. 8.07 lakhs, indirect tax expenses by Rs. 7.17 lakhs, miscellaneous expenses by Rs. 5.11 lakhs, RoC charges by Rs. 4.29 lakhs, power & fuel expenses by Rs. 3.48 lakhs, petrol & diesel expenses by Rs. 3.43 lakhs, repairs & maintenance expenses by 1.73 lakhs, legal & professional fees by Rs. 1.28 lakhs and office expenses by 0.50 lakh, among others. However, the increase was partially offset by decrease in sales promotion expenses by Rs. 11.41 lakhs, decrease in discount & rebate charges by Rs. 8.80 lakhs, security charges by Rs. 2.06 lakhs, carriage outward by Rs. 1.33 lakhs, rates & taxes by Rs. 1.17 lakhs and printing & stationary expenses by 0.71 lakh, among others. Increase in advertisement expenses was on account of publishing of new holdings near Dahegam area as a part of sales promotion activity of the company.

Profit/Loss before tax

Our profit before tax increased by 58.06% to Rs. 278.99 lakhs for the financial year 2017-18 from Rs. 176.51 lakhs for the financial year 2016-17 due to increase in our overall business operations.

Tax expenses

Our tax expenses increased by 39.08% to Rs. 106.55 lakhs for the financial year 2017-18 from Rs. 76.61 lakhs for the financial year 2016-17 mainly due to increase in our current tax expenses by Rs. 39.88

lakhs. However the increase was partially offset by decrease in deferred tax expenses by Rs. 6.27 lakhs and decrease in MAT credit entitlement by Rs. 3.67 lakhs. The increase in our tax expenses was due to increase in profit before tax during the financial year 2017-18.

Profit after tax

Our profit after tax increased by 72.61% to Rs. 172.44 lakhs for the financial year 2017-18 from Rs. 99.90 lakhs for the financial year 2016-17.

FINANCIAL YEAR 2016-17 COMPARED WITH FINANCIAL YEAR 2015-16

Total Revenue

Our total revenue increased by 12.04% to Rs. 7,670.08 lakhs for the financial year 2016-17 from Rs. 6,845.89 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations

Our revenue from operations increased by 12.04% to Rs. 7,666.98 lakhs for the financial year 2016-17 from Rs. 6,843.09 lakhs for the financial year 2015-16. The increase was on account of increase in net revenue from sale of manufactured ERW MS pipes by 10.99% to Rs. 7,423.52 lakhs for the financial year 2016-17 from Rs. 6,688.61 lakhs for the financial year 2015-16, increase in revenue from claims received by Rs. 50.50 lakhs for the financial year 2016-17 from Nil for the financial year 2015-16 and also increase in revenue from scrap sales by 26.49% to Rs. 192.28 lakhs for the financial year 2016-17 to Rs. 152.02 lakhs for the financial year 2015-16. Increase in manufacturing sales was on account of changes in the prices of steel & steel products. Average sales price for year 2016-17 was Rs. 36331/- per mt as compared to Rs. 33544/- per mt in 2015-16.

Other income

Our other income increased by 10.32% to Rs. 3.10 lakhs for the financial year 2016-17 from Rs. 2.81 lakhs for the financial year 2015-16 mainly due to by increase in interest income from late payment of debtors by Rs. 1.58 lakhs for the financial year 2016-17 However, the increase was partially offset by decrease in interest income on FD with bank by Rs. 0.69 lakhs and UGVCL interest income by Rs. 0.61 lakhs.

Total Expenses

Our total expenses, excluding tax increased by 12.07% to Rs. 7,493.58 lakhs for the financial year 2016-17 from Rs. 6,686.38 lakhs for the financial year 2015-16, due to the factors described below:

Cost of material consumed

Our cost of material consumed increased by 10.20% to Rs. 6,931.19 lakhs for the financial year 2016-17 which was 6,289.45 lakhs for the financial year 2015-16. The increase is in line with increase in revenue from manufacturing sales and accordingly more utilisation of raw material.

Employee benefits expenses

Our employee benefit expenses increased by 26.18% to Rs. 153.82 lakhs for the financial year 2016-17 from Rs. 121.91 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary & wages and bonus by Rs. 29.00 lakhs, leave encashment expenses by Rs. 2.05 lakhs, directorôs remuneration by Rs. 1.20 lakhs. However the increase was partially offset by decrease in staff welfare expenses by Rs. 0.50 lakh. Increase in salary & wages expenses was on account of increment in the salaries of key employees of the company.

Finance costs

Our finance costs increased by 3.32% to Rs. 136.14 lakhs for the financial year 2016-17 from Rs. 131.76 lakhs for the financial year 2015-16. The increase was mainly on account of increase in interest expenses on term loan and working capital by Rs. 10.31 lakhs. However it was partially offset by decrease in interest expenses on unsecured loans by Rs. 6.23 lakhs. The increase in our working capital facility led

to an increase in our finance costs. . Our cash credit limit increased from Rs. 572.58 lakhs as on March 31, 2016 to Rs. 687.05 lakhs as on March 31, 2017.

Depreciation and amortisation expense

Our depreciation and amortisation expenses decreased by 20.91% to Rs. 40.02 lakhs for the financial year 2016-17 from Rs. 50.60 lakhs for the financial year 2015-16. Our gross block of depreciable tangible and intangible assets as on March 31, 2017 was standing at Rs. 634.50 lakhs as against Rs. 635.90 lakhs as on March 31, 2016.

Other expenses

Our other expenses decreased by 25.71% to Rs. 186.32 lakhs for the financial year 2016-17 from Rs. 250.80 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in our repairs & maintenance charges by Rs. 30.12 lakhs, consumable stores by Rs. 19.50 lakhs, commission charges by Rs. 17.49 lakhs, other expenses by Rs. 4.64 lakhs, power & fuel expenses by Rs. 1.99 lakhs, advertisement expenses by Rs. 1.94 lakhs, carriage outward expenses by Rs. 1.78 lakhs and rent expenses by Rs. 1.34 lakhs, among others. However the decrease was partially offset by increase in discount and rebate charges by Rs. 6.41 lakhs, legal & professional charges by Rs. 3.56 lakhs, sales promotion expenses by Rs. 2.16 lakhs, telephone expenses by Rs. 1.03 lakhs, insurance expenses by Rs. 0.89 lakh and petrol & diesel expenses by Rs. 0.89 lakh, among others. Major repairs and maintenance took place in financial year 2015-16 on the existing plant & machinery which resulted in higher expenditure in FY 2015-16.

Profit/Loss before tax

Our profit before tax increased by 10.65% to Rs. 176.51 lakhs for the financial year 2016-17 from Rs. 159.51 lakhs for the financial year 2015-16 due to increase in our operational performance of the company.

Tax expenses

Our tax expenses increased by 53.48% to Rs. 76.61 lakhs for the financial year 2016-17 from Rs. 49.91 lakhs for the financial year 2015-16 mainly due to increase in our profit before tax in the financial year 2016-17. Out tax expenses increase due to increase in current tax expense by Rs. 21.21 lakhs and MAT credit expenses by Rs. 45.73 lakhs as compare to previous year. However it was partially offset by increase in deferred tax expenses by Rs. 40.24 lakhs in the financial year 2016-17.

Profit after tax

Our profit after tax decreased by Rs. 8.85% to Rs. 99.90 lakhs for the financial year 2016-17 from Rs. 109.60 lakhs for the financial year 2015-16 due to increase in our current tax expenses and reversal of MAT credit entitlement during the financial year 2016-17.

Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the period ended July 31, 2018 and financial year ended March 31, 2018, 2017 and 2016:

Particulars	For the period ended July 31, 2018	For the year ended March 31,		
		2018	2017	2016
Fixed Asset Turnover Ratio	8.49	23.03	16.11	13.23
Debt Equity Ratio	1.63	1.47	2.85	3.32
Current Ratio	1.18	1.16	1.17	1.35
Inventory Turnover Ratio	2.20	7.15	7.00	8.72

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets, based on Restated Financial Statements. Intangible Assets have been included in calculation of Total Fixed Assets. However, Capital Work-in-Progress has not been included.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long term borrowings, based on Restated Financial Statements.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Information.

Cash Flow

The table below summaries our cash flows from our Restated Financial Information for the period ended July 31, 2018 and financial year 2018, 2017 and 2016:

(Rs. in lakhs)

Particulars	For the period ended July 31, 2018	For the year ended March 31,		
		2018	2017	2016
Net cash (used in)/ generated from operating activities	(13.89)	(94.16)	243.92	(9.00)
Net cash (used in)/ generated from investing activities	(166.21)	(405.23)	(226.36)	(77.34)
Net cash (used in)/ generated from financing activities	183.38	501.18	(25.04)	44.16
Net increase/ (decrease) in cash and cash equivalents	3.28	1.79	(7.48)	(42.17)
Cash and Cash Equivalents at the beginning of the period	8.36	6.58	14.06	56.23
Cash and Cash Equivalents at the end of the period	11.64	8.36	6.58	14.06

Operating Activities

For the period ended July 31, 2018

Our net cash used in operating activities was Rs. 13.89 lakhs for the period ended July 31, 2018. Our operating profit before working capital changes was Rs. 91.05 lakhs for the period ended July 31, 2018 which was primarily adjusted by payment of income tax of Rs. 5.44 lakhs, decrease in trade payables by Rs. 83.45 lakhs, decrease in inventories by Rs. 77.64 lakhs, increase in trade receivables by Rs. 65.74 lakhs, increase in long term loans & advances by Rs. 28.73 lakhs, increase in other current assets by Rs. 26.55 lakhs, decrease in short term loans & advances by Rs. 17.45 lakhs and increase in other current liabilities by Rs. 9.88 lakhs

Financial year 2017-18

Our net cash used in operating activities was Rs. 94.16 lakhs for the financial year 2017-18. Our operating profit before working capital changes was Rs. 416.10 lakhs for the financial year 2017-18 which was primarily adjusted by payment of income tax of Rs. 75.50 lakhs, increase in inventories by Rs. 544.15 lakhs, decrease in trade receivables by Rs. 183.13 lakhs, decrease in long term loans & advances by Rs. 60.62 lakhs, increase in short term loans & advances by Rs. 54.02 lakhs, decrease in other current liabilities by Rs. 50.29 lakhs, decrease in trade payables by Rs. 46.52 lakhs and decrease in other current assets by Rs. 16.47 lakhs.

Financial year 2016-17

Our net cash generated from operating activities was Rs. 243.92 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 354.09 lakhs for the financial year 2016-17, which was primarily adjusted by payment of income tax of Rs. 26.72 lakhs, increase in trade payables by Rs. 301.99 lakhs, increase in trade receivables by Rs. 242.08 lakhs, increase in long term

loans & advances by Rs. 86.84 lakhs, increase in inventories by Rs. 85.51 lakhs, decrease in short term loan & advances by Rs. 38.20 lakhs, decrease in other current liabilities by Rs. 8.49 lakhs and increase in other current assets by Rs. 0.71 lakh.

Financial year 2015-16

Our net cash used in operating activities was Rs. 9.00 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 342.70 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 21.81 lakhs, increase in inventories by Rs. 535.43 lakhs, increase in trade payables by Rs. 325.58 lakhs, increase in trade receivables by Rs. 91.45 lakhs, increase in short term loans & advances by Rs. 53.56 lakhs, increase in other current liabilities by Rs. 34.64 lakhs, increase in other current assets by Rs. 11.45 lakhs and decrease in long term loan & advances by Rs. 1.79 lakhs.

Investing Activities

For the period ended July 31, 2018

Net cash used in investing activities was Rs. 166.21 lakhs for the period ended July 31, 2018. This was primarily on account of purchase of fixed assets amounting to Rs. 166.69 lakhs which was partially offset by receipt of interest income of Rs. 0.21 lakh and receipt of dividend income of Rs. 0.28 lakh.

Financial year 2017-18

Net cash used in investing activities was Rs. 405.23 lakhs for the financial year 2017-18 which was on account of purchase of fixed assets.

Financial year 2016-17

Net cash used in investing activities was Rs. 226.36 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets amounting to Rs. 226.44 lakhs which was partially offset by receipt of dividend income of Rs. 0.08 lakh.

Financial year 2015-16

Net cash used in investing activities was Rs. 77.34 lakhs for the financial year 2015-16. This was primarily on account of purchase of fixed assets amounting to Rs. 69.05 lakhs and purchase of long term investments of Rs. 9.00 lakhs which was partially offset by receipt of interest income of Rs. 0.69 lakh and receipt of dividend income of Rs. 0.03 lakh.

Financing Activities

For the period ended July 31, 2018

Net cash generated from financing activities was Rs. 183.38 lakhs for the period ended July 31, 2018 primarily consisting of increase in long term borrowings of Rs. 213.04 lakhs and short term borrowings of Rs. 11.65 lakhs which was partially offset by payment of interest amounting to Rs. 41.31 lakhs.

Financial year 2017-18

Net cash generated from financing activities for the financial year 2017-18 was Rs. 501.18 lakhs primarily consisting of proceed from issue of equity share capital by Rs.400.00 lakhs, increase in short term borrowings by Rs. 388.10 lakhs which was partially offset by repayment of long term borrowings of Rs. 189.91 lakhs and payment of interest amounting to Rs. 97.01 lakhs.

Financial year 2016-17

Net cash used in financing activities for the financial year 2016-17 was Rs. 25.04 lakhs primarily consisting of payment of interest amounting to Rs. 136.14 lakhs and repayment of long term borrowings by Rs. 3.37 lakhs which was partially offset by increase in short term borrowings amounting by Rs. 114.47 lakhs.

Financial year 2015-16

Net cash generated from financing activities for the financial year 2015-16 was Rs. 44.16 lakhs primarily consisting of increase in short term borrowings of Rs. 174.46 lakhs and long term borrowings of Rs. 1.47 lakhs which was partially offset by payment of interest amounting to Rs. 131.76 lakhs.

Financial Indebtedness

As on July 31, 2018 the total outstanding borrowings of our Company was Rs. 1,760.37 lakhs comprising of long-term borrowings amounting to Rs. 535.79 lakhs, short term borrowings of Rs. 1,086.80 lakhs and current maturities of long term debt of Rs. 137.78 lakhs. For further details, refer chapter titled *"Financial Indebtedness"* beginning on page 203 of this Red Herring Prospectus.

(Rs. in lakhs)

Particulars	As at July 31, 2018
Long Term Borrowings	
Secured Loans	
- Term Loans from Banks	399.87
Unsecured Loans	
- From Directors, Relatives and Shareholders	135.93
Sub Total (A)	**535.79**
Short Term Borrowings	
Secured Loans	
- Working capital facility from Cosmos Co-Operative Bank	**1086.80**
Sub Total(B)	
Current Maturities of Long Term Borrowings (C)	**137.78**
Total (A)+(B)+(C)	**1760.37**

In the event, any of our lenders declare an event of default, such current and any future defaults could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition.

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS18, refer chapter titled *"Financial Statements"* beginning on page 185 of this Red Herring Prospectus.

Contingent Liabilities

The following table sets forth our continent liabilities as on July 31, 2018 and March 31, 2018:

(Rs. in Lakhs)

Particulars	As on July 31, 2018	As on March 31, 2018
Bank Guarantee issued by Bank	33.06	33.06
Total	**33.06**	**33.06**

It is not practical for our Company to estimate the timings of cash outflow, if any in respect of above mentioned contingent liabilities. For further details, refer chapter titled *"Financial Statements"* beginning on page 185 of this Red Herring Prospectus.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the purchase of raw material cost, stock-in-trade cost, wages, overhead cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled *"Financial Statements"* beginning on page 185 of this Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled *"Financial Statements"* beginning on page 185 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 01, 2015 up to July 31, 2018.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals and for the stub ended on July 31, 2018.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Companyós operations or are likely to affect income from continuing operations except as described in chapter titled *"Risk Factors"* beginning on page 20 of this Red Herring Prospectus.

Known Trends or Uncertainties that have had or are expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Other than as described in the Section titled *"Risk Factors"* beginning on page 20 of this Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in chapter titled *"Risk Factors"* beginning on page 20 of this Red Herring Prospectus and in this Section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial years are as explained in the part *"Financial Year 2017-18 compared with financial year 2016-17 and Financial Year 2016-17 Compared With Financial Year 2015-16"* above.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is limited to a single reportable segment.

Competitive Conditions

We have competition with Indian and international manufacturers & traders and our results of operations could be affected by competition in the steel industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled *"Risk Factors"* beginning on page 20 of this Red Herring Prospectus.

Increase in income

Increases in our income are due to the factors described above in this chapter under ñ*Significant Factors Affecting Our Results of Operations"* and chapter titled ñ*Risk Factors"* beginning on page 20 of this Red Herring Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Companyôs customer and supplier viz a viz the total revenue from operations and total purchase of goods respectively as of July 31, 2018 is as follows:

Particulars	Customers	Suppliers
Top 5 (%)	24.04	81.38
Top 10 (%)	34.37	95.25

Seasonality of Business

The nature of business is seasonal. For further detail, please refer to chapter titled ñ*Risk Factors*ò beginning on page 20 of this Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our company utilizes various credit facilities from banks and others for conducting its business. Set forth below is a brief summary of our Companyôs secured and unsecured borrowings as on March 31st, 2018 together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. Credit Facility from Cosmos Co-Operative Bank Ltd as per Sanction letter dated September 23, 2014

Sr. No.	Nature of facility	Sanctioned Amount (Rs. in Lakhs)	Rate of Interest	Period	Margin	Primary Security	Outstanding as on July 31, 2018 (Rs. In Lakhs) *
1.	Working Capital Term Loan	50.00	12.75	60 Months	25% in banks favour	Charge on all current assets of the company	17.18
2.	Term Loan	235.00	12.75	66 Months	25% in banks favour	Hypothecation of plant & machinery purchased	82.13
						Total Outstanding Amount	**99.31**

**Inclusive of current maturities.*

- **Collateral Securities:**
  - Factory Land & Building situated next to Kalp cold storage, Bayad road, Sampa, Dahegam, Gandhinagar admeasuring land area of 3300 sq. mtrs. & construction area of 557.98 sq. mtrs. Owned by M/s Surani Steel Private Limited.
  - Residential property situated at bungalow no. 43, Anuradha Society, Dahegam, Gandhinagar admeasuring land area of 100 sq.yards and construction area of 220 sq. yards owned by Mrs. Laxmiben K. Soni.

2. Loan from The Cosmos Co-Operative Bank Ltd. as per Sanction letter dated October 24, 2017.

Sr. No.	Nature of facility	Sanctioned Amount (Rs. in Lakhs)	Rate of Interest	Period	Primary Security	Purpose	Outstanding as on July 31, 2018 (Rs. in Lakhs)
1.	Cash Credit (Fund Based)	1500.00	10% p.a.	Repayable on Demand	Charge on all Current Assets	Working Capital Requirement	1086.80
1. (a)	Sub Limit under CC- Letter of Credit (Inland/ Import)	(650.00)	As per Bank Rule	Maximum upto 120 Days	Raw material to be purchased / Imported under LC/ FLC	For Purchase/ Import of Raw Material	

2.	Term Loan	690.00	10% p.a.	66 Months+ 6 months moratorium period	Hypothecation of Plant & Machinery	Purchase of Plant & Machinery	438.34*
3.	Bank Guarantee (non-fund based)	35.00	As per Bank Rule	As per Terms	Cash Margin, extended charge on the current and/or fixed assets	Working Capital Requirement	33.06
						Total Outstanding Amount	**1,558.20**

**Inclusive of current maturities*

- **Collateral Securities:**
  - All that immovable property being Industrial Non-Agricultural Land admeasuring about 8300 Sq. Mtrs. comprising of (i) land admeasuring about 5000 Sq. Mtrs. bearing Revenue Survey No./Block No. 110 & (ii) land admeasuring about 3300 Sq. Mtrs. bearing Revenue Survey No./Block No. 115, both situated, lying and being at Mouje: Sampa, Taluka: Dahegam, within the Registration Sub-District : Dahegam and District: Gandhinagar.
  - All that immovable property bearing Tenement No. 43 having plot area admeasuring about 100 Sq. Yds. equivalent to 83.61 Sq. Mtrs. together with construction admeasuring about 220 Sq. Yds. equivalent to 183.95 Sq. Mtrs. standing thereon, situated in Anuradha Co. Op. Housing Society Limited, Vibhag-2 standing/constructed on the land Hissa No. 1 of Revenue Survey No. 4323 (allotted in lieu of Old Hissa No. 1 of Revenue Survey No. 6) situated, lying and being at Mouje: Dahegam, Taluka: Dahegam, within the Registration Sub-District : Dahegam and District: Gandhinagar.
  - All that immovable property being Non Agriculture land admeasuring about 21483 Sq. Mtrs. bearing Block/Revenue Survey No. 107 (allotted in lieu of old Block/Revenue Survey No. 47), situated, lying and being at Mouje: Sujana Muvada, Taluka: Dahegam. within the Registration Sub-District: Dahegam and District: Gandhinagar togtherwith present and future construction standing thereon

- **Personal Guarantors:**
  1. Mr. Mukeshbhai V. Patel.
  2. Mr. Dineshbhai K. Patel
  3. Mrs. Laxmiben K. Soni.
  4. Mr. Karshanbhai D. Soni.

- **Key Restrictive Covenants:**

  Borrowing arrangements entered into by our Company contain standard events of default and during the currency of the Bankôs credit facility(s), below are some of the terms and conditions that the borrower (company) will not without the Bankôs prior permission in writing undertake any of the following activates:

  a. Opening of any bank account with other banks.
  b. Any changes in the existing constitution of the company.
  c. Any capital expenditure without proper Long Term fund tie up. Prior approval of bank for funds to be taken from other bank for capital expenditure, if any.
  d. Sell any fixed assets / investments which are charged to the bank against the credit facilities availed from bank.
  e. No third party interest are/will be created by way of tenancy or otherwise in the property /ies mortgaged with the bank.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

UNSECURED BORROWINGS

In addition to the secured borrowings availed by us from banks, we have also availed certain Unsecured loans. Set forth below is a brief summary of Unsecured Loans as of July 31, 2018.

1. **Unsecured Borrowings from others:**

   a) **From Directors :**

Name of Lenders	Amount Outstanding as on July 31, 2018 (Rs. in Lakhs)
Dinesh Karshan Patel	8.86
Mukesh Vishram Patel	16.72
Karshanbhai Devjibhai Patel	0.67
Total	**26.25**

   b) **From other Shareholders :**

Name of Lenders	Amount Outstanding as on July 31, 2018 (Rs. in Lakhs)
Dimpleben Mukeshbhai Patel	0.95
Hetal Dinesh Patel	0.05
Karsanbhai Devjibhai Patel HUF	0.53
Laxmiben Vishrambhai Patel	0.83
Maniben Karshanbhai Patel	0.25
Mukesh Vishram Patel HUF	22.05
Prakash Karshanbhai Patel	36.50
Prakash Karshan Patel HUF	0.86
Vishrambhai Patel HUF	19.53
Vishram Sivgan Patel	28.13
Total	**109.68**

SECTION VI ï LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except, as stated in this Section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on September 15, 2018 determined that outstanding dues to creditors in excess of Rs. 5.00 lakhs as per last audited financial statements shall be considered as material dues (ñMaterial Duesò).

Pursuant to SEBI (ICDR) Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ómaterialô for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matters exceeds Rs. 2.00 lakhs as determined by our Board, in its meeting held on September 15, 2018.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Company which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ómaterialô only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Red Herring Prospectus.

For the purpose of this chapter Income Tax Act, 1961 will be referred to as the I.T. Act.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

INCOME TAX PROCEEDINGS

AY 2014-15

Our Company filed its return of income on November 28, 2014 declaring total income as NIL. The return of income was taken up for scrutiny and a notice dated August 28, 2015 was issued under Section 143 (2) of the I.T. Act. Another notice dated June 15, 2016 was issued with questionnaire under Section 142 (1) of the I.T. Act. The Income Tax Officer, Gandhinagar (ñ**ITO**ò) issued notice dated June 15, 2016 under Section 142 (1) of the I.T. Act and called our Company for a personal hearing on June 23, 2016. ITO passed an order dated November 16, 2016 under Section 143 (3) of the I.T. Act disallowing expenses and making additions of personal expenses amounting to Rs. 85,440/-. The ITO issued a notice of demand dated November 16, 2016 under Section 156 of the I.T. Act for tax payable amounting to **Rs. 52,210/-.** The matter is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

Nil

Pending Notices against our Company

Nil

Past Notices to our Company

Nil

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Dineshbhai Dhanji Patel

AY 2009-10

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on June 10, 2010 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 630/-**. The amount is currently outstanding.

AY 2013-14

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on September 26, 2014 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 450/-**. The amount is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY

LITIGATIONS AGAINST OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

INCOME TAX PROCEEDINGS

Prakash Patel ï Promoter AY 2009-10

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on December 28, 2010 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 17,400/-**. The amount is currently outstanding.

AY 2010-11

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on March 16, 2012 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 3,760/-**. The amount is currently outstanding.

AY 2011-12

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on January 17. 2013 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 6,080/-**. The amount is currently outstanding.

AY 2012-13

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on March 03, 2014 under Section 220(2) and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 546/-**. The amount is currently outstanding.

AY 2013-14

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on April 14, 2015 under Section 220(2) and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 4,648/-**. The amount is currently outstanding.

Mukesh Patel ï Promoter Director

AY 2008-09

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on February 15, 2010 under Section 143(1) and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 10,916/-**. The amount is currently outstanding.

AY 2010-11

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on February 13, 2012 under Section 1431a and Section 245 of the I.T.

Act against our Company for an outstanding demand amounting to **Rs. 2,290/-**. The amount is currently outstanding.

AY 2011-12

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on January 04, 2013 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 3,210/-**. The amount is currently outstanding.

AY 2013-14

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on September 30, 2014 under Section 154 and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 520/-**. The amount is currently outstanding.

AY 2014-15

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on December 25, 2014 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 1,090/-**. The amount is currently outstanding.

Dinesh Patel - Promoter Director

AY 2013-14

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on March 18, 2015 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 24,950/-**. The amount is currently outstanding.

Maniben Patel ï Promoter

AY 2009-10

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on March 25, 2011 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 2,160/-**. The amount is currently outstanding.

AY 2010-11

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on January 24, 2012 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 6,890/-**. The amount is currently outstanding.

AY 2012-13

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on December 26, 2013 under Section 1431a and Section 245 of the I.T. Act against our Company for an outstanding demand amounting to **Rs. 2,400/-**. The amount is currently outstanding.

AY 2013-14

The Income Tax Departmentôs website under the head ó*Response to Outstanding Tax Demand*ô displays an outstanding demand raised on March 17, 2015 under Section 1431a and Section 245 of the I.T. Act

against our Company for an outstanding demand amounting to **Rs. 73,450/-**. The amount is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANY

LITIGATIONS AGAINST OUR GROUP COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

INCOME TAX

DEPUTY COMMISSIONER OF INCOME TAXES V. VINAYAK TMT BARS PRIVATE LIMITED

AY 2012-13

Our Group Company had filed income tax return for the assessment year 2012-13 and declared total income of Rs. 5,41,80,950/-. With regards to this Deputy Commissioner of Income Tax, Gandhinagar (ñDCITò) issued following notices against our Group Company:

1. Statutory notice dated August 07, 2013 under Section 143(2) of the Income Tax Act, 1961
2. Notice dated September 15, 2014 under Section 143(2) read with Section 129 of the Income Tax Act, 1961.
3. Inquiry notices under Section 142(1) of the Income Tax Act, 1961.

Further, DCIT passed an assessment order dated March 05, 2015 under Section 143(3) of the Income Tax Act, 1961 and issued demand notice under Section 156 of the Income Tax Act, 1961 on March 14, 2015 for the amount of Rs. 17,95,170/-. In response our Group Company made a rectification application to the DCIT on March 17, 2015 and informed that the payment of self-assessment tax of Rs. 14,00,000/- has been made on September 29, 2012 vide challan no. 01011. Our Group Company also informed that because of banks mistake the said amount was paid in the assessment year 2011-12 instead in 2012-13 and was not claimed in the income tax return for the assessment year 2011-12. Our Group Company requested DCIT to pass the order after considering the rectification application.

The matter is currently pending.

AY 2014-15

Our Group Company filed income tax return for the year assessment year 2014-15 and declared taxable income of Rs. 5,06,28,160/-. With regard to this Deputy Commissioner of Income Tax (ñDCITò) issued following notices against our Group Company:

1. Statutory notice under Section 143(2) of the Income Tax Act, 1961 on August 28, 2015
2. Fresh statutory notice on June 29, 2016 pursuant to change in incumbent.

A response dated July 11, 2016 was submitted by our Group Company to the aforesaid notices. DCIT issued detailed questionnaire on July 11, 2016 and August 12, 2016 and issued notice against our Group Company. In reply our Group Company made further submissions on July 22, 2016, August 22, 2016 and October 03, 2016. DCIT stated that our Group Company has debited an amount of Rs. 11,611/- being interest on TDS & Service Tax expenses for payment made beyond the specified due date. DCIT further stated that this is not an admissible expenditure and added back the expense in to the income of our Group Company. DCIT passed an order dated November 30, 2016 under Section 143(3) of the Income Tax Act, 1961 and demanded Rs. 3,640/-and issued demand notice under Section 156 of the Income Tax Act, 1961for Rs. 3,640/-.

The matter is currently pending.

CENTRAL SALES TAX AND VALUE ADDED TAX

AY 2014-15

DEPUTY COMMISSIONER OF COMMERCIAL TAXES V. VINAYAK TMT BARS PRIVATE LIMITED

Deputy Commissioner of Commercial Taxes, Gujarat (ñDCCTò) issued notice on January 13, 2018 under Section 9(4) of the Central Sales Tax (Gujarat) Rules, 1970 and under Section 34(2) of the Gujarat Value Added Tax Act, 2003 directing our Group Company to produce documents and evidences supporting the returns filed in AY 2014-15.

No further communication has been received from DCCT and the audit report is still awaited.

2015-16

DEPUTY COMMISSIONER OF COMMERCIAL TAXES V. VINAYAK TMT BARS PRIVATE LIMITED

Deputy Commissioner of Commercial Taxes, Gujarat (ñDCCTò) issued notice on February 16, 2018 under Section 9(4) of the Central Sales Tax (Gujarat) Rules, 1970 and under Section 34(2) of the Gujarat Value Added Tax Act, 2003 directing our Group Company to produce documents and evidences supporting the returns filed in AY 2015-16.

No further communication has been received from DCCT and the audit report is still awaited.

EXCISE PROCEEDINGS

ASSISTANT COMMISSIONER OF CENTRAL EXCISE AND SERVICE TAX V. VINAYAK TMT BARS PRIVATE LIMITED

Our Group Company availed cenvat credit of Rs. 13,596/- on service tax recovered on membership fees paid for club association to M/s Manikaran & M/s Steelmint. Our Group Company also availed cenvat credit of Rs. 2,81,050/- after the six months of issue of invoices. Assistant Commissioner of Central Excise & Service Tax (ñACCESTò) issued show cause notice on May 05, 2016stating the following:

1. The membership fees of Rs. 13,956/- is not a part of the manufacturing activity and the same is not input service, hence the cenvat credit cannot be availed on the membership fees.
2. The Cenvat credit cannot be availed after six months from the date of invoice as per Rule 4(7) of Cenvat Credit Rules, 2004.
3. The Group Company has wrongly availed cenvat credit of Rs. 2,81,050/- hence the cenvat credit taken has been disallowed.

A response dated June 06, 2016 was filed by our Group Company to the aforesaid show cause notice. After which an order dated June 20, 2017 was passed by ACCEST disallowing the availment of cenvat credit of Rs. 13,596/- and Rs. 2,81,050/- and ordered for the recovery of the same under rule 14(1)(ii) of the Cenvat Credit Rules, 2004 read with Section 11A(4) of the Central Excise Act, 1944. ACCEST also levied interest under Section 11AA of the Central Excise Act, 1944 on the amount of Rs. 2,81,050/- . ACCEST also levied penalty of Rs. 2,81,050/- under Section 11AC(1)(c) of the Central Excise Act, 1944 read with Rule 15(2) of the Cenvat Credit Rules, 2004. Our Group Company filed an appeal with Commissioner of the appeals, Ahmedabad bearing no. AHM-EXCUS-003-APP-0187-17-18 on October 27, 2017. Commissioner of the appeals passed an order dated January 29, 2018 and rejected the appeal. Our Group Company has currently filed appeal dated April 07, 2018 with Central Excise and Service Tax Appellate Tribunal, Ahmedabad.

The matter is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Group Company

Nil

Proceedings initiated against our Group Company for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR GROUP COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Income Tax matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

AS ON DATE OF THIS RED HERRING PROSPECTUS, OUR COMPANY DOES NOT HAVE ANY SUBSIDIARY

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

OTHER MATTERS

Nil

DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter ' *"Management Discussion and Analysis of Financial Condition and Result of Operation"* on page 186 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of July 31, 2018, our Company had 7 creditors, to whom a total amount of Rs. 679.83 lakhs was outstanding. As per the requirements of SEBI (ICDR) Regulations, our Company, pursuant to a resolution of our Board dated September 15, 2018, considered creditors to whom the amount due exceeds Rs. 5.00 lakhs as per our Companyós restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

(Rs. in Lakhs)

Creditors	Amount
Kisan Pipe & Steel	1.70
Bikaner Agrico	152.79
Steelco Gujarat Limited	1.39
M.P. Udyog	99.89
Rohit & Company	183.04
Sanjay Sales Pvt. Ltd.	208.20
Sudan Steel Associates	32.82
Total	**679.83**

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see the website of our Company www.suranisteel.com .

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Companyós website, www.suranisteel.com, would be doing so at their own risk.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of ERW MS Pipes manufacturing, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to the chapter titled ñ*Key Industry Regulations and Policies*ò on page 143 of this Red Herring Prospectus.

The Company has its business located at:

Registered Office and Corporate Office, Warehouse, Raw Material Storage and Manufacturing Unit I: S.No. 110, 115, Opp. Vinayak TMT, Bayad Road, Tal. Dahegam, Sampa, Gandhinagar ï 382315, Gujarat, India.

Proposed Manufacturing Unit II ï Survey No. 104, 105, 107 Sujana Muvada, Dahegam, Gandhinagar - 382305, Gujarat, India.*

*The Company has set up new Manufacturing Unit in Dahegam, Gandhinagar as ñUnit IIò.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on September 15, 2018, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on September 17, 2018 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated October 26, 2018 bearing reference no. NSE/LIST/414.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated October 23, 2018 with the Central Depository Services (India) Limited (ñCDSLò) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated October 25, 2018 with the National Securities Depository Limited (ñNSDLò) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (ñISINò) is INE01ZJ01015.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated July 31, 2012 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli in the name of ñSURANI STEEL PRIVATE LIMITEDò.

2. Fresh Certificate of Incorporation consequent upon change of name from ñSURANI STEEL PRIVATE LIMITEDò to ñSURANI STEEL TUBES PRIVATE LIMITEDò issued on August 13, 2018 by the Registrar of Companies, Ahmedabad.
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on September 12, 2018 by the Registrar of Companies, Ahmedabad in the name of ñSURANI STEEL TUBES LIMITEDò.
4. The Corporate Identification Number (CIN) of the Company is U27109GJ2012PLC071373.

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

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:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Ministry of Commerce and Industry, Government of India	0812012798	September 14, 2012	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2.	Udyog Aadhar Memorandum	Ministry of Micro, Small and Medium Enterprises, Government of India	GJ09C0001042	Commencement Date: April 09, 2013 Applied date: July 29, 2016	NA
3.	License to work a factory (under Factories Act, 1948 and	Deputy Director, Industrial Safety and Health,	1157/27109/2013 License No.: 18605	Original Date of Authorisation: January 01, 2013 Renewal Date: June 19, 2017	December 31, 2021

	Rules made thereunder)	Gandhinagar, Gujarat State			

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AARCS8108H	August 10, 2012	Perpetual
2.	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	AHMS23859D	April 23, 2013	Perpetual
3.	Goods and Service Tax Registration Certificate	Government of India	24AARCS8108H 1Z2	September 19, 2017 Date of Liability ï July 01, 2017	NA
4.	Goods and Service Tax Registration Certificate	Government of India	24AARCS8108H 2Z1	August 13, 2018	NA
5.	Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2006)	Assistant Commercial Tax Officer, Commercial Tax Department, Government of Gujarat.	24060401141	August 28, 2012 Effective from: August 07, 2012	NA
6.	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Department of Revenue	AARCS8108HSD 001	April 19, 2013	NA
7.	Certificate of Registration Central Sales Tax (under Section 7 (1)/	Assistant Commercial Tax Officer, Commercial Tax Department,	24560401141	August 28, 2012	Until Cancelled

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	7(2) of the Central Sales Tax Act, 1956 and Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Government of Gujarat.		Valid from: August 13, 2012	
8.	Central Excise Registration Certificate for Unit I (under Rule 9 of the Central Excise Rules, 2002)	Assistant Commissioner of Central Excise, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AARCS8108HEM001	April 05, 2013	Until Cancelled/Surrendered
9.	Central Excise Registration Certificate for Unit II (under Rule 9 of the Central Excise Rules, 2002)	Assistant Commissioner of Central Excise, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AARCS8108HEM002	August 22, 2016	Until Cancelled/Surrendered
10.	Professional Tax Enrollment Certificate (PTEC) (under Section sub Section 1 of Section 5 of Gujarat State Tax on Professions, Traders, Callings and Employment, Act, 1976)	Taluka Panchayat Office, Dahegam	0604086005	July 22, 2018	NA
11.	Professional Tax Registration Certificate (PTRC) (under Section sub Section 2 of Section 5 of Gujarat State	Taluka Panchayat Office, Dahegam	06040860004	July 20, 2018	NA

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Tax on Professions, Traders, Callings and Employment, Act, 1976)				

LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employeesô Provident Funds and Miscellaneous Provisions Act, 1952)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	GJNRD0062598000	March 14, 2015

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Consent to Establish (NOC) for setting up the Unit II for manufacturing round and square steel pipes and tube of different sizes having quantity of 8000 MT/Month and Galvanizing of pipes and tubes of different sizes having quantity of 2160 MT/Month, issued under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation under Hazardous & other Waste (Management, handling & Transboundary movement) Rules 2016	Gujarat Pollution Control Board, Gandhinagar	GPCB/GNR-1187/ID 52472/405840	March 02, 2017.	December 16, 2023
2	Consolidated Consent and Authorisation for Unit I under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and under Rule 6(2) of the	Gujarat Pollution Control Board, Gandhinagar	Consent Order No.- AHW ï 29561	May 18, 2018	May 05, 2025

	Hazardous and Other Wastes (Management and Transboundary Movement) Rules 2016, framed under the Environmental (Protection) Act, 1986				

OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Certificate of Registration of Quality Management System for manufacture and supply of ERW Pipes ISO 9001:2015	BMS Certification, Quality Management Systems	Q 3338/16	May 02, 2016 Continuation: April 28, 2018	May 01, 2019
2.	Indian Standards(IS) 4923:1997	Bureau of Indian Standards	7200128399	August 31, 2018	August 30, 2019
3.	Indian Standards(IS) 1161:2014	Bureau of Indian Standards	7200127805	August 27, 2018	August 26, 2019

INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

TRADEMARKS

Sr. No.	Trademark	Trademark Type	Class	Applicant	Registration No.	Date of Application	Validity / Renewal	Registration status
1.	SURANI	Device	06	Surani Steel Private Limited	2401652	September 24, 2012	September 24, 2022.	Registered

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc.

PENDING APPROVALS:

Application for change of name of all the below-mentioned approvals is made by the Company:

1. Professional Tax Enrollment Certificate (PTEC) as per Gujarat State Tax on Professions, Traders, Callings and Employment, Act, 1976.
2. Professional Tax Registration Certificate (PTRC) as per Gujarat State Tax on Professions, Traders, Callings and Employment, Act, 1976.
3. Consent to operate and establish under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and under Rule 6(2) of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules 2016, framed under the Environmental (Protection) Act, 1986 for Unit 1 and Unit II.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Our Company is yet to make application for the change of name of all the government approvals except the ones mentioned above in ñPending Approvalsò.

2. Our Company is yet to apply for all the applicable government approvals for the proposed manufacturing Unit II except Goods and Service Tax (GST), Consent to Establish and Excise Registration Certificate.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on September 15, 2018 and by the shareholders of our Company by a special resolution, pursuant to Section 62(1) (c) of the Companies Act, 2013 passed at the Extra-ordinary General Meeting of our Company held on September 17, 2018 at registered office of the Company.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company, nor our Directors, our Promoters or the relatives (as defined under the Companies Act) of Promoters, our Promoter Group and our Group Companies have been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoters, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

Neither our Promoters, nor any of our Directors or persons in control of our Company are / were associated as promoter, directors or persons in control of any other company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

None of our Directors are in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations as the post-issue face value capital does not exceed Rs. 1,000 lakhs and we shall hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the ñEMERGE Platform of the National Stock Exchange of India Limitedò).

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred per cent underwritten and that the Book Running Lead Manager to the Issue will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled ñ*General Information*ò beginning on page 71 of this Red Herring Prospectus.

2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable laws. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, BRLM will ensure compulsory Market Making for a minimum period of three years from the date of listing of equity

shares offered in the Issue till the date of migration to main board in terms of Regulation 106(T). For further details of the arrangement of market making please refer to the chapter titled ñ*General Information"* beginning on page 71 of this Red Herring Prospectus.

5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net worth of the Company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website www.suranisteel.com.
11. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
12. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, SHALL FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 AFTER FILING OF RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF ISSUE.

ñWE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
   - **A. THE RED HERRING PROSPECTUS FILED WITH THE EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
   - **B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
   - **C. THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE.**
5. **WE CERTIFY THAT WRITTEN CONSENTS FROM PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTERSô CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERSô CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING PROSPECTUS-NOTED FOR COMPLIANCE.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERSô CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERSô CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORSô CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERSô CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. ï NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE ôMAIN OBJECTSô LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. ï COMPLIED TO THE EXTENT APPLICABLE**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION ï NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE- NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013 EQUITY SHARES IN THE ISSUE WILL BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE RED HERRING PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**

    B. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. ï NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. ï NOTED FOR COMPLIANCE**

16. **WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR ï DETAILS ARE ENCLOSED IN ñANNEXURE Aò**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.ò- *COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS***

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE:-

(1) ñWE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

(2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

(3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. ï NOTED FOR COMPLIANCE

(4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.

(5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION 4 OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE RED HERRING PROSPECTUS-NOT APPLICABLE.

(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE-NOTED FOR COMPLIANCE.

Note:

The filing of this Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad, in terms of Section 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website www.suranisteel.com would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated September 20, 2018 the Underwriting Agreement dated September 20, 2018, entered into among the Underwriter and our Company and the Market Making Agreement dated September 20, 2018, entered into among the Market Maker, Book Running Lead Manager and our Company.

Our Company and the Book Running 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 Book Running 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. Pantomath Capital Advisors Private Limited is not an óassociateô of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue 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 Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by M/s. Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer ñAnnexure Aò to this Red Herring Prospectus and the website of the Book Running Lead Manager at www.pantomathgroup.com

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in 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, except that this Red Herring Prospectus has been filed with EMERGE Platform of the National Stock Exchange of India Limited for its observations and NSE will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, 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 Securities Act and in compliance with applicable laws, legislations and Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

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 NSE/LIST/414 dated October 26, 2018 permission to the Issuer to use the Exchangeôs name in this Offer Document as one of the stock exchanges on which this Issuerôs securities are proposed to be listed. The Exchange has scrutinized this 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 Issuerôs 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.ò

FILING

ñThe Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M)(3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in.ò

A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in principle approval from EMERGE Platform of the National Stock Exchange of India Limited. However application has been made to the EMERGE Platform of the National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. EMERGE Platform of the National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of the National Stock Exchange of India Limited has given its In-principle approval for using its name in our Red Herring Prospectus and Prospectus vide its letter dated October 26, 2018.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of the National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 working days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities will be obtained and to be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditor have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits.
- Report of the Peer Reviewed Auditor on the Restated Financial Statements for the period ended July 31, 2018 and financial year ended on March 31, 2018, 2017, 2016, 2015, and 2014 of our Company.

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter ñ*Objects of the Issue*ò beginning on page 102 of this Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated September 20, 2018 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is set out in the Underwriting Agreement entered between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2014.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since incorporation, and are an ñUnlisted Issuerò in terms of the SEBI (ICDR) Regulations and this Issue is an ñInitial Public Offeringò in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled *"Capital Structure"* beginning on page 83 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of our Group Company are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an ñUnlisted Issuerò in terms of the SEBI (ICDR) Regulations, and this Issue is an ñInitial Public Offeringò in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an ñUnlisted Issuerò in terms of the SEBI (ICDR) Regulations, and this Issue is an ñInitial Public Offeringò in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on September 21, 2018. For further details, please refer to the chapter titled ñ*Our Management*ò beginning on page 160 of this Red Herring Prospectus.

Our Company has appointed Hetal Bhansali as Company Secretary and Compliance Officer and she may be contacted at the following address:

Hetal Bhansali
Surani Steel Tubes Limited
S. No. 110, 115, Opp. Vinayak TMT,
Bayad Road, Sampa, Tal. Dahegam,
Gandhinagar, Gujarat-382315
Tel: +91 98255 15372
Fax: Not Available
Email: cs@suranisteel.com
Website: www.suranisteel.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc*.

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Except as disclosed below, there has been no change in auditors of the Company during the last three financial years.

M/s. Jethaliya & Associates was appointed as auditors in place of M/s. Ambalal Patel & Co. with effect from January 12, 2017.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled ñ*Capital Structure*ò beginning on page 83 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Except as disclosed in this Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII ï ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, 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 FIPB, the Stock Exchanges, 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 SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the Section titled ñ*Main Provisions of Articles of Association*ò beginning on page 294 of this Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled *"Dividend Policy"* on page 184 of this Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10/- each and the Issue Price at the lower end of Price Band is Rs. [ŏ] per Equity Share and at the higher end of the Price Band is Rs. [ŏ] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and the Regional newspaper Lokmitra, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at

the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the Section titled ñ*Main Provisions of Articles of Association*ò beginning on page 294 of this Red Herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated October 25, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated October 23, 2018 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [ŏ] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [ŏ] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [ŏ] Equity Share subject to a minimum allotment of [ŏ] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, ñU.S. personsò (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

NOMINATION FACILITY TO BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in 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 investor wants to change the nomination, they are requested to inform their respective depository participant.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	January 25, 2019
Bid / Issue Closing Date	January 29, 2019
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or Before February 01, 2019
Initiation of Refunds	On or Before February 04, 2019
Credit of Equity Shares to demat accounts of Allottees	On or Before February 05, 2019
Commencement of trading of the Equity Shares on the Stock Exchange	On or Before February 06, 2019

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. 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 Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids 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 Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and

also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-¨-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the ñstated minimum amountò has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (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 the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of National Stock Exchange of India Limited from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, 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), our Company shall apply to* National Stock Exchange of India Limited *for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same 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.*

MARKET MAKING

The shares issued through this Issue are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (SME Exchange) 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 EMERGE Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled *"General Information"* beginning on page 71 of this Red Herring Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [ð] 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 EMERGE Platform of National Stock Exchange of India Limited.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALISED FORM

In accordance with the SEBI (ICDR) Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

APPLICATION BY ELIGIBLE NRIs, FPIôS REGISTERED WITH SEBI, VCFôS, AIFôS REGISTERED WITH SEBI AND QFIôS

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoterôs minimum contribution in the Issue as detailed in the chapter ñ*Capital Structure*ò beginning on page 83 of this Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the Section titled ñ*Main Provisions of the Articles of Association*ò beginning on page 294 of this Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors

of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

ISSUE STRUCUTRE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not exceed ten 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 EMERGE Platform on National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled ñ*Terms of the Issue*ò and ñ*Issue Procedure*ò on page 234 and 244 of this Red Herring Prospectus.

Following is the issue structure:

Initial Public Issue of Upto 24,84,000 Equity Shares of face value of Rs. 10/- each fully paid (the óEquity Sharesô) for cash at a price of Rs. [ď] (including a premium of Rs. [ď]) aggregating to Rs. [ď]. The Issue comprises a Net Issue to the public of Upto 23,58,000 Equity Shares (the ñNet Issueò). The Issue and Net Issue will constitute 29.99% and 28.46% of the post-issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto 1,26,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker (ñthe Market Maker Reservation Portionò).

Particulars	Net issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	Upto 23,58,000 Equity Shares	Upto 1,26,000 Equity Shares
Percentage of Issue Size available for allocation	94.93% of Issue Size	5.07% of Issue Size
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [ď] equity shares and further allotment in multiples of [ď] equity shares each. For further details please refer to the Section titled *"Issue Procedure"* beginning *on* page 244 of the Red Herring Prospectus	Firm allotment
Mode of Bid cum Application	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only
Minimum Bid Size	***For QIB and NII*** Such number of Equity Shares in multiples of [ď] Equity Shares such that the Application size exceeds Rs. 2,00,000 ***For Retail Individuals*** [ď] Equity shares	[ď] Equity Shares of Face Value of Rs. 10/- each
Maximum Bid Size	***For Other than Retail Individual Investors:*** For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. ***For Retail Individuals:*** [ď] Equity Shares	[ď] Equity Shares of Face Value of Rs 10/- each
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode

Particulars	Net issue to Public*	Market Maker Reservation Portion
Trading Lot	[ŏ] Equity Shares	[ŏ] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form	

*allocation in the net issue to public category 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;
(c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), *if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

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

The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non-retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	January 25, 2019
Bid / Issue Closing Date	January 29, 2019
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or Before February 01, 2019
Initiation of Refunds	On or Before February 04, 2019
Credit of Equity Shares to demat accounts of Allottees	On or Before February 05, 2019

Commencement of trading of the Equity Shares on the Stock Exchange	On or Before February 06, 2019

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

ISSUE PROCEDURE

All Bidders should review 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 ("General Information Document"), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under "Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this Section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. 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 http://www.sebi.gov.in. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on www.nseindia.com For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned National Stock Exchange of India Limited website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.

BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein at least 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. Further if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill

over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM 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 Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidderôs depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum 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 bid is liable to be rejected. Bidders 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 Exchanges.

Phased implementation of Unified Payments Interface

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the circular, UPI will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries. Phase I of this mechanism will be applicable from January 1, 2019.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis	Blue

**excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account

has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

i) an SCSB, with whom the bank account to be blocked, is maintained

ii) a syndicate member (or sub-syndicate member)

iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (óbrokerô)

iv) a depository participant (óDPô) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

v) a registrar to an issue and share transfer agent (óRTAô) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). 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.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

WHO CAN BID

In addition to the category of Bidders set forth under ñ***General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue***ò, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Bidders:

The Bid must be for a minimum of [ŏ] Equity Shares and in multiples of [ŏ] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [ŏ] Equity Shares thereafter. A Bid cannot be

submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

a. Our Company has filed the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.

b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.

c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [ŏ] per Equity Share. The Floor Price of Equity Shares is Rs. [ŏ] per Equity Share and the Cap Price is Rs. [ŏ] per Equity Share and the minimum bid lot is of [ŏ] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.

d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the website of the Stock Exchange where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.

e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchange by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

OPTION TO SUBSCRIBE IN THE ISSUE

a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.

b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law

AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites

of SCSBs (via Internet Banking) and National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATIONS BY ELIGIBLE NRIôS

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (ñNREò) accounts, or Foreign Currency Non-Resident (ñFCNRò) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (ñNROò) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

BIDS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment

limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your clientó norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs

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 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 BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single 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 companyôs paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids 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.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, (the ñIRDA Investment Regulationsò) are broadly set forth below:

1) equity shares of a company: the least of 10% of the investee companyós subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
3) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a

certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form

e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking companyós investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the ñBanking Regulation Actò), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banksô 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 banksô 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 companyôs 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.

BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE (ñCANò) AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

TERMS OF PAYMENT

Terms of Payment

The entire Issue Price of Rs. [ŏ] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

a) Our Company has entered into an Underwriting agreement dated September 20, 2018.

b) A copy of the Red Herring Prospectus has been filed with the RoC and a copy of the Prospectus will be filed with the RoC in terms of Section 32 and Section 26 of the Companies Act, 2013.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid 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 XIII of the SEBI

Regulations.

ADVERTISEMENT REGUARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the 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 ñactive statusò; 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;

13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. 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;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum 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 Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 2,00,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid 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 the Red Herring Prospectus;

11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders

c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

IMPERSONATION

Attention of the Bidders is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, ***shall be liable for action under Section 447."***

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoterôs contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 40 of the Companies Act, 2013;
2. details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized

monies have been invested; and

4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. Agreement dated October 25, 2018 among NSDL, the Company and the Registrar to the Issue;

b. Agreement dated October 23, 2018 among CDSL, the Company and the Registrar to the Issue;

The Companyôs shares bear ISIN no. INE01ZJ01015.

PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the ñGeneral Information Document for Investing in Public Issuesò is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(ñSEBI (ICDR) Regulations, 2009ò).**

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (ñRHPò)/Prospectus filed by the Issuer with the Registrar of Companies (ñRoCò). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India (ñSEBIò) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the Section ñ*Glossary and Abbreviations*ò.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON EMERGE Platform of NATIONAL STOCK EXCHANGE OF INDIA LIMITED (SME PLATFORM)

2.1 INITIAL PUBLIC OFFER (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI (ICDR) Regulations, 2009, if applicable. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP.

2.2 Further Public Offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is inter-alia required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI (ICDR) Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer,

Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI (ICDR) Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the ñCompanies Actò), The Securities Contracts (Regulation) Rules, 1957 (the ñSCRRò), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

(a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.

(b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.

(c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

(d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.

(e) The company should have track record of at least 3 years.

(f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive

(g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.

(h) The issuer shall mandatorily facilitate trading in demat securities.

(i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.

(j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company

(k) No material regulatory or disciplinary action should have been taken by any stock exchange or

regulatory authority in the past three years against the issuer

(l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital will not exceeds 1000 Lakhs . Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

2.4 TYPES OF PUBLIC ISSUES ï FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI (ICDR) Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process **(ñBook Built issuesò)** or undertake a Fixed Price Issue **(ñFixed Price Issuesò)**. An issuer may mention Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the Red Herring prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

(a) 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 favor of the proposal amount to at least two times the number of votes

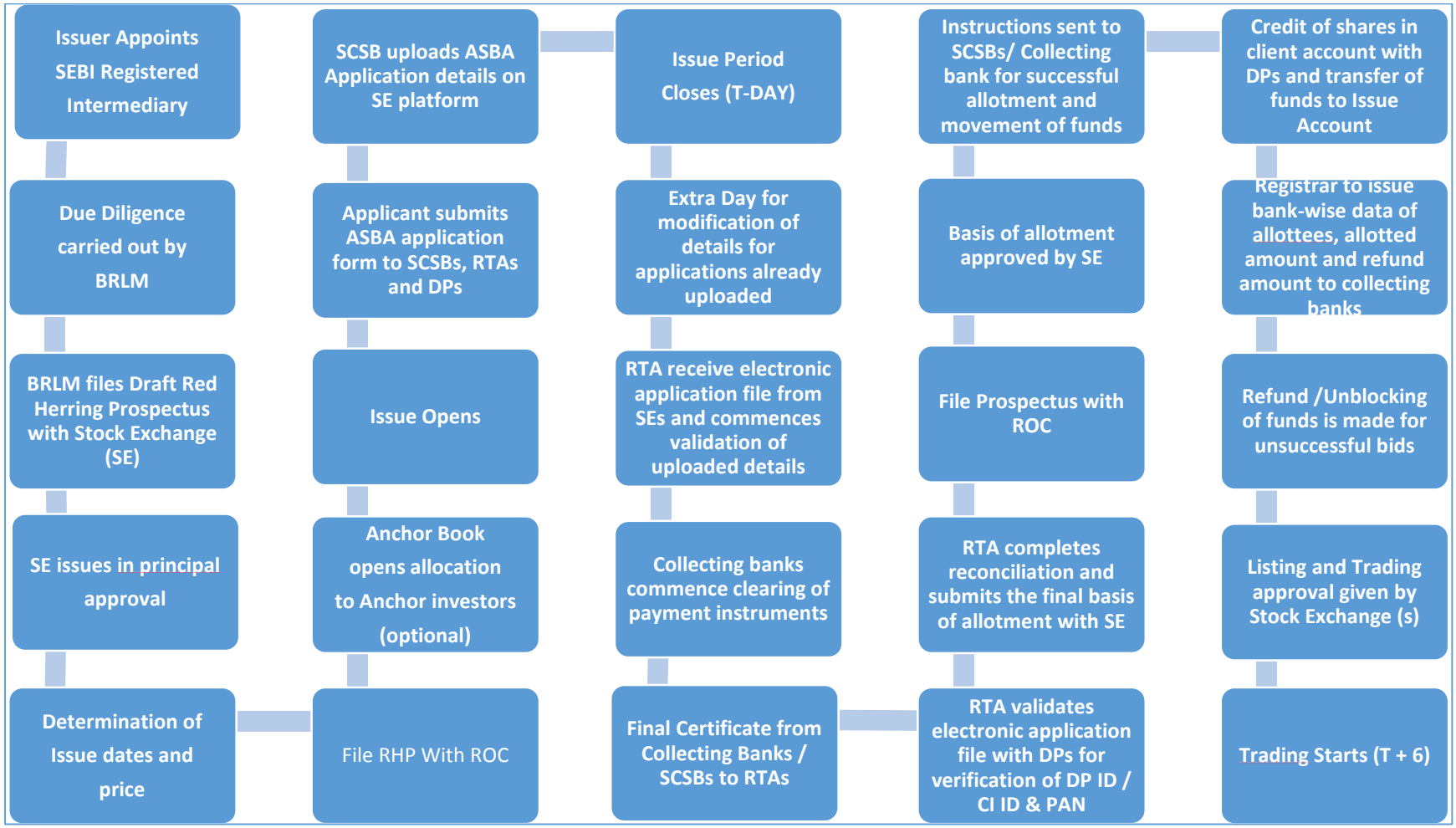
cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

(b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows


Issuer Appoints SEBI Registered Intermediary
Due Diligence carried out by BRLM
BRLM files Draft Red Herring Prospectus with Stock Exchange (SE)
SE issues in principal approval
Determination of Issue dates and price
SCSB uploads ASBA Application details on SE platform
Applicant submits ASBA application form to SCSBs, RTAs and DPs
Issue Opens
Anchor Book opens allocation to Anchor investors (optional)
File RHP With ROC
Issue Period Closes (T-DAY)
Extra Day for modification of details for applications already uploaded
RTA receive electronic application file from SEs and commences validation of uploaded details
Collecting banks commence clearing of payment instruments
Final Certificate from Collecting Banks / SCSBs to RTAs
Instructions sent to SCSBs/ Collecting bank for successful allotment and movement of funds
Basis of allotment approved by SE
File Prospectus with ROC
RTA completes reconciliation and submits the final basis of allotment with SE
RTA validates electronic application file with DPs for verification of DP ID / CI ID & PAN
Credit of shares in client account with DPs and transfer of funds to Issue Account
Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks
Refund /Unblocking of funds is made for unsuccessful bids
Listing and Trading approval given by Stock Exchange (s)
Trading Starts (T + 6)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids 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. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. 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;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. 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;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the book running lead manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	**Colour of the Bid cum Application Form (Excluding downloaded forms from SE website)**
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:

R Bid cum Application Form

COMMON BID CUM APPLICATION FORM	SURANI STEEL TUBES LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: S. No.110,115, Opp. Vinayak I.M.I. Bayad Road, Tal. Dahegam, Sampa Gandhinagar Gujarat 382315 Tel. No.: +91 98255 15372; Fax No.: Not Available; E-mail: cs@suranisteel.com; Website: www.suranisteel.com; CIN NO: U27109GJ2012PLC071373	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

TEAR HERE

SURANI

To,
The Board of Directors
SURANI STEEL TUBES LIMITED

BOOK BUILT ISSUE
ISIN - INE01ZJ01015

Bid Cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / CDP / RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK / SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER

Mr. /Ms. /M/s.

Age

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off"). Price band Rs. [●]/- to Rs. [●]/-

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)	Price per Equity Share (₹) / "Cut-off"			
		Bid Price	Retail Discount	Net Price	"Cut-Off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s)	- IND
☐ Hindu Undivided Family*	- HUF
☐ Non-Resident Indians (Non-Repatriation basis)	- NRI
☐ Bodies Corporate	- CO
☐ Banks & Financial Institutions	- FI
☐ Mutual Funds	- MF
☐ National Investment Funds	- NIF
☐ Insurance Funds	- IF
☐ Insurance Companies	- IC
☐ Venture Capital Funds	- VCF
☐ Alternate Investment Funds	- AIF
☐ Others (Please Specify)	- OTH

*HUF Should apply only through Karta
(Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment** ☐

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date: 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	

TEAR HERE

SURANI

SURANI STEEL TUBES LIMITED - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA

Bid Cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount Blocked (₹ in figures) ASBA A/c. No.

Bank & Branch

Received from Mr./Ms./M/s.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

SURANI STEEL TUBES LIMITED INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgment Slip for Bidder

ASBA Bank A/c No.:

Bank & Branch:

Bid Cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

www.suranisteel.com

SURANI STEEL TUBES LIMITED 1

NR Bid cum Application ASBA Form

COMMON BID CUM APPLICATION FORM

SURANI STEEL TUBES LIMITED - INITIAL PUBLIC ISSUE - NR

Registered Office: S. No.110,115, Opp. Vinayak I.M.I. Bayad Road, Tal. Dahegam, Sampa Gandhinagar Gujarat 382315
Tel. No.: +91 98255 15372; Fax No.: Not Available;
E-mail: cs@suranisteel.com; Website: www.suranisteel.com; CIN NO: U27109GJ2012PLC071373

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs/FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

TEAR HERE

SURANI

To,
The Board of Directors
SURANI STEEL TUBES LIMITED

BOOK BUILT ISSUE
ISIN - INE01ZJ01015

Bid Cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / CDP / RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK / SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER

Mr. /Ms. /M/s.

Age

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE/FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off"). Price band Rs. [•]/- to Rs. [•]/-

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)	Price per Equity Share (₹) / "Cut-off" Bid Price	Retail Discount	Net Price	"Cut-Off" (Please ✓ /tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non Institutional Bidder

☐ QIB

6. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub Account not a Corporate/ Foreign Individual
- FIISA — FII Sub Account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investor
- OTH — Others (Please Specify)

7. PAYMENT DETAILS | PAYMENT OPTION : Full Payment ☐

Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date: ....., 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	

TEAR HERE

SURANI

SURANI STEEL TUBES LIMITED - INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Syndicate Member Registered Broker /SCSB/CDP/RTA

Bid Cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount Blocked (₹ in figures) ASBA A/c. No.

Bank & Branch

Received from Mr./Ms./M/s.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

SURANI STEEL TUBES LIMITED INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

ASBA Bank A/c No.:

Bank & Branch:

Name of Sole / First Bidder

Acknowledgment Slip for Bidder

Bid Cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

www.corporate.com

SURANI STEEL TUBES LIMITED 1

4.1.1 NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(c) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub Section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a Company to allot, or register any transfer of securities to him, or to any other person in a fictitious name,*

Shall be liable for action under Section 447 of the said Act.

(d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositoriesô records.

b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim (ñPAN Exempted Biddersò). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

c) The exemption for the PAN Exempted Bidders 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

ñactive statusò; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

e) Bids by Bidders whose demat accounts have been ósuspended for creditô are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as ñInactive demat accountsò and Demographic Details are not provided by depositories.

4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS

a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the **Bid cum Application Form is liable to be rejected.**

b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.

c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.

d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Biddersô sole risk.

4.1.4 BID OPTIONS

a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

d) **Minimum Bid Value and Bid Lot**: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.

e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.

c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.

e) RII may revise or withdraw their bids until Bid/Issue Closing Date. QIBs and NIIôs cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.

f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

h) A Bid cannot be submitted for more than the issue size.

i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker

and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 CATEGORY OF BIDDERS

(a) The categories of Bidders identified as per the SEBI (ICDR) Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI (ICDR) Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.

(c) The SEBI (ICDR) Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP.

4.1.6 INVESTOR STATUS

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.

(c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 PAYMENT DETAILS

i. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.

iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.

iv. All Bidders can participate in the Issue only through the ASBA mechanism.

v. Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1 Payment instructions for Bidders

Bidders may submit the Bid cum Application Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

a) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

b) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

c) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

d) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.

e) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations

f) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.

g) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

h) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as

mentioned in the Bid cum Application Form.

i) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

k) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs

l) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

m) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

n) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization on the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

o) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected

4.1.8. Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

(d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.8.1. Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.8.2. Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9. SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.

(d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bid made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Issue.
iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.

(c) The following details (as applicable) should be quoted while making any queries -

i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidderô DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise

their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

(b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.

(c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Revision Form ï R

COMMON BID REVISION FORM

SURANI STEEL TUBES LIMITED - INITIAL PUBLIC ISSUE - R
Registered Office: S. No.110,115, Opp. Vinayak TMT, Bayad Road, Tal. Dahegam, Sampa Gandhinagar Gujarat 382315
Tel. No.: +91 98255 15372; Fax No.: Not Available;
E-mail: cs@suranisteel.com; Website: www.suranisteel.com; CIN NO: U27109GJ2012PLC071373

FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

SURANI

To,
The Board of Directors
SURANI STEEL TUBES LIMITED

BOOK BUILT ISSUE
ISIN - INE01ZJ01015

Bid Cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER
Mr/Ms /M/s.
Address
Email
Tel. No (with STD code) / Moblie

2. PAN OF SOLE / FIRST BIDDER

3. BIDDERS DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)	Price per Equity Share (₹)/ "Cut-off" (In Figures) Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	4 3 2 1	3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

ORIGINAL BID

5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)	Price per Equity Share (₹)/ "Cut-off" (In Figures) Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	4 3 2 1	3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

REVISED BID

6. PAYMENT DETAILS | **PAYMENT OPTION : FULL PAYMENT** ☐

Additional Amount Paid (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

7 A. SIGNATURE OF SOLE / FIRST BIDDER	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date:..... 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in for Items 1) 2) 3)	

TEAR HERE

SURANI

SURANI STEEL TUBES LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA

Bid Cum Application Form No.

DPID / CLID | PAN of Sole / First Bidder

Additional Amount Blocked (₹ in figures) | ASBA A/c. No.
Bank & Branch

REVISED BID

Received from Mr./Ms.
Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

SURANI STEEL TUBES LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Blocked (₹)			

REVISED BID

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgment Slip for Bidder

ASBA Bank A/c No.:
Bank & Branch:

Bid Cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

www.sapprints.com

10 SURANI STEEL TUBES LIMITED

Revision Form ï NR

COMMON BID REVISION FORM

SURANI STEEL TUBES LIMITED - INITIAL PUBLIC ISSUE - NR
Registered Office: S. No.110,115, Opp. Vinayak TM1, Bayad Road, Tal. Dehegam, Sampa Gandhinagar Gujarat 382315
Tel. No.: +91 98255 15372; Fax No.: Not Available;
E-mail: cs@suranisteel.com; Website: www.suranisteel.com; CIN NO: U27109GJ2012PLC071373

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

To,
The Board of Directors
SURANI STEEL TUBES LIMITED

BOOK BUILT ISSUE
ISIN - INE01ZJ01015

Bid Cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER
Mr./Ms./M/s.
Address
Email
Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDERS DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)	Price per Equity Share (₹)/ "Cut-off" (In Figures)			
		Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

OLD BID

5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)	Price per Equity Share (₹)/ "Cut-off" (In Figures)			
		Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

REVISED BID

6. PAYMENT DETAILS | **PAYMENT OPTION : Full Payment** ☐

Additional Amount Blocked (₹ in Figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

7 A. SIGNATURE OF SOLE / FIRST BIDDER	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date:....., 2018	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	

TEAR HERE

SURANI STEEL TUBES LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Syndicate Member Registered Broker/SCSB/CDP/RTA

Bid Cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Blocked (₹ in figures) | ASBA A/c. No.

Bank & Branch

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

REVISED BID

TEAR HERE

SURANI STEEL TUBES LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgment Slip for Bidder

ASBA Bank A/c No.:
Bank & Branch:

Bid Cum Application Form No.

www.sapprints.com

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

10 SURANI STEEL TUBES LIMITED

NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.1. BID OPTIONS REVISION óFROMô AND óTOô

(a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.

(b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.2. PAYMENT DETAILS

a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted

downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.3. SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red Herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI (ICDR) Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 SUBMISSION OF BIDS

a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

6.2 ELECTRONIC REGISTRATION OF BIDS

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform

during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

6.3 BUILD UP OF THE BOOK

a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchangesô on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.

b. Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centers during the Bid/Issue Period.

6.4 WITHDRAWAL OF BIDS

a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

a) **The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:**

1) the Bids accepted by the Designated Intermediaries,

2) the Bids uploaded by the Designated Intermediaries, and

3) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.

a) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

b) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

c) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

d) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUNDS OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

Å Amount blocked does not tally with the amount payable for the Equity Shares applied for;

Å In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

Å Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

Å PAN not mentioned in the Bid cum Application Form;

- Å Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- Å GIR number furnished instead of PAN;
- Å Bid for lower number of Equity Shares than specified for that category of investors;
- Å Bids at Cut-off Price by NIIs and QIBs;
- Å Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Å Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- Å The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Å Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Å Category not ticked;
- Å Multiple Bids as defined in the RHP;
- Å In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Å Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Å Signature of sole Bidder is missing;
- Å Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the RHP and as per the instructions in the RHP and the Bid cum Application Forms;
- Å In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participantôs identity (DP ID) and the beneficiaryôs account number;
- Å Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Å Bid by OCBs;
- Å Bids by US persons other than in reliance on Regulation S or ñqualified institutional buyersò as defined in Rule 144A under the Securities Act;
- Å Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Å Bids not uploaded on the terminals of the Stock Exchanges; and
- Å Where no confirmation is received from SCSB for blocking of funds
- Å Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Å Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Å Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

- Å Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Å Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Å Details of ASBA Account not provided in the Bid cum Application Form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant Section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIESDO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

a) The SEBI (ICDR) Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this Section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

(a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).

(b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

(c) For Bids where the proportionate allotment works out to less than [ŏ] equity shares the allotment will be made as follows:

- Each successful Bidder shall be allotted [ŏ] equity shares; and
- The successful Bidder out of the total bidders 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 (b) above.

(d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [ŏ] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [ŏ] equity shares subject to a minimum allotment of [ŏ] equity shares.

(e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [ŏ] 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 RHP.

(f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:

i. As per regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

ii. The balance net issue of shares to the public shall be made available for allotment to

- individual bidders other than retails individual investors and

- other investors, including corporate bodies/ institutions irrespective of number of shares applied for.

- The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

Retail Individual Investor' 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 National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited- the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue**.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted

by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the RHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the RHP.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the ñstated minimum amountò has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under Section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to Issue of the Equity Shares to the successful Applicants
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled ñ*Issue Procedure*ò beginning on page 244 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in

Term	Description
	all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Gujarati edition of the Gujarati newspaper Lokmitra, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard, and Gujarati edition of the Gujarati newspaper Lokmitra, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLM	The book running lead managers to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Bid cum Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual

Term	Description
	Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time.
Designated Date	The date on which the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account or the amount is unblocked in the ASBA Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted to the successful Applicants.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue.
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Red Herring prospectus/ Red Herring Prospectus/ Prospectus of the issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI (ICDR) Regulations, 2009.
DP	Depository Participant
DP ID	Depository Participantôs Identification Number
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 28, 2018 issued in accordance with the SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue.
Employees	Employees of an Issuer as defined under SEBI (ICDR) Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP .
Equity Shares	Equity Shares of the Issuer.
FCNR Account	Foreign Currency Non-Resident Account.
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum 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

Term	Description
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted.
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further Public Offering
Issue	Initial Public Issue of upto 24,84,000 Equity Shares of face value of Rs.10/- each for cash at a price of Rs. [ŏ] each, aggregating up to Rs. [ŏ].
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NEFT	National Electronic Fund Transfer
Net Issue	The Issue less reservation portion
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than شخ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares.
NRO Account	Non-Resident Ordinary Account
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus.
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
Price Band	Price band of a minimum price of Rs. [ŏ] per Equity Share (Floor Price) and the maximum price of Rs. [ŏ] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in all edition of the English national newspaper Business Standard, all edition of the Hindi national newspaper Business Standard and Gujarati edition of the Gujarati newspaper Lokmitra, each with wide circulation.
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having registered office at C-101,1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bid cum Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Reservation Portion	The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009

Term	Description
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
RTGS	Real Time Gross Settlement
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or at such other website as may be prescribed by SEBI from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI (ICDR) Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate Agreement	Agreement dated October 10, 2018 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members.
Underwriter	Pantomath Capital Advisors Private Limited.
Underwriting Agreement	The agreement dated September 20, 2018 entered into between the Underwriter and our Company.
UPI	Unified Payments Interface.
Working Day	1. Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday 2. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 **(ñFEMAò)**. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (ñ**RBI**ò) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India **(ñDIPPò)**.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment **(ñFDIò)** through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India **(ñDIPPò),** has issued consolidated FDI Policy Circular of 2017**(ñFDI Policy 2017ò)**, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India **(ñRBIò)** also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under the automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained, and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence to the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii)where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ófit and

proper/due diligenceô requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from the conversion of any debt instrument under any arrangement shall be reckoned as a foreign investment under the composite cap.

Portfolio Investment to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance with sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity, will not exceed the sectoral/statutory cap.

Subject to the provisions of the FDI policy, foreign investment in ómanufacturingô sector is under the automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

i. Investment by FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as ñCapital Instrumentsò) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 that is:

The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations ï Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis ï will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (ñUS Securities Actò) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of ñUS Personsò as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 20003/71/EC, together with any amendments) and implementing measures thereto, (the ñProspectus Directiveò) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII ï MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
SURANI STEEL TUBES LIMITED

Sr. No.	Particulars	
1.	No regulation contained in Table ñFò in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	**Table F Applicable.**
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	**Act**
	(b) ñThese Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	**Articles**
	(c) ñAuditors" means and includes those persons appointed as such for the time being of the Company.	**Auditors**
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	**Capital**
	(e) ñThe Companyò shall mean SURANI STEEL TUBES LIMITED.	
	(f) ñExecutorò or ñAdministratorò means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under Section 31 of the Administrator General Act, 1963.	**Executor or Administrator**
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	**Legal Representative**
	(h) Words importing the masculine gender also include the feminine gender.	**Gender**

Sr. No.	Particulars		
	(i)	"In Writing" and ñWritten" includes printing lithography and other modes of representing or reproducing words in a visible form.	**In Writing and Written**
	(j)	The marginal notes hereto shall not affect the construction thereof.	**Marginal notes**
	(k)	ñMeetingò or ñGeneral Meetingò means a meeting of members.	**Meeting or General Meeting**
	(l)	"Month" means a calendar month.	**Month**
	(m)	"Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of Section 96 of the Act.	**Annual General Meeting**
	(n)	"Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	**Extra-Ordinary General Meeting**
	(o)	ñNational Holidayò means and includes a day declared as National Holiday by the Central Government.	**National Holiday**
	(p)	ñNon-retiring Directorsò means a director not subject to retirement by rotation.	**Non-retiring Directors**
	(q)	"Officeò means the registered Office for the time being of the Company.	**Office**
	(r)	ñOrdinary Resolutionò and ñSpecial Resolutionò shall have the meanings assigned thereto by Section 114 of the Act.	**Ordinary and Special Resolution**
	(s)	ñPerson" shall be deemed to include corporations and firms as well as individuals.	**Person**
	(t)	ñProxyò means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
	(u)	ñThe Register of Membersò means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	**Register of Members**
	(v)	"Seal" means the common seal for the time being of the Company.	**Seal**
	(w)	Words importing the Singular number include where the context admits or requires the plural number and vice versa.	**Singular number**
	(x)	ñThe Statutesò means the Companies Act, 2013and every other Act for the time being in force affecting the Company.	**Statutes**
	(y)	ñThese presentsò means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	**These presents**
	(z)	ñVariationò shall include abrogation; and ñvaryò shall include abrogate.	**Variation**
	(aa)	ñYearò means the calendar year and ñFinancial Yearò shall have the meaning assigned thereto by Section 2(41) of the Act.	**Year and Financial Year**
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act		**Expressions in the Act to bear the same meaning in Articles**

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	or any statutory modifications thereof for the time being in force.	
	CAPITAL	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	**Authorized Capital.**
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64of the Act.	**Increase of capital by the Company how carried into effect**
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	**New Capital same as existing capital**
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	**Non-Voting Shares**
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	**Redeemable Preference Shares**
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	**Voting rights of preference shares**
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions- shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend	**Provisions to apply on issue of Redeemable Preference Shares**

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	or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to Section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital	
10.	The Company may (subject to the provisions of Sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	**Reduction of capital**
11.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.	**Debentures**
12.	The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class	**Issue of Sweat Equity Shares**

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	of shares already issued subject to such conditions as may be specified in that Sections and rules framed thereunder.	
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	**ESOP**
14.	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.	**Buy Back of shares**
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-Section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	**Consolidation, Sub-Division And Cancellation**
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	**Issue of Depository Receipts**
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	**Issue of Securities**
	MODIFICATION OF CLASS RIGHTS	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of	**Modification of rights**

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	shareholders shall also be obtained and the provisions of this Section shall apply to such variation.	
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	**New Issue of Shares not to affect rights attached to existing shares of that class.**
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	**Shares at the disposal of the Directors.**
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-Section (1) of Section 62 subject to compliance with Section 42 and 62 of the Act and rules framed thereunder.	**Power to issue shares on preferential basis.**
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	**Shares should be Numbered progressively and no share to be subdivided.**
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.	**Acceptance of Shares.**
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or	**Directors may allot shares as full paid-up**

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	promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	
24.	The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	**Deposit and call etc.to be a debt payable immediately.**
25.	Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	**Liability of Members.**
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	**Registration of Shares.**
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
28.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to	**Share Certificates.**

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	the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue. (b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act. (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.	
29.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made	**Issue of new certificates in place of those defaced, lost or destroyed.**

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	under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	**The first named joint holder deemed Sole holder.**
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	**Maximum number of joint holders.**
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	**Company not bound to recognise any interest in share other than that of registered holders.**
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	**Instalment on shares to be duly paid.**
	UNDERWRITING AND BROKERAGE	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	**Commission**
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	**Brokerage**
	CALLS	
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject	**Directors may make calls**

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	to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by instalments.	
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	**Notice of Calls**
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	**Calls to date from resolution.**
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	**Calls on uniform basis.**
39.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	**Directors may extend time.**
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	**Calls to carry interest.**
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.	**Sums deemed to be calls.**

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42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	**Proof on trial of suit for money due on shares.**
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	**Judgment, decree, partial payment motto proceed for forfeiture.**
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	**Payments in Anticipation of calls may carry interest**
	LIEN	

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45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	**Company to have Lien on shares.**
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	**As to enforcing lien by sale.**
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	**Application of proceeds of sale.**
	FORFEITURE AND SURRENDER OF SHARES	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any)	**If call or installment not paid, notice may be given.**

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	entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	**Terms of notice.**
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	**On default of payment, shares to be forfeited.**
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	**Notice of forfeiture to a Member**
52.	Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.	**Forfeited shares to be property of the Company and may be sold etc.**
53.	Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	**Members still liable to pay money owing at time of forfeiture and interest.**

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54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	**Effect of forfeiture.**
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.	**Evidence of Forfeiture.**
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	**Title of purchaser and allottee of Forfeited shares.**
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	**Cancellation of share certificate in respect of forfeited shares.**
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	**Forfeiture may be remitted.**
59.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	**Validity of sale**
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member	**Surrender of shares.**

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	desirous of surrendering on such terms the Directors may think fit.	
	TRANSFER AND TRANSMISSION OF SHARES	
61.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	**Execution of the instrument of shares.**
62.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	**Transfer Form.**
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	**Transfer not to be registered except on production of instrument of transfer.**
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	**Directors may refuse to register transfer.**
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with	**Notice of refusal to be given to transferor and transferee.**

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	the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	**No fee on transfer.**
67.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with Section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	**Closure of Register of Members or debenture holder or other security holders.**
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	**Custody of transfer Deeds.**
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	**Application for transfer of partly paid shares.**
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	**Notice to transferee.**
71.	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other	**Recognition of legal representative.**

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	legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act.	**Titles of Shares of deceased Member**
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	**Notice of application when to be given**
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	**Registration of persons entitled to share otherwise than by transfer. (transmission clause).**
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend	**Refusal to register nominee.**

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	register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	**Board may require evidence of transmission.**
77.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	**Company not liable for disregard of a notice prohibiting registration of transfer.**
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	**Form of transfer Outside India.**
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	**No transfer to insolvent etc.**
	NOMINATION	
80.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72of the Companies Act, 2013 read	**Nomination**

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	with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. iv) lf the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.	
81.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (i) to be registered himself as holder of the security, as the case may be; or (ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made; (iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be; (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	**Transmission of Securities by nominee**
	DEMATERIALISATION OF SHARES	
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	**Dematerialisation of Securities**
	JOINT HOLDER	
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	**Joint Holders**
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	**Joint and several liabilities for all payments in respect of shares.**
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the	**Title of survivors.**

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	Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	**Receipts of one sufficient.**
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	**Delivery of certificate and giving of notices to first named holders.**
	SHARE WARRANTS	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	**Power to issue share warrants**
86.	(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	**Deposit of share warrants**
87.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	**Privileges and disabilities of the holders of share warrant**

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88.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	**Issue of new share warrant coupons**
	CONVERSION OF SHARES INTO STOCK	
89.	The Company may, by ordinary resolution in General Meeting. a) Convert any fully paid-up shares into stock; and b) Re-convert any stock into fully paid-up shares of any denomination.	**Conversion of shares into stock or reconversion.**
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	**Transfer of stock.**
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	**Rights of stock holders.**
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	**Regulations.**
	BORROWING POWERS	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	**Power to borrow.**

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94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	**Issue of discount etc. or with special privileges.**
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	**Securing payment or repayment of Moneys borrowed.**
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	**Bonds, Debentures etc. to be under the control of the Directors.**
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	**Mortgage of uncalled Capital.**
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	**Indemnity may be given.**
	MEETINGS OF MEMBERS	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	**Distinction between AGM & EGM.**

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100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	**Extra-Ordinary General Meeting by Board and by requisition**
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	**When a Director or any two Members may call an Extra Ordinary General Meeting**
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	**Meeting not to transact business not mentioned in notice.**
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	**Chairman of General Meeting**
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	**Business confined to election of Chairman whilst chair is vacant.**
104.	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. d) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	**Chairman with consent may adjourn meeting.**
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have	**Chairman's casting vote.**

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	casting vote in addition to the vote or votes to which he may be entitled as a Member.	
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	**In what case poll taken without adjournment.**
107.	The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	**Demand for poll not to prevent transaction of other business.**
	VOTES OF MEMBERS	
108.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	**Members in arrears not to vote.**
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-Section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	**Number of votes each member entitled.**
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	**Casting of votes by a member entitled to more than one vote.**
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	**Vote of member of unsound mind and of minor**
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by	**Postal Ballot**

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	means of postal ballot, instead of transacting the business in the General Meeting of the Company.	
113.	A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.	**E-Voting**
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	**Votes of joint members.**
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	**Votes may be given by proxy or by representative**
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	**Representation of a body corporate.**
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	**Members paying money in advance.**
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	**Members not prohibited if share not held for any specified period.**
118.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right	**Votes in respect of shares of deceased or insolvent members.**

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	to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	**No votes by proxy on show of hands.**
120.	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.	**Appointment of a Proxy.**
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.	**Form of proxy.**
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	**Validity of votes given by proxy notwithstanding death of a member.**
123.	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.	**Time for objections to votes.**
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	**Chairperson of the Meeting to be the judge of validity of any vote.**
	DIRECTORS	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	**Number of Directors**

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126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	**Qualification shares.**
127.	(a) Subject to the provisions of the Companies Act, 2013and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	**Nominee Directors.**
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	**Appointment of alternate Director.**
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	**Additional Director**
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of	**Director's power to fill casual vacancies.**

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	office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	**Sitting Fees.**
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	**Travelling expenses Incurred by Director on Company's business.**
	PROCEEDING OF THE BOARD OF DIRECTORS	
133.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	**Meetings of Directors.**
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	**Chairperson**
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	**Questions at Board meeting how decided.**
136.	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.	**Continuing directors may act notwithstanding any vacancy in the Board**
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such	**Directors may appoint committee.**

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	committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	
138.	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.	**Committee Meetings how to be governed.**
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	**Chairperson of Committee Meetings**
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	**Meetings of the Committee**
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	**Acts of Board or Committee shall be valid notwithstanding defect in appointment.**
	RETIREMENT AND ROTATION OF DIRECTORS	
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	**Power to fill casual vacancy**
	POWERS OF THE BOARD	
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by	**Powers of the Board**

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	the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.	
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	**Certain powers of the Board**
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	**To acquire any property , rights etc.**
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	**To take on Lease.**
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	**To erect & construct.**
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	**To pay for property.**
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the	**To insure properties of the Company.**

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		buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	
	(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	**To open Bank accounts.**
	(7)	To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	**To secure contracts by way of mortgage.**
	(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	**To accept surrender of shares.**
	(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	**To appoint trustees for the Company.**
	(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	**To conduct legal proceedings.**
	(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	**Bankruptcy &Insolvency**
	(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	**To issue receipts & give discharge.**
	(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	**To invest and deal with money of the Company.**

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	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	**To give Security by way of indemnity.**
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	**To determine signing powers.**
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	**Commission or share in profits.**
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	**Bonus etc. to employees.**
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of	**Transfer to Reserve Funds.**

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	a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper.	
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	**To appoint and remove officers and other employees.**
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid	**To appoint Attorneys.**

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	to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	**To enter into contracts.**
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	**To make rules.**
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	**To effect contracts etc.**
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	**To apply & obtain concessions licenses etc.**
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	**To pay commissions or interest.**
	(26) To redeem preference shares.	**To redeem preference shares.**
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	**To assist charitable or benevolent institutions.**
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses,	

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	dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested. (36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either	

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	absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit. (37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid. (38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.	
	MANAGING AND WHOLE-TIME DIRECTORS	
145.	a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.	**Powers to appoint Managing/ Wholetime Directors.**
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	**Remuneration of Managing or Wholetime Director.**
147.	(1) Subject to control, direction and supervision of the Board of Directors, the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. (2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time	**Powers and duties of Managing Director or Whole-time Director.**

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	Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles. (4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit. (5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
148.	a) 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 thinks 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. **b)** 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	**Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer**

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	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	
149.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	**The seal, its custody and use.**
150.	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	**Deeds how executed.**
	Dividend and Reserves	
151.	(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	**Division of profits.**
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	**The company in General Meeting may declare Dividends.**

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153.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	**Transfer to reserves**
154.	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.	**Interim Dividend.**
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	**Debts may be deducted.**
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	**Capital paid up in advance not to earn dividend.**
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	**Dividends in proportion to amount paid-up.**
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	**Retention of dividends until completion of transfer under Articles.**
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	**No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.**
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	**Effect of transfer of shares.**
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	**Dividend to joint holders.**

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162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	**Dividends how remitted.**
163.	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.	**Notice of dividend.**
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	**No interest on Dividends.**
	CAPITALIZATION	
165.	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (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 specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	**Capitalization.**
166.	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and	**Fractional Certificates.**

Sr. No.	Particulars	
	(b) generally to 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 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 capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares. (3) Any agreement made under such authority shall be effective and binding on all such members. (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
167.	(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges. (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.	**Inspection of Minutes Books of General Meetings.**
168.	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.	**Inspection of Accounts**
	FOREIGN REGISTER	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of	**Foreign Register.**

Sr. No.	Particulars	
	Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	
	DOCUMENTS AND SERVICE OF NOTICES	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	**Signing of documents & notices to be served or given.**
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	**Authentication of documents and proceedings.**
	WINDING UP	
172.	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	
173.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in	**Directors' and others right to indemnity.**

Sr. No.	Particulars	
	which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	
174.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	**Not responsible for acts of others**
	SECRECY	
175.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	**Secrecy**
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	**Access to property information etc.**

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Red Herring Prospectus which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at S. No. 110, 115, Opp. Vinayak TMT, Bayad Road, Sampa, Tal. Dahegam 382315, Gandhinagar, Gujarat India from date of filing the Red Herring Prospectus with RoC to Bid/Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated September 20, 2018 between our Company and the BRLM.
2. Registrar Agreement dated September 20, 2018 between our Company and Link Intime India Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated September 20, 2018 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated September 20, 2018 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated October 10, 2018 our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Syndicate Agreement dated October 10, 2018 our Company, the BRLM and Syndicate Member.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 25, 2018.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated October 23, 2018.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with Certificates of Incorporation as amended from time to time.
2. Resolution of the Board of Directors dated September 15, 2018 in relation to the Issue and other related matters.
3. Special Resolution of the Shareholders' passed at the Extra-ordinary General Meeting dated September 17, 2018 authorizing the Issue.
4. Statement of Tax Benefits dated September 26, 2018 issued by our Peer Reviewed Auditor, M/s. S N Shah & Associates, Chartered Accountants.
5. Report of the Peer Reviewed Auditor, S N Shah & Associates, Chartered Accountants, dated December 28, 2018 on the Restated Financial Statements for the period ended July 31, 2018 and financial years ended as on March 31, 2018, 2017, 2016, 2015 & 2014 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Banker to the Issue, Syndicate Member to the Issue, Underwriter and Market Maker to act in their respective capacities.
7. Copy of In-principle approval from National Stock Exchange of India Limited *vide* letter dated October 26, 2018, to use the name of National Stock Exchange of India Limited in this Issue document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, SCRA, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

Signed by all the Directors of our Company.

Name and Designation	Signature
Mukesh Patel *Joint Managing Director* *DIN:* **:** 05331136	Sd/-
Dinesh Patel *Joint Managing Director* *DIN:* 03585273	Sd/-
Karshan Patel *Non - Executive Director* *DIN:* 00621993	Sd/-
Dinesh Dhanji Patel *Independent Director* *DIN:* 08231737	Sd/-
Hetika Kinger *Independent Director* *DIN:* 08228689	Sd/-

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

Sd/-
Gaurav Patel
Chief Financial Officer

Sd/-
Hetal Bhansali
Company Secretary and Compliance Officer

Place: Dahegam, Gujarat
Date: January 10, 2019

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	ShreeOswal Seeds and Chemicals Limited	11.90	26.00	June 20, 2018	27.00	4.42% (1.72%)	3.85% (5.62%)	1.92% (0.31%)
2.	Priti International Limited	5.25	75.00	June 21, 2018	81.00	31.33% (2.51%)	30.67% (5.01%)	21.33% (1.37%)
3.	Accuracy Shipping Limited	35.76	84.00	June 22, 2018	88.00	24.40% (1.74%)	2.98% (3.81%)	-22.74% (0.80%)
4.	Ganga Forging Limited	5.00	21.00	July 11, 2018	21.10	0.00% (4.77%)	-4.76% (-5.48%)	15.48% (-2.02%)
5.	Ushanti Colour Chem Limited	11.56	60.00	August 02, 2018	64.20	17.58% (3.88%)	1.67% (-9.30%)	Not Applicable
6.	Manorama Industries Limited	64.00	188.00	October 04, 2018	190.20	-2.26% (-0.45%)	5.69% (3.09%)	Not Applicable
7.	Innovative Ideals and Services (India) Limited	12.26	40.00	October 05, 2018	43.00	215.00% (1.85%)	320.25% (4.41%)	Not Applicable
8.	Vinny Overseas Limited	10.37	40.00	October 11, 2018	40.50	11.25% (3.43%)	12.25% (5.54%)	Not Applicable
9.	Shubhlaxmi Jewel Art Limited	6.51	26.00	December 04, 2018	27.10	33.85% (-0.71%)	Not Applicable	Not Applicable
10	Deccan Health Care Limited	42.12	100.00	December 31, 2018	108.00	Not Applicable	Not Applicable	Not Applicable

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case the 30th/90th/180th day is a holiday, closing price on BSE/NSE of the previous trading day has been considered.
4. In case 30th/90th/180th days, scrips are not traded then closing price on BSE/NSE of the previous trading day has been considered.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
16-17	*23$	195.13	-	-	5	4	4	8	-	1	5	10	1	6
17-18	**30	610.90	-	-	4	10	7	9	-	2	6	12	3	7
18-19	***22$$#	407.56	-	-	4	2	3	11	1	2	6	1	1	5

*The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

**The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

***The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited, Softtech Engineers Limited, Innovators Façade Systems Limited, Shree Vasu Logistics Limited, Affordable Robotic & Automation Limited, Latteys Industries Limited, Nakoda Group of Industries Limited, ShreeOswal Seeds and Chemicals Limited, Priti International Limited, Accuracy Shipping Limited, Ganga Forging Limited, Ushanti Colour Chem Limited, Manorama

Industries Limited, Innovative Ideals and Services (India) Limited, Vinny Overseas Limited, Shubhlaxmi Jewel Art Limited and Deccan Health Care Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018, May 11, 2018, May 24, 2018, June 4, 2018, June 4, 2018, June 5, 2018, June 6, 2018, June 20, 2018, June 21, 2018, June 22, 2018, July 11, 2018, August 02, 2018, October 04, 2018, October 05, 2018, October 11, 2018, December 04, 2018 and December 31, 2018 respectively.

$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

$$ The scripts of Ushanti Colour Chem Limited, Manorama Industries Limited, Innovative Ideals and Services (India) Limited, Vinny Overseas Limited, Shubhlaxmi Jewel Art Limited and Deccan Health Care Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, and 30 Days respectively from the date of listing.

As on 30th trading day the closing price of the script Ganga Forging Limited was at par with the issue price. Hence it is not considered for counting the numbers of IPOs trading at discount and premium.

Note: *Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only*.