Red Herring Prospectus
Dated May 2, 2022
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

(Please scan this QR Code to view the Red Herring Prospectus)

VENUS PIPES & TUBES LIMITED

Corporate Identity Number: U74140GJ2015PLC082306, **Date of Incorporation**: February 17, 2015

REGISTERED OFFICE AND COPRORATE OFFICE	CONTACT PERSON	TEL. NO	E-MAIL	WEBSITE
Registered Office: Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India. **Corporate Office:** Tripada Complex, Plot No 275, Sector 1/A, Near Mamlatdar office, Office No 1, Ground Floor, Gandhidham, Kutch – 370201 Gujarat, India.	**Pavan Kumar Jain** Company Secretary and Compliance Officer for the Issue	+91 2836 232 183/84	cs@venuspipes.com	www.venuspipes.com

PROMOTERS OF OUR COMPANY: MEGHARAM SAGRAMJI CHOUDHARY, JAYANTIRAM MOTIRAM CHOUDHARY, DHRUV MAHENDRAKUMAR PATEL AND ARUN AXAYKUMAR KOTHARI

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs		
				QIB	**NII**	**RII**
Fresh Issue	Fresh Issue of up to 5,074,100 Equity Shares aggregating up to ₹[●] million	Not applicable	Initial public offer of up to 5,074,100 Equity Shares aggregating up to ₹[●] million.	Not more than 50% of the Issue size	Not less than 15% of the Issue size	Not less than 35% of the Issue size
				The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations. For further details, see “*Other Regulatory and Statutory Disclosures*” on page 296. For details in relation to share reservation among QIBs, NIIs and RIIs, see “*Issue Structure*” on page 308.		

DETAILS OF THE OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS (in ₹)
Not applicable			

RISK IN RELATION TO 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 ₹ 10. The Issue Price, Floor Price and the Cap Price, as determined and justified by our Company in consultation with the BRLM in accordance with the SEBI ICDR Regulations and as stated in “*Basis for Issue Price*” on page 105, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL 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 this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 23.

COMPANY’S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated January 17, 2022 and January 20, 2022 respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange. A copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Issue Closing Date, see “*Material Contracts and Documents for Inspection*” on page 365.

BOOK RUNNING LEAD MANAGER

Name of BRLM and Logo	Contact Person	Telephone and Email
smc capitals **SMC Capitals Limited**	**Contact person:** Mr. Satish Mangutkar/ Mr. Bhavin Shah	**Tel:** 022 – 66481818 **E-mail:** ipo.venus@smccapitals.com **Investor Grievance e-mail:** investor.grievance@smccapitals.com

REGISTRAR TO THE OFFER

Name of Registrar and Logo	Contact Person	Telephone and Email
KFINTECH EXPERIENCE TRANSFORMATION **KFIN TECHNOLOGIES LIMITED**	**Contact person**: M Murali Krishna	**Tel**: +9140 6716 2222 **E-mail**: venus.ipo@kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com

BID/ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE	TUESDAY, MAY 10, 2022	BID/ISSUE OPENS ON*	WEDNESDAY, MAY 11, 2022	BID/ISSUE CLOSES ON	FRIDAY, MAY 13, 2022

* *Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*

Red Herring Prospectus
Dated May 2, 2022
Please read Section 32 of the Companies Act, 2013
100% Book Built Issue

VENUS PIPES & TUBES LIMITED

Our Company was incorporated in 2015, as Venus Pipes & Tubes Private Limited, a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat, India ("**RoC**") on February 17, 2015. Thereafter, our Company was converted into a public limited company, and the name of our Company was changed to Venus Pipes & Tubes Limited pursuant to a revised certificate of incorporation issued by RoC on September 16, 2021, recording the change of our Company's name to 'Venus Pipes & Tubes Limited'. For further details, including details of changes in the name and registered office address of our Company, see '*History and Certain Corporate Matters*' on page 164.

Registered Office: Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India. **Corporate Office:** Tripada Complex, Plot No 275, Sector 1/A, Near Mamlatdar office, Office No 1, Ground Floor, Gandhidham, Kutch – 370201 Gujarat, India **Contact Person**: Pavan Kumar Jain, Company Secretary and Compliance Officer for the Issue **Tel.**: +91 2836 232 183/84 **E-mail**:cs@venuspipes.com;**Website**:www.venuspipes.com; **Corporate Identity Number:** U74140GJ2015PLC082306

PROMOTERS OF OUR COMPANY: MEGHARAM SAGRAMJI CHOUDHARY, JAYANTIRAM MOTIRAM CHOUDHARY, DHRUV MAHENDRAKUMAR PATEL AND ARUN AXAYKUMAR KOTHARI

INITIAL PUBLIC OFFERING OF UP TO 5,074,100 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF VENUS PIPES & TUBES LIMITED ("COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "ISSUE").

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF THE FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF THE JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND BHUJ EDITIONS OF KUTCH MITRA (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

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

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50 % of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB Portion**"), provided that our Company in consultation with the BRLM may allocate up to 60% of the QIB Portion to Anchor Investors, on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders out of which a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.2 million and up to ₹ 1.0 million and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts and UPI ID (in case of RIIs using UPI mechanism), if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "*Issue Procedure*" on page 312.

RISKS IN RELATION TO 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 ₹ *for Issue Price*" on page 105, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL 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 this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 23.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated January 17, 2022 and January 20, 2022, respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange. A copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Issue Closing Date, see "***Material Contracts and Documents for Inspection***" on page 365.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
SMC Capitals Limited A- 401/402, Lotus Corporate Park, Off Western Express Highway, Jai Coach Signal, Goregaon (East), Mumbai – 400063 Maharashtra, India **Tel:** 022 - 66481818 **E-mail:** ipo.venus@smccapitals.com **Investor Grievance e-mail:** investor.grievance@smccapitals.com **Website:** www.smccapitals.com **Contact Person:** Mr. Satish Mangutkar/ Mr. Bhavin Shah **SEBI Registration Number:** INM000011427	**KFIN TECHNOLOGIES LIMITED** Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032 Telangana, India. **Tel**: +9140 6716 2222 **E-mail**: venus.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact person**: M Murli Krishna **SEBI Registration No.**:INR000000221

BID/ISSUE PROGRAMME

BID/ ISSUE OPENS ON: *	**WEDNESDAY, MAY 11, 2022**
BID/ ISSUE CLOSES ON:	**FRIDAY, MAY 13, 2022**

* *Our Company may, in consultation with the BRLM, consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investors shall Bid during the Anchor Investor Bidding Date, i.e., one Working Day prior to the Bid/Issue Opening Date.*

TABLE OF CONTENTS

SECTION I – 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, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended.

The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms in the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, the Issue related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document.

Notwithstanding the foregoing, the terms used in "Industry Overview", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Issue Price", "Outstanding Litigation and Material Developments", "Issue Procedure" and "Main Provision of the Articles of Association" on pages 114, 108, 194, 105, 289, 312 and 330 respectively, shall have the meaning ascribed to such terms in the relevant sections.

General Terms

Term	Description
"the Company", "our Company", "the Issuer", "we", "our" or "us"	Venus Pipes & Tubes Limited, a public limited company, incorporated under the Companies Act, 2013, and having its registered office at Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India.

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board, as described in "*Our Management*" on page 168.
"Auditors" or "Statutory Auditors"	The current statutory auditors of our Company, namely, Maheshwari & Co., Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company (including any duly constituted committee thereof).
Chairman and Managing Director	Chairman and Managing Director of our Company, as described in "*Our Management*" on page 168.
Chief Financial Officer	Chief financial officer of our Company, as described in "*Our Management*" on page 168.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, as described in "*Our Management*" on page 168.
Corporate Office	The corporate office of our Company at Tripada Complex, Plot No 275, Sector 1/A, Near Mamlatdar office, Office No 1, Ground Floor, Gandhidham, Kutch, Gujarat, India.
Director(s)	The director(s) on our Board.
Equity Shares	The equity shares of our Company of face value of ₹10 each.
Executive Director(s)	Executive director(s) on our Board.
Group Companies	The companies as described in "*Our Group Companies*" on page 191.
Independent Director(s)	Independent director(s) on our Board.
IPO Committee	The committee constituted by our Board for the Issue, as described in "*Our Management*" on page 168.
Key Management/ Managerial Personnel	Key management/ managerial personnel of our Company in terms of the SEBI ICDR Regulations and as disclosed in *"Key Management Personnel and Senior Management Personnel"* on page 181.
Materiality Policy	Policy for identification of Group Companies, material outstanding civil litigations proceedings of our Company, our Promoters and our Directors and material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board through its resolution dated October 21, 2021.
"Memorandum" or Memorandum of Association or "MoA"	The memorandum of association of our Company, as amended from time to time.
Nomination, Remuneration and	The nomination, remuneration and compensation committee of our Board, as

Term	Description
Compensation Committee	described in "*Our Management*" on page 168.
Non-executive Director(s)	Non-executive director(s) of our Company, as described in "*Our Management*" on page 168.
Promoter(s)	The promoters of our Company, namely, Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari.
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see "*Our Promoter and Promoter Group*" on page 195.
Registered Office	The registered office of our Company located at Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India.
"Registrar of Companies" or "RoC"	The Registrar of Companies, Ahmedabad, Gujarat, India.
Restated Financial Information	The restated financial information of our Company comprising of the restated summary statement of assets and liabilities as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, and the restated summary statements of profits and losses (including other comprehensive income), and cash flow statement and changes in equity for the nine months ended December 31, 2021, financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, together with its notes, annexures and schedules are derived from our audited/re-audited financial statements as at and for the nine months ended December 31, 2021, financial years ended March 31,2021, March 31, 2020 and March 31, 2019, prepared in accordance with Ind AS], and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.
Senior Management Personnel	The senior management personnel of our Company, as disclosed in the section titled *"Key Management Personnel and Senior Management Personnel"* on page 181.
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "*Our Management*" on page 168.
Whole-time Director(s)	Whole-time director(s) of our Company, as described in "*Our Management*" on page 168.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form.
'Allot' or 'Allotment' or 'Allotted'	Allotment of Equity Shares pursuant to the Issue to the successful Bidders.
Allotment Advice	Note, 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.
Allottee	A successful Bidder to whom an Allotment is made.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and this Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLM.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/ Issue Period or Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLM will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLM, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.

Term	Description
	One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two days after the Bid/Issue Closing Date.
'ASBA' or 'Application Supported by Blocked Amount'	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI Mechanism.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant.
ASBA Bidder(s)	Any Bidder (other than an Anchor Investor).
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Issue Account Bank(s) and Sponsor Bank(s), as the case may be.
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue, described in "*Issue Procedure*" on page 312.
Bid(s)	An indication by a Bidder to make an offer during the Bid/Issue Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of this Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIIs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid Cum Application Form and payable by the Bidder or blocked in the ASBA Account of an ASBA Bidder, as the case may be, upon submission of the Bid in the Issue.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
'Bidder' or 'Applicant'	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being May 13, 2022 which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily newspaper),Gujarati also being the regional language of Gujarat, where our Registered Office is situated), 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 Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLM, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being May 11, 2022 which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily

Term	Description
	newspaper),Gujarati also being the regional language of Gujarat, where our Registered Office is situated, each with wide circulation.
Bid/ Issue Period	Except in relation to Anchor Investors, 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.
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
'Book Running Lead Manager' or 'BRLM'	The book running lead manager to the Issue, being SMC Capitals Limited.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
'CAN' or 'Confirmation of Allocation Note'	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cash Escrow and Sponsor Bank Agreement	The agreement dated April 19, 2022 amongst our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, the Escrow Collection Bank(s), the Public Issue Account Bank(s), the Sponsor Bank and the Refund Bank(s) for among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price and Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted, including any revisions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
'CDP' or 'Collecting Depository Participant'	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 as per the list available on the websites of the Stock Exchanges, as updated from time to time.
Compliance Officer for the Issue	Compliance officer for the Issue in terms of the SEBI ICDR Regulations.
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 Investors in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, wherever applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available ontherespective websites of the Stock Exchanges (www.bseindia.com and www.nseindia .com, respectively) as updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfers funds from the Escrow Account, and funds blocked by the SCSBs and Sponsor Bank are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of this Red Herring Prospectus following which the Equity Shares will be Allotted in the Issue.
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate / agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders,

Term	Description
	Designated Intermediaries shall mean Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated December 24, 2021 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.
Dun & Bradstreet Report" or "D&B Report"	The Report titled "*Stainless Steel Pipes & Tubes*" dated April, 2022 prepared exclusively for the purposes of the Issue and released on April 4, 2022 by Dun & Bradstreet, appointed by our Company on July 7, 2021 and commissioned and paid for by our Company.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited.
First Bidder or sole Bidder	The 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 and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the Book Running Lead Manager.
Minimum NIB Application Size	Bid Amount of more than ₹ 200,000.
Monitoring Agency	Care Ratings Limited
Monitoring Agency Agreement	Agreement dated April 19, 2022 entered by and between the Company and the Monitoring Agency
Mutual Fund Portion	50,741 Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Proceeds	Proceeds of the Issue less the Issue related expenses. For further information about the Issue related expenses, see "*Objects of the Issue*" on page 90.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidder(s)/NIB(s)	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of this Issue not less than 15% of the Issue, being 761,115 Equity Shares, which shall be available for allocation to Non-Institutional Bidders subject to valid Bids being received at or above the Issue Price, subject to the following and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and

Term	Description
	(ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the sub-categories specified in (i) and (ii) above may be allocated to applicants in the other sub-category of Non Institutional Bidders.
'Non-Resident' or 'NR'	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
Issue	The initial public offering of up to 5,074,100 Equity Shares aggregating up to ₹ [●] million by our Company for subscription pursuant to the terms of this Red Herring Prospectus.
Issue Agreement	The agreement dated December 23, 2021 between our Company and the BRLM, 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 to successful ASBA Bidders as determined by our Company in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of this Red Herring Prospectus.
Issue Proceeds	The gross proceeds of this Issue based on the total number of Equity Shares Allotted under this Issue and the Issue Price.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company, in consultation with the BRLM will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily newspaper),Gujarati also being the regional language of Gujarat, where our Registered Office is situated), at least two Working Days prior to the Bid/ Issue Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
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 26 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, including any addenda or corrigenda thereto.
Public Issue Account	The bank account opened with the Public Issue Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
Public Issue Account Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account(s) will be opened, in this case being Axis Bank Limited.
'QIBs' or 'Qualified Institutional Buyers'	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Issue.
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50 % of the Issue comprising 2,537,050 Equity Shares, which shall be available for allocation to QIBs (including Anchor Investors) on a proportionate basis, subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors).
QIB Bid/ Issue Closing Date	In the event our Company in consultation with the BRLM, decide to close Bidding by QIBs one day prior to the Bid/Issue Closing Date, the date one day prior to the Bid/Issue Closing Date; otherwise, it shall be the same as the Bid/Issue Closing Date.
'Red Herring Prospectus' or 'RHP'	This Red Herring Prospectus 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 offered and the size of the Issue, including any addenda or corrigenda thereto.
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Banker to the Issue with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
Registrar Agreement	The agreement dated November 23, 2021, entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India

Term	Description
	(Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
'Registrar to the Issue' or 'Registrar'	KFIN Technologies Limited.
'RTAs' or 'Registrar and Share Transfer Agents'	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Resident Indian	A person resident in India, as defined under FEMA.
'Retail Individual Investor(s)' or 'RII(s)'	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	Portion of the Issue being not less than 35% of the Issue consisting of 1,775,935 Equity Shares, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
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). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date.
'Self-Certified Syndicate Bank(s)' or 'SCSB(s)'	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intm Id=3 4and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=y es&intmId=3 5, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intm Id 4 0, or such other website as may be prescribed by SEBI from time to time Retail Individual Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Bids can be submitted by RIBs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Bids, is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intm Id=4 0 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int m d=4 3 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sponsor Bank(s)	Bank(s) registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI, the Sponsor Bank(s) in this case being Axis Bank Limited, ICICI Bank Limited and Kotak Mahindra Bank Limited.
Sub-Syndicate Member	The sub-syndicate member, if any, appointed by the BRLM and the Syndicate Member, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated April 19, 2022 executed between our Company, the Registrar to the Issue, the BRLM and the Syndicate Member in relation to the procurement of Bid cum Application Forms by the Syndicate.
Syndicate Member	Syndicate member as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations, namely, SMC Global Securities Limited.
'Syndicate' or 'Members of the Syndicate'	the BRLM and the Syndicate Member.
Underwriters	[●]
Underwriting Agreement	The agreement to be entered between the Underwriters and our Company, on or after the Pricing Date but prior to filing of the Prospectus with the RoC.
UPI	Unified payments interface which is an instant payment mechanism, developed by National Payments Corporation of India.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018,SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019,

Term	Description
	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an RII to make a Bid in the Issue in accordance with SEBI UPI Circular.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter or a Fraudulent Borrower	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai, Maharashtra are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Issue Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai, Maharashtra are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
A358	Standard Specification for Electric-Fusion-Welded Austenitic Chromium-Nickel Stainless Steel Pipe for High-Temperature Service and General Applications.
ADD	Anti-Dumping Duty
AFNOR	Association française de normalisation (French Standardization Association)
Amp.	A unit of electric current
API Pipe Line	API Line Pipe is steel pipe used for the transmission of Oil, Gas and Petroleum Distillates. Line pipes makes the pipeline and is different from casing and tubing. Line Pipes are manufactured as per specifications established by American Petroleum Institute (API).
API	Active Pharmaceutical Ingredients
ARP	Acid Regeneration Plant
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
B2B	Business to Business
CAGR	Compound Annual Growth Rate
CGD	City Gas Distribution
CIF	Cost, Insurance and Freight
CVD	Counter Veiling Duty
D&B Report	The Report titled "Stainless Steel Pipes & Tubes" dated April, 2022 prepared exclusively for the purposes of the Issue and released by Dun & Bradstreet appointed by our Company on July 7, 2021 and commissioned and paid for by our Company.
DCI	Ductile Cast Iron
DI	Drug Intermediates
DIN	Deutsches Institut für Normung (German Institute for Standardization)
DMISP	Domestically Manufactured Iron & Steel Products
E&P	Exploration & Production
EBITDA	Earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year/period.
EN	European Standards
EOI	Expression of Interest
ERP	Enterprise Resource Planning
ERW	Electric Resistance Welded pipe

Term	Description
FOB	Free-on-Board
FOR	Free-on-Road
FW	Furnace Weld also called as Continuous Weld
GI Pipes	Galvanised Iron Pipes
HELP	Hydrocarbon Exploration and Licensing Policy
HSAW	Helical Submerged Arc Welded Pipes
HYDRO	Hydrostatic test
IBR	Indian Boiler Regulation
JIS	Japanese Industrial Standards
KSM	Key Starting Materials
KVA	A kilovolt-ampere which is equal to 1,000 volt amps.
LNG	Liquefied Natural Gas
LSAW	Longitudinally Submerged Arc Welding Pipe
MIG	Metal Inert Gas
MMTPA	Million Metric Tons Per Annum
NPCI	National Payments Corporation of India
NAS	Network Attached Storage
NDR	National Data Repository
NDT	Non-destructive testing
NF	National Formulary
NIP	National Infrastructure Pipeline
NIP	National Infrastructure Pipeline
NPS	Nominal Pipe Size (1/8" to 24")
OALP	Open Acreage Licensing Policy
OCTG	Oil Country Tubular Goods
OD	Outside Diameter
PAT	Profit for the year/period
PED	Pressure Equipment Directive
PLI	Production Linked Incentive
PMI	Purchasing Managers' Index
PNGRB	Petroleum and Natural Gas Regulatory Board
PPI	Producer Price Index
Products	Seamless tubes/pipes and Welded tubes/pipes
PSC	Production Sharing Contract
RSC	Revenue Sharing Contract
SAW	Submerged Arc Weld also known as DSAW
Seamless tubes	Tubes without welding seams
SME	Small and Medium Enterprise
SS	Stainless Steel
TB	A terabyte which is equal to 1 trillion bytes
TIG	Tungsten Inert Gas
Welded tubes	Tubes produced through roll forming
Y/Y and YoY	Year on Year

Conventional and General Terms or Abbreviations

Term	Description
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
BSE	BSE Limited.
Category III FPI	FPIs registered as category III FPIs under the SEBI FPI Regulations, as amended.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
Companies Act	Companies Act, 2013, as applicable and as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Red

Term	Description
	Herring Prospectus, along with the relevant rules made thereunder.
Contract Labour Act	The Contract Labour (Regulation and Abolition) Act, 1970, as amended.
CSR	Corporate Social Responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended and read with regulations framed thereunder.
DIN	Director Identification Number.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion).
DP ID	Depository Participant's Identity Number.
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act.
EPS	Earnings Per Share.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular / FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020, as amended.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
'Financial Year' or 'Fiscal Year' or 'FY'	The period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations, as amended.
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations, as amended.
GECL	Guaranteed Emergency Credit Line.
"GoI" or "Government" or "Central Government"	The Government of India.
HUF	Hindu undivided family.
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income- Tax Act, 1961, as amended and read with the rules framed thereunder.
Income Tax Rules	Income- Tax Rules, 1962, as amended.
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015, as amended.
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules of 2015, as amended.
Indian GAAP	Generally accepted accounting principles in India.
Indian Penal Code	Indian Penal Code, 1860, as amended.
IPO	Initial public offering.
IRDAI	Insurance Regulatory and Development Authority of India.
IST	Indian Standard Time.
Kutch/Kachchh	District of Kachchh, Gujarat.
MCA	Ministry of Corporate Affairs, Government of India.
MT	Metric tonnes.
'Mn' or 'mn'	Million.
N.A.	Not applicable.
NAV	Net asset value.
NACH	National Automated Clearing House, a consolidated system of ECS.
NEFT	National Electronic Fund Transfer.
NRI	A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, as amended.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
'OCB' or 'Overseas Corporate Body'	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number.
RBI	Reserve Bank of India.
"RONW"/ "RoNW"	Net profit after tax / net worth as at the end of period/year.
RTGS	Real time gross settlement.

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.
State Government	The government of a state in India.
Stock Exchanges	Collectively, the BSE and NSE.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
U.S. GAAP	Generally accepted accounting principles of the United States of America.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VAT	Value added tax.
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations, as amended.
Year/ Calendar Year	12-month period ending December 31.

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

Certain Conventions

All reference in this Red Herring Prospectus to "India" are to the Republic of India. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time.

In this RHP, the terms "we", "us", "our", the "Company", "our Company", "the Company", "Venus Pipes", or "the Issuer", unless the context otherwise indicates or implies, refers to Venus Pipes & Tubes Limited.

Page Numbers

Unless otherwise stated, all references to page numbers in this Red Herring Prospectus are to page numbers of this Red Herring Prospectus.

Currency and Units of Presentation

All references to "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to *"US$"* or *"U.S. Dollars"* or *"USD"* are to United States Dollars, the official currency of the United States of America. All references to "€" or "Euro" are to Euro, the official currency of certain countries forming part of the European Union.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	Exchange rate as on(1)				
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1 USD#	75.81	74.30	73.50	75.39	69.17
1 Euro	84.66	84.04	86.10	83.05	77.70

#Source: www.fbil.org and www.rbi.org.in

(1) If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Red Herring Prospectus is derived from our Restated Financial Information comprises of the restated summary statements of assets and liabilities as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, and the restated summary statement of profit and loss (including other comprehensive income), and cash flow statement and changes in equity for the nine months ended December 31, 2021, financial years ended March 31, 2021 , March 31, 2020 and March 31, 2019 together with its notes, annexures and schedules are derived from our audited financial statements as at and for the nine months ended December 31, 2021, financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations, and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI.

There are significant differences between Indian GAAP, Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited.

Our Company's fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as "**Fiscal**", "**Fiscal Year**" or "**FY**") are to the 12-month period ended March 31 of that particular year, unless otherwise specified.

All the figures in this Red Herring Prospectus, except for figures derived from the Dun & Bradstreet Research Report (which are in crores), have been presented in millions or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000, one billion represents 1,000,000,000, one crore represents 10,000,000 and one lakh represents 100,000. Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 139 and 253, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Financial Information.

Non-Indian GAAP Financial Measures

This Red Herring Prospectus contains certain non-Indian GAAP financial measures and certain other statistical information relating to our operations and financial performance. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Industry and Market Data

The industry and market data set forth in this Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we have no reason to believe that industry data used in this Red Herring Prospectus is not reliable, it has not been independently verified by us, none of our Directors and the BRLM, any of their affiliates or advisors make any representation as to its accuracy or completeness. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which industry and market data set forth in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 23.

In accordance with the SEBI ICDR Regulations, "*Basis for Issue Price*" beginning on page 105 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Manager or any of its affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

This Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained from D&B Report. Further, D&B India, vide their letter dated April 7, 2022 ("**Letter**") has accorded their no objection and consent to use the D&B Report. D&B India, vide their Letter has also confirmed that they are an independent agency, and confirmed that D&B India is not related to our Company, our Directors, or our Key Managerial Personnel.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "seek to", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- continuing effect of the COVID-19 pandemic on our business, results of operations, operations and financial condition,
- competition, including from other large and established competitors, reduced prices, operating margins, profits and further result in loss of market share,
- our Products becoming obsolete due to a breakthrough in the development of technology or alternate products,
- uncertainties in demand and lack of assurance in customers and suppliers continuing to purchase our Products or sell raw materials,
- limited operating history in the highly competitive stainless steel pipes and tubes market,
- decrease in demand of steel,
- volatility of pricing in the steel industry,
- our potential inability to protect our intellectual property,
- our dependence and customer concentration on top ten (10) customers,
- inability to effectively utilize our manufacturing capacities ,
- adverse effects of pending outstanding litigations against us,
- existing international operations and our plans to expand into additional overseas markets subjecting us to various business, economic, political, regulatory and legal risks,
- foreign currency exchange risks and regulatory changes in foreign exchange management,
- emergence of modern trade channels in the form of online retailers may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of our Products,
- our inability to raise additional capital for current and future expansion plans thereby leading affecting our business prospects, results and financial conditions.

For a further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 139 and 253, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect our current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. None of our Company, Directors, and the BRLM or its 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 regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of registration of this Red Herring Prospectus until the date of Allotment.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled "Risk Factors", "Objects of the Issue", "Our Business", "Industry Overview", "Capital Structure", "The Issue" and "Outstanding Litigation and Material Developments" available at pages 23, 90, 139,114, 78, 64 and 289 respectively of this Red Herring Prospectus.

Summary of Business

We are one of the growing stainless-steel pipes and tubes manufacturer and exporter in India having over six years of experience in manufacturing of stainless-steel tubular products in 2 broad categories: (i) seamless tubes/pipes; and (ii) welded tubes/pipes. We are currently manufacturing 5 product lines, namely, (i) stainless steel high precision & heat exchanger tubes; (ii) stainless steel hydraulic & instrumentation tubes; (iii) stainless steel seamless pipes; (iv) stainless steel welded pipes; and (v) stainless steel box pipes ("**Products**"). Under our brand name "*Venus*", we supply our Products for applications in diverse sectors including (i) chemicals, (ii) engineering; (iii) fertilizers; (iv) pharmaceuticals, (v) power, (vi) food processing; (vii) paper; and (viii) oil and gas.

Summary of Industry

Our Company operates in the stainless-steel products industry. Stainless steel is a value-added product with high corrosion resistant properties, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless steel across the world. Despite being one of the largest producers as well as consumers of stainless steel, the per capita stainless-steel consumption in India remains low. India's per capital stainless steel consumption has increased from 1.2 kg in 2010 to 2.5 kg in 2019, however, its consumption is much lower compared to the world average of 6 kg per capita *(Source: D&B Report)*. This low consumption pattern is an indication of the inherent opportunities existing in the sector.

Promoters

Our Promoters are Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari. For detailed information on our Promoters and Promoters' Group, please refer to Chapter titled "*Our Promoters and Promoters' Group*" on page 184.

Issue Size

The initial public offering of up to 5,074,100 Equity Shares aggregating up to ₹ [●] million by our Company for subscription pursuant to the terms of this Red Herring Prospectus.

Objects of the Issue

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Particulars	Amount (In ₹million)
Financing the project cost towards capacity expansion and backward integration for manufacturing of hollow pipes	1,079.45
To meet the working capital requirements	250.00
General corporate purposes#	[●]

#To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount of general corporate purposes shall not exceed 25% of the gross proceeds of the Issue.

Pre-Issue Shareholding of Promoters and Promoter Group

S. No.	Category of Shareholders	No. of Equity Shares	% of total pre-Issue paid-up Equity Share Capital
A	*Promoters*		
1	Megharam Sagramji Choudhary	3,497,743	22.98
2	Jayantiram Motiram Choudhary	1,178,915	7.74
3	Dhruv Mahendrakumar Patel	2,580,810	16.95
4	Arun Axaykumar Kothari	1,212,291	7.96
	Total (A)	**8,469,759**	**55.64**
B	*Promoter Group*		
1	Payal Kothari	1,160,291	7.62
2	Jyoti Rakesh Lahoti	150,000	0.99
3	Vishwa Jeet Jhanwar	2,800	0.02
	Total (B)	**1,313,091**	**8.63**
	Total (A+B)	**9,782,850**	**64.27**

Summary of Restated Financial Information

(in ₹ million other than share data)

Particulars	As at and for the nine months ended December 31, 2021	As at and for the Fiscal ended March 31, 2021	As at and for the Fiscal ended March 31, 2020	As at and for the Fiscal ended March 31, 2019
Share capital	152.22	87.33	87.33	87.33
Net worth	1,204.82	399.31	162.76	121.74
Revenue	2,767.69	3,093.31	1,778.08	1,187.52
Net profit after tax	235.95	236.32	41.28	37.50
Earnings per share				
-Basic	15.50	27.06	4.73	4.29
-Diluted	15.50	27.06	4.73	4.29
Net asset value per equity share	79.15	45.73	18.64	13.94
Total borrowings	500.06	375.02	426.11	294.19

Qualifications of the Auditors

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

Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors, and our Group Companies as disclosed in this Red Herring Prospectus as per the Materiality Policy, is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in million)
Company	-	-	-	-	-	-
By the Company	-	-	-	-	-	-
Against the Company	-	1	-	-	-	11.88
Directors	-	-	-	-	-	-
By our Directors	-	-	-	-	-	-
Against the Directors	-	1	-	-	-	16.83
Promoters	-	-	-	-	-	-
By Promoters	-	-	-	-	-	-
Against Promoters	-	-	-	-	-	-

Subsidiaries	-	-	-	-	-	-
By Subsidiaries	-	-	-	-	-	-
Against Subsidiaries	-	-	-	-	-	-

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 289.

Risk Factors

Please see “*Risk Factors*” beginning on page 23 to have an informed view before making an investment decision.

Details of the pre-IPO placement

Our Company has not proposed to undertake any pre-IPO placement prior to the filing of RHP.

Summary of Contingent Liabilities of our Company

As of December 31, 2021, our capital and other commitments (contingent liabilities) not provided for in our Restated Financial Information are as follows:

(in ₹ million)

Particulars	As on December 31, 2021
Duty on import against advance license for export obligation	289.64
Total	**289.64**

For further details, see “*Financial Statements*” on page 194.

Summary of Related Party Transactions

(in ₹ million)

Description of the nature of the transactions		KMP				Person having significant influence / control over the reporting entity or the relative of KMP				Entities over KMP or their relatives or the person having significant influence / control over the reporting entity exercise significant influence / control			
		Apr '21 to Dec' 21	2020-21	2019-20	2018-19	Apr '21 to Dec' 21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19
I.	**Purchase of goods/services**												
1	Ambaji Import Pvt Ltd	-	-	-	-	-	-	-	-	-	-	21.00	-
2	Venus Enterprise	-	-	-	-	-	-	-	-	-	27.36	94.64	8.37
3	Sunshine Liquid Storage Pvt Ltd	-	-	-	-	-	-	-	-	-	(19.00)	19.00	-
4	S.J. Enterprise	-	-	-	-	-	-	-	-	-	-	6.44	-
5	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	76.94	95.59	72.32
6	Syndicate Enterprises LLP	-	-	-	-	-	-	-	-	-	0.18	173.02	23.52
7	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	-	-	18.16	-
8	P K Enterprise	-	-	-	-	-	-	-	-	29.60	67.95	105.48	70.02
9	Flotek Engineering	-	-	-	-	-	-	-	-	89.73	-	-	0.04
10	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	210.61	205.89	141.42	43.43
11	Dwarka Metal Corporation	-	-	-	-	-	-	-	-	91.95	82.50	130.57	72.14
12	Metal Industrial Corporation	-	-	-	-	-	-	-	-	0.41	0.72	1.78	1.55
13	Venus Pipes & Tubes	-	-	-	-	-	-	-	-	0.51	3.30	-	1.53

Description of the nature of the transactions			KMP				Person having significant influence / control over the reporting entity or the relative of KMP				Entities over KMP or their relatives or the person having significant influence / control over the reporting entity exercise significant influence / control			
			Apr '21 to Dec' 21	2020-21	2019-20	2018-19	Apr '21 to Dec' 21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19
II.	**Purchase of Fixed Assets**													
	1	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	-	0.24	1.57
	2	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	-	1.57	0.18	0.58
	3	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	1.37	0.88	1.29	0.69
III.	**Sale of goods/services**													
	1	Venus Enterprise	-	-	-	-	-	-	-	-	-	37.56	41.61	8.32
	2	Mahesh Oil Industries	-	-	-	-	-	-	-	-	-	-	0.62	0.00
	3	S.J. Enterprise	-	-	-	-	-	-	-	-	72.75	42.53	36.73	-
	4	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	127.73	273.07	115.46
	5	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	0.88	11.80	2.96	11.32
	6	P K Enterprise	-	-	-	-	-	-	-	-	25.98	75.25	22.33	-
	7	Flotek Engineering	-	-	-	-	-	-	-	-	-	1.51	0.77	1.92
	8	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	16.78	9.30	23.83	6.18
	9	Dwarka Metal Corporation	-	-	-	-	-	-	-	-	28.86	46.44	5.70	5.24
	10	Metal Industrial Corporation	-	-	-	-	-	-	-	-	14.00	5.66	15.82	8.93
	11	Venus Pipes & Tubes	-	-	-	-	-	-	-	-	7.09	1.50	0.21	2.40
	12	Venus Metal Industries	-	-	-	-	-	-	-	-	-	-	0.05	-
	13	Godavari Metal Corporation	-	-	-	-	-	-	-	-	-	-	0.22	0.47
	14	Kamlesh Metal and Tubes LLP	-	-	-	-	-	-	-	-	0.10	-	-	-
IV.	**Expenses Incurred**													
	1	Sunshine Enterprises	-	-	-	-	-	-	-	-	0.90	2.40	-	-
	2	Sunshine Liquid Storage Pvt Ltd	-	-	-	-	-	-	-	-	-	3.42	-	-
	3	Jayantiram Choudhary	0.03	-	-	-	-	-	-	-	-	-	-	-
	4	Arun Axaykumar Kothari	0.92	-	-	-	-	-	-	-	-	-	-	-
	5	Megharam Choudhary	0.74	-	-	-	-	-	-	-	-	-	-	-
	6	Dhruv Patel	0.74	-	-	-	-	-	-	-	-	-	-	-
	7	Kailash Nath Bhandari	0.03	-	-	-	-	-	-	-	-	-	-	-
	8	Pranay Ashok Surana	0.04	-	-	-	-	-	-	-	-	-	-	-
	9	Komal Lokesh Khadaria	0.04	-	-	-	-	-	-	-	-	-	-	-
	10	Shyam Agrawal	0.03	-	-	-	-	-	-	-	-	-	-	-
	11	Pavan Kumar Jain	0.32	-	-	-	-	-	-	-	-	-	-	-
V.	**Net Receipt/(Payment) of Unsecured Loan**													
	1	Ambaji Import Pvt Ltd	-	-	-	-	-	-	-	-	(13.28)	(4.60)	9.70	-
	2	Ambaji Infracon Pvt Ltd	-	-	-	-	-	-	-	-	4.73	-	1.10	0.44
	3	Ambaji Warehouse Park	-	-	-	-	-	-	-	-	37.10	25.12	(9.40)	9.40
	4	Dhruv M Patel	(2.24)	2.24	(2.50)	2.50	-	-	-	-	-	-	-	-
	5	P K Enterprise	-	-	-	-	-	-	-	-	(20.53)	30.65	6.52	52.31
	6	Payal Kothari	-	-	-	-	(0.40)	-	-	0.40	-	-	-	-
	7	Sovox Renewables Pvt	-	-	-	-	-	-	-	-	(4.00)	4.00	-	-

		Description of the nature of the transactions	KMP				Person having significant influence / control over the reporting entity or the relative of KMP				Entities over KMP or their relatives or the person having significant influence / control over the reporting entity exercise significant influence / control			
			Apr '21 to Dec' 21	2020-21	2019-20	2018-19	Apr '21 to Dec' 21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19
		Ltd												
	8	Sunshine Enterprises	-	-	-	-	-	-	-	-	(4.28)	4.28	-	-
	9	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	(23.96)	23.96	-	-

For details of the related party transactions as reported in the Restated Financial Information, see *"Financial Information– Schedule and notes to accounts to Restated Financial Information"* beginning on page 194.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by our Promoters in the one year preceding the date of this Red Herring Prospectus

Except as disclosed below, our Promoters have not acquired any Equity Shares in the one year preceding the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Number of Equity Shares acquired	Weighted average price of acquisition per Equity Share (in ₹)*
1	Megharam Sagramji Choudhary	1,709,743	17.70
2	Dhruv Mahendrakumar Patel	2,167,810	34.04
3	Arun Axaykumar Kothari	1,212,291	Nil
4	Jayantiram Motiram Choudhary	392,972	Nil

**As certified by Maheshwari & Co., Chartered Accountants, by their certificate dated April 19, 2022.*

Details of price at which specified securities were acquired/transferred in the last three years preceding the date of this Red Herring Prospectus.

The details of the price at which specified securities were acquired/transferred in the last three years preceding the date of this Red Herring Prospectus by our promoter and promoter group is disclosed below:

S. No.	Name of acquirer/shareholder	Date of Allotment / Transfer	No. Equity Shares Allotted / (Transferred)	Face Value per Equity Share (in ₹)	Issue/ Acquisition/ Transfer Price per Equity Share (in ₹)*
Promoters					
1	Megharam Sagramji Choudhary	08-09-2021	5,30,829	10	57
		10-09-2021	11,78,914	10	Nil*
		21-09-2021	(39,000)	10	57
2	Jayantiram Motiram Choudhary	08-09-2021	(4,98,757)	10	57
		10-09-2021	3,92,972	10	Nil*
3	Dhruv Mahendrakumar Patel	08-09-2021	12,94,540	10	57
		10-09-2021	8,73,270	10	Nil*
		21-09-2021	(39,000)	10	57
4	Arun Axaykumar Kothari	08-09-2021	8,08,194	10	Nil#
		10-09-2021	4,04,097	10	Nil*
Promoter Group					
5	Payal Kothari	08-09-2021	(5,65,612)	10	57

		08-09-2021	(8,08,194)	10	Nil#
		10-09-2021	4,04,097	10	Nil*
		21-09-2021	(52,000)	10	57
6	Leeladevi J Choudhary	08-09-2021	(3,00,000)	10	57
7	Jyoti Rakesh Lahoti	21-10-2021	1,50,000	10	280
8	Vishwa Jeet Jhanwar	21-10-2021	2,800	10	280

* *Bonus Issue, For further details, see "Capital Structure - Notes to the Capital Structure – History of equity capital structure of our company" on page number 78 of the RHP.*

\# *transfer by way of Gift, For further details, see "Capital Structure - Notes to the Capital Structure – History of equity capital structure of our company" on page number 78 of the RHP.*

Weighted average cost of acquisition for all the equity shares transacted in last one year and last three years preceding the date of this Red Herring Prospectus.

The weighted average cost of acquisition for all the equity shares transacted in last one year and last three years preceding the date of this Red Herring Prospectus is as set out below:

Period	Weighted average cost of acquisition (in ₹)*	Range of Acquisition price : Lowest price – highest price (in ₹)*
Last one year preceding the date of RHP	75.78	Nil-280
Last three years preceding the date of RHP	75.78	Nil-280

**As certified by Maheshwari & Co., Chartered Accountants, by their certificate dated April 26, 2022*

Average Cost of Acquisition

The average cost of acquisition per Equity Share for our Promoters, as on the date of this Red Herring Prospectus is:

S. No.	Category of Shareholders	No. of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)
A.	**Promoters**		
1.	Megharam Sagramji Choudhary	3,497,743	13.72
2.	Dhruv Mahendrakumar Patel	2,580,810	29.89
3.	Jayantiram Motiram Choudhary	1,178,915	7.66
4.	Arun Axaykumar Kothari	1,212,291	Nil

For further details, see "*Capital Structure*" beginning on page 78.

Issue of Equity Shares for consideration other than cash in the last one year

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

Date of allotment	No. of Equity Shares allotted	Face value (In ₹)	Issue price per Equity Share (In ₹)	Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
September 10, 2021	4,366,350	10	-	Bonus Issue	Other than cash	13,099,050	130,990,500

For further details, see "*Capital Structure*" beginning on page 78.

Split / Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Red Herring Prospectus.

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

We have not sought any exemption from complying with any provisions of securities law from SEBI, in respect of the Issue.

SECTION II - 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. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we operate or to India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 139, 114, 194 and 253, respectively, as well as the financial, statistical and other information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of the Company and its business in terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Our financial year ends on March 31 of each year, so all references to a particular financial year are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the nine months ended December 31, 2021, financial years 2021, 2020 and 2019 included herein is derived from the Restated Financial Information, included in this Red Herring Prospectus, which differ in certain material respects from IFRS, U.S. GAAP and the generally accepted accounting principles in other countries. For further information, see "Financial Statements" beginning on page 194.

To the extent the COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section.

This Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See "Forward-Looking Statements" on page 15.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company", "we", "us", "our" are to Venus Pipes & Tubes Limited.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Stainless Steel Pipes & Tubes" dated April, 2022 (the "**D & B Report**") prepared and released on April 4, 2022 by Dun & Bradstreet and commissioned and paid for by our Company specifically for the purpose of the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D & B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" beginning on Page 12.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. The prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Internal Risks

1. ***The continuing effect of the COVID-19 pandemic on our business, results of operations, operations and financial condition is highly uncertain and cannot be predicted.***

   During the first half of 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for the financial year 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic can cause a prolonged global economic crisis or recession. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate physically, among many others. The outbreak of COVID-19 was recognized as a public health emergency and international concern on January 30, 2020 and as a pandemic by WHO on March 11, 2020. On March 14, 2020, Government of India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. While that lockdown lasted until May 31, 2020, and was extended periodically by varying degrees by state governments and local administrations, the second wave of COVID-19 in April 2021 led to lockdowns imposed by the state governments and local administrations. Although, during the first wave of the COVID-19 pandemic, our Manufacturing Facility was shut for a period of approximately thirty (30) business days till the month of April, 2020 ("**Shut-Down Period**") due to which we were unable to supply our Products during the said period from our Manufacturing Facility, we did not experience any disruptions of any nature whatsoever in our business operations during the second wave of COVID-19.We secured a special permission dated April 23, 2020 from the Office of the Collector and District Magistrate, Kutch, Gujarat for supplying our Products to the essential commodities sectors, particularly the pharmaceutical sector and thereafter our Manufacturing Facility continued its operations without further disruptions. We had one-month raw material availability during the Shut-Down Period which enabled us to meet our supply commitments. Further, we did not receive any notice (including demand for late delivery charges) from our customers with respect to any potential action against the Company, its promoters and directors for any delays in supplies during and in relation to the Shut-Down Period.

Despite the lifting of the lockdown and our continued operations during such periods in the past, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 can have on our business, operations or potential expansion plans in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways. For example, the spread of COVID-19 has caused us to modify our business practices, cancellation of physical participation in meetings, events and conferences, which poses new challenges to our operations. In future, we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. We also incurred and may continue to incur additional expenses in complying with evolving government regulations and measures, such as social distancing measures and sanitization practices. If any of our employees are suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or suspend operations in our facilities for disinfection. While our operations had slowed down during early 2020 and we have almost resumed to full normalcy with requisite precautions, the continuing impact of COVID-19 pandemic on our financial condition remains uncertain and is dependent on the spread of COVID-19 and steps taken by the Government to mitigate the economic impact and may differ from our estimates. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and work force. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Further, we have experienced and may further experience, Government authorities imposition of various measures such as travel bans and restrictions, quarantines, shelter-in-place orders, and shutdowns. Beginning in March 2020, due to the nationwide lockdown, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions, we experienced closure of our production facilities during the Shut-Down Period. We may continue to be subject to temporary as well as permanent closures and reduced manufacturing operations, logistical delays during which we shall be required to incur additional expenses in connection with, among other things, retaining employees, fixed costs payable for maintaining our manufacturing plants, and loss of inventory, which may adversely affect our business, results of operations and financial condition. Further, any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition and results of operations. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

2. ***We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers.***

We have a diversified customer base and although we do not currently have any material dependency on a single or few customers, our top 10 customers constitute 32.45%, 37.49%, 44.51% and 35.52% of total sales for the nine-months ended December 31, 2021 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. Although, we have long term relationships with some of our customers, we have not entered into long-term agreements with them and the success of our business is significantly dependent on us maintaining good relationships with our customers. The actual sales by our Company may differ from the management estimates and the loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. There can be no assurance that we shall be able to maintain historic levels of business and/or negotiate and execute long-term contracts on terms that are commercially viable with our significant customers or that we shall be able to significantly reduce customer concentration in the future.

3. ***We may not accomplish our growth strategy, and our business may suffer if we fail to manage our growth efficiently or effectively.***

Our operations have expanded as a result of our strategy to expand into domestic and international markets and we endeavour to continue to explore viable means to consolidate the position of our operations, competitively positioning us in the domestic and overseas market. There can be no assurance, however, that we shall be successful in our expansion endeavours. If we fail to improve our existing systems or controls or to manage growth and expansion effectively, or the cost of such expansion or growth exceeds the revenues generated by our efforts, we may fail in our strategy and our business, financial condition and results of operations could be adversely affected. We expect our future growth to place significant demands on our resources as well as our management. This shall require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges we face in:

- strengthening our internal control system for purchases of inventory to be commensurate with the size of our Company;
- improving the scope and coverage of our internal audit systems to keep pace with our growth;
- recruiting, training and retaining sufficiently skilled technical, sales and management personnel;
- identifying, establishing, maintaining and expanding relationships with other pipe manufacturers and after-sales services partners in each of the markets in which we operate;
- managing economies of scale, including a larger number of distributors and after-sales service providers including in select international markets;
- identifying, understanding and responding to challenges and risks that are unique to the different markets in which we operate;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems; and
  maintaining high levels of product quality and customer satisfaction.

There can be no assurance that our personnel, systems, procedures and controls shall be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Any of the challenges highlighted above may cause us to delay, modify or forego some or all aspects of our expansion plans. Further, there can be no assurance that we shall be able to execute our strategies on time and within the budget, as and when estimated by the Company. In addition, our expansion plans when concretized may not be appraised by any independent or third-party agency, and accordingly, in the absence of such independent appraisal, our expansion plans may be subject to change based on various factors which may be beyond our control.

Further, as December 31, 2021, our long term and short-term borrowings are ₹163.16 million and ₹336.90 million respectively. Our indebtedness is secured by charges over immovable and movable properties and other collaterals, receivables and bank accounts. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financing on terms acceptable to us, we may be unable to implement our growth strategy, and our business, prospects, financial condition and results of operations may be adversely affected.

4. ***We face competition, including from other large and established competitors, and we may fail to compete successfully against existing or new competitors, which may reduce the demand for our Products which may lead to reduced prices, operating margins, profits and further result in loss of market share.***

   We face increasing competition from our existing and potential competitors in India and in overseas markets that may have substantially greater brand recognition, longer operating histories, greater financial, product development, sales, marketing, more experienced management, access to a cheaper cost of capital and other resources than we do. Some of our competitors may have lower costs, or be able to offer lower prices and a larger variety of products in order to gain market share. Our competitors may also make acquisitions or establish cooperative or other strategic relationships, among themselves or with third parties, including dealers and distributors of our Products, thereby increasing their ability to address the needs of our targeted customers and offering lower cost products than we do which may have a negative effect on our sales. Further, new competitors may emerge at any time. Our competitors may be able to respond more quickly to new or emerging technologies or customer requirements, and may bring with them customer loyalties that may limit our ability to compete, which could erode our market share. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. The success of our Products as well as our ability to maintain or increase our market share may also depend upon the effectiveness of our marketing initiatives which may adversely affect our ability to compete effectively.

   Competition in our industry is based on a range of factors including pricing, marketing, delivery time, payment terms etc. To remain competitive, we must continue to invest significant resources in capital expenditure, research and development, sales and marketing and customer support. There can be no assurance that we shall have sufficient resources to make these investments or that we shall be able to make the technological advances necessary to be competitive. In case we fail to effectively compete, including any delays in responding to changes in the industry and the market, we may also have to incur additional costs and expenses to conduct marketing campaigns, market research and investing in newer technologies and infrastructure to effectively compete. Increased competition could result in, amongst other things, a slowdown in the growth of our corporate accounts, a loss of our market share, price reductions, reduced demand for our Products, reductions in revenue and reduced margins and profitability.

   Further, we may be subject to risk of consolidation amongst our competitors who may leverage their financial strength and market dominance to secure financing at competitive terms. Such a consolidation shall enable these market players to take aggressive steps, including but not limited to, making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our Products. The market in which we operate is fragmented and in case there is a trend of consolidation in future, our business could be at a comparatively disadvantageous position and as a result our business, results of operations, financial condition and prospects could be materially and adversely affected.

5. ***Our Company has not entered into long-term agreements with our customers for purchasing our Products nor for the supply of raw materials with our suppliers. We are subject to uncertainties in demand and there is no assurance that these customers and suppliers shall continue to purchase our Products or sell raw materials to us or that they shall not scale down their orders. This could impact the business and financial performance of our Company.***

   We have not entered into long-term contracts with (i) our raw material suppliers; and (ii) our customers and all our procurements and supplies are by way of purchase orders/sales orders/short-term contracts which govern the commercial terms, including but not limited to the minimum product standards, quantity, price etc. Both our suppliers and customers have access to our competitors who may offer better commercial terms than we may provide. In the absence of long-term contracts establishing formal exclusive relationships between us and such parties, we cannot assure that such business relationships shall last for long or at all and we may lose a significant portion of our revenues to our competitors or our customers may reduce or delay our orders. A change in preference of our customers and raw material suppliers can result in discontinuation of our engagement with them and such a move could materially and adversely impact our business. Further, we run the risk of excess capacity in case our customers do not honour their commitments or choose to engage with our competitors. Although, we have a strong emphasis on quality, timely delivery of our Products and raw materials and personal interaction by the senior management with our customers and suppliers, any change in the buying pattern of buyers and preferences of suppliers can adversely affect the business and the profitability of our Company.

6. ***We are required to obtain consents under certain environmental laws, which are critical for operating our Manufacturing Facility. We have in the past been non-compliant with the requirements under environmental law for our operations and there is no assurance that in the future we would be able to obtain such consent in a timely manner or at all.***

We require certain material environmental consents under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Management Rules**") in the form of (i) Consent to Establish ("**CTE**") to establish our Manufacturing Facility and (ii) a Consolidated Consent and Approval ("**CCA**") to commence our manufacturing operations, from the Gujarat Pollution Control Board ("**GPCB**") for our Manufacturing Facility.

In past, our production capacity has been in excess of the capacity of 300 MT granted to us by GPCB on March 31, 2016. Consequently, the CCA granted by the GPCB for our Manufacturing Facility also expired on February 14, 2021, and we had applied for renewal of the same on February 13, 2021, and since then have obtained a CCA for our Manufacturing Facility on December 17, 2021 for 1,000 MT per month which is valid till October 04, 2026.

Therefore, in past, we have been in contravention of the Air Act, Water Act, and the Hazardous Waste Management Rules ("**Environmental Laws**"), for (i) operating our Manufacturing Facility over and above the authorised capacity of 300 MT per month as per the CCA granted by GPCB, (ii) operating our Manufacturing Facility without any validly subsisting CCA in the period of February 14, 2021 till December 17, 2021, and (iii) not applying for a renewal of consents within the stipulated time period as per the abovementioned acts and rules. The penalty for contravention of these sections and rules as per the Air Act, Water Act and Hazardous Waste Management Rules includes imprisonment, and monetary penalty.

The circular notified by the GPCB, with reference number GPCBoard/Circular – 2015/329665 dated October 9, 2015, ("**GPCB Circular**"), has provided opportunity to industries, who are non- compliant of approvals such as capacity expansion violation without obtaining valid CCA, carrying excess production than permitted capacity, delay in renewal of CCA etc. As per GPCB circular industry can obtain CCA for capacity expansion by paying late fee of 25% of the consent fee at the time application. Accordingly, we have paid a late fee of ₹35,000 to the GPCB on December 13, 2021 for the duration our Manufacturing Facility was in contravention of the relevant Environmental Laws. Further, we have also executed a letter in favour of GPCB ("**GPCB Letter**") stating that we have complied with all terms of the GPCB Circular and request GPCB to apprise us as to whether any further steps that are required to be taken by us in order to regularise the abovementioned contraventions. The receipt of the said GPCB Letter has been acknowledged by GPCB on December 22, 2021. We have applied for a CTE amendment with GPCB vide application number '209123' on December 22, 2021 which was not processed due to submission of incomplete documentation. Thereafter, the Company filed a fresh CTE amendment application bearing number '255708' for establishing its new proposed plant on April 10, 2022 for approval from GPCB. Any delay of approval or rejection of our CTE amendment application can adversely impact operations in our Manufacturing Facility and thereby our business and financial condition.

While no further actions have been taken in relation to such violations mentioned above, we may, in the future, be subjected to regulatory actions for such violations including closure of our manufacturing facility, imposition of penalties and other penal actions against our Company and key personnel, which may have a negative impact on our business, reputation, results of operations and cash flows. Further, any failure to comply with Environmental Laws and/or the terms and conditions of approvals issued under such Environmental Laws and regulations could also impact our ability to obtain or renew the approvals with respect to our Manufacturing Facility in a timely manner or at all and may also adversely affect our ability to operate our units and consequently affect our results of operations.

7. ***We face certain challenges because of our limited operating history in the highly competitive stainless steel pipes and tubes market, which may affect our future performance.***

We commenced our commercial operations in the calendar year 2015 and are a fairly new player in the stainless steel pipes and tubes market. Companies in their initial stages of growth present substantial business and financial risks and may present comparatively higher investment risks than seasoned market players. Further, due to our limited operating history we may not yet be the supplier of first choice and may not command goodwill and trust of market intermediaries across markets, both domestic and international, along with corporate buyers, as compared to other established players. Although we believe that we have been able to achieve reasonable market penetration commensurate with the limited period of our business operations and presence in the stainless steel pipes and tubes market, there can be no assurance that our limited operating history shall not adversely impact our rate of growth and our ability to succeed in realizing our growth strategy including the proposed business expansion.

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

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

9. ***If our Products become obsolete due to a breakthrough in the development of technology or alternate products, our business, results of operations, financial condition and cash flows may be adversely affected.***

In the event of a breakthrough in the development or growing popularity of alternate technology, we may be exposed to the risk of our Products becoming obsolete or being substituted by these alternatives, and any failure on our part to effectively address such situations or to introduce new products could adversely affect our business, results of operations, financial condition and cash flows. Further, if our competitors are better positioned to respond to new or emerging technologies and are consequently able to reduce prices, we may be faced with a loss of market share. In particular, if we fail to adapt to the rapidly changing technological developments or fail to upgrade or adapt our existing products, our Products may become less attractive to customers. This could limit our ability to acquire new customers and cause us to lose existing customers to competitors, which could have an adverse effect on our business, financial condition and results of operations.

Our sales of products may reduce over time due to technological advancements and to respond successfully to technological advances, we may require substantial capital expenditures and access to related or enabling technologies in order to integrate the new technology with our existing technology. There can be no assurance that we shall have sufficient financial resources necessary in successfully responding to such technological advances and developments in a timely and cost-effective way. Further, a slowdown in demand for our existing products ahead of a new product introduction could result in a write down in the value of inventory on hand related to existing products. and such slowdowns and delays may occur in the future. Further, if our customers, defer or cancel orders for our existing Products due to introduction of alternative products, which are much more suitable and preferred as an option, our operating results could be adversely affected.

The processes for the manufacture of stainless-steel pipes or tubes have essentially remained unchanged since we began in our business. While we are unaware of any significant new developments in these areas, in case a new way of manufacturing stainless steel pipes or tubes is discovered that significantly decreases the cost of production, in order to compete effectively, we may be required to replace our existing machines with the new ones and thereby incur additional capital expenditure, which would have a material adverse effect on our financial condition and results of operations.

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

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

11. ***We may not be able to adequately protect our intellectual property and may be subject to claims that we infringe on the intellectual property rights of others, each of which could substantially harm our business.***

We believe that the brand under which our business operates is an important asset which is integral to our success. As of the date of this Red Herring Prospectus, our Company has one registered trademark in respect of "manufacturer of stainless steel and carbon steel pipes and fittings" that has been registered under the Trademarks Act, 1999. For further information, see "*Government and other Approvals – Approvals in relation to intellectual property of our Company*" on page 294.While we intend to defend against any threats to our intellectual property, there can be no assurance that such protection measures shall be sufficient to prevent misappropriation of our intellectual property and that third parties shall not infringe upon our intellectual property, causing damage to our business prospects, brand image, reputation and goodwill.

We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. In the event that the steps we may take and the protections afforded by law do not adequately safeguard our proprietary rights, we could suffer losses in revenues and profits due to competing sales of products unlawfully produced which may have an adverse effect on our business, prospects, results of operations and financial condition. In addition, we have entered into non-disclosure agreements or confidentiality agreements with some of our employees, consultants or other parties to protect our proprietary rights. However, there can be no assurance that (i) such agreements shall not be breached; or that (ii) we shall be able to secure adequate remedies for any breach under such agreements.

Our Products are marketed both domestically and internationally and as a part of our endeavour to expand into new markets, we would require a strong brand recall value for our Products in such markets. However, any instances of (i) decrease in product quality due to reasons beyond our control; (ii) circulation of low-quality counterfeit products in the markets (iii) unsubstantiated allegations of product quality may motivate our existing and potential customers to explore business relationships with our competitors. As a result, any adverse publicity involving our brand, our Products, or us, may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects. In the event that such breaches do occur and we are unable to secure adequate remedies in relation thereto, our profitability and reputation may be adversely affected with consequent impact on our results of operations and financial condition.

12. ***We have historically derived a significant portion of our domestic revenues from our business operations in a limited number of markets. Any adverse developments or loss of business from one or more of these markets may adversely affect our revenues and profitability.***

We have historically derived a significant portion of our domestic revenue in India from the sale of our products in the states of Gujarat, Maharashtra and Telangana. Set forth below is a summary of our domestic revenue concentration for nine-month period ending December 31, 2021, Fiscal year 2021, 2020 and 2019 and respectively:

Reference State	Nine months ending December 31, 2021 (in ₹ Million)	Revenue Percentage Concentration (%)	FY 2021 (in ₹ Million)	Revenue Percentage Concentration (%)	FY 2020 (in ₹ Million)	Revenue Percentage Concentration (%)	FY 2019 (in ₹ Million)	Revenue Percentage Concentration (%)
Gujarat	1396.33	90.59	1,964.29	93.81	1,196.11	95.42	660.79	88.81

Maharashtra	752.08		573.17		286.49		219.55	
Telangana	119.63		225.63		156.68		55.30	
Others	235.59	9.41	182.27	6.19	78.71	4.58	117.94	11.19
Total	**2503.63**	**100.00**	**2,945.36**	**100.00**	**1,717.98**	**100.00**	**1,053.57**	**100.00**

Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the state or local government in these regions could adversely affect our business operations, result in modification of our business strategy or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition, results of operations, and cash flows. We believe we have maintained good quality standard of our manufacturing process as well as the products we sell and export, however, there can be no assurance that customers of these states will continue to buy our products, we cannot assure that we shall generate the same quantum of business, or any business at all, from these states, and loss of business from one or more of them may adversely affect our revenues and profitability. As a result of significant reliance on a limited set of states for the majority of our revenue, we may face certain issues such as pricing pressures as well. Further, our sales from these regions may decline as a result of increased competition or any change in the demand for our products by the customers of these states, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID- 19. We may further be subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments from our customers in these states may adversely impact our results of operation. Further, our failure to effectively react to these situations or to successfully introduce new products or sell in these markets to cater to the needs of our customers could adversely affect our business, prospects, results of operations, financial condition, and cash flows. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in these regions, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

13. ***Our manufacturing capacity may not correspond precisely to our customers' demands. An inability to effectively utilize our manufacturing capacities may affect our business, results of operations, cash flows and financial condition.***

We believe that with our industry knowledge, expertise and production capabilities, we are in a position to manufacture our Products in order to satisfy our customers' demands and our manufacturing capacity further enables us to expand our potential customer base. However, our customers may require us to have a certain percentage of excess capacity that would allow us to meet unexpected increases in supply orders. The volume and timing of sales to our customers may vary due to a number of reasons, including but not limited to, manufacturing strategy, growth strategy and macroeconomic factors affecting the economy in general and our customers in particular.

In the event that we are unable to procure sufficient raw materials, we would not be able to effectively utilize our current manufacturing capacities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, if our customers place orders for less than anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities.

Further, we make significant decisions, including determining the levels of business that we shall seek and accept, production schedules, personnel requirements and other resource requirements, based on our internal estimates and targets and strive to ensure that our production capacity is, at all times, utilized at optimum levels. For the purposes of achieving the said optimum utilization levels, we endeavour to maintain a tied-up order book for a minimum period of two months. Our marketing team is provided with the production capacity numbers for the third month for the purposes of ensuring that the order book is tied-up for the next block of two months for which our marketing team seeks orders and quotations from existing and potential customers. Although, we have been able to generally achieve optimum capacity levels in the past, there can be no assurance that the same shall be maintained in the future. Further, there can be no assurance that our marketing team would be successful in convincing our existing and potential customers to purchase our Products in a timely manner or at all for reasons, including but not limited to (i) order cancellations, (ii) lack of purchasing capacity of our customers, (iii) more efficient manufacturing and delivery processes of our competitors; (iv) our inability to deliver products with certain specifications.

Occasionally, our customers may require rapid increase in order quantities beyond our available capacity, and we may not have sufficient capacity at any given time to meet sharp increases in these requirements.

While we strive to ensure that we achieve and maintain the optimum capacity levels, our inability to forecast the level of customer demand for our Products, as well as inability to accurately schedule our raw material purchases and production and manage our inventory, may result in we not being able to achieve and maintain the optimum capacity levels at all times or at all, which may adversely affect our business and cash flows from operations. In addition, our inability to accurately forecast demand of our Products may result in mismatches in our production demand and our capacity and any such mismatches leading to under-utilization of our Manufacturing Facility could affect our business, results of operations, cash flows and financial condition.

14. We have entered into a third-party job work agreement for the purposes of outsourcing a part of our manufacturing process. Lapses on part of the third-party are beyond our control and it could impact our business, financial condition and result of operation.

We have entered into a job work agreement dated December 15, 2021 ("**Job Work Agreement**") with a third-party manufacturer ("**Jobworker**") for the purposes of outsourcing annealing of our Products, a common heat-treatment process for dissolving any precipitates present in the material and transforming the material into a single phase structure. This process is commonly used for the purpose of removing internal stress, restores ductility, softens the metal for cold working and enhances electrical conductivity, which can improve machinability and properties of stainless steel.

We have engaged the services of the Jobworker on the basis of representations and warranties furnished to us that the Jobworker possesses adequate manufacturing capacity at its factory site, along with the necessary labour, personnel, plant, machinery, licenses, statutory approvals and facilities required for the annealing of our Products. Although we have no reasons to believe that such representations and warranties are untrue as on the date on which they were made and thereafter, there can be no assurance that the Jobworker (i) is not presently in breach of such representations and warranties; and/or (ii) shall not be in such breach in the future. Any such breach of representations and warranties may restrict the Jobworker to efficaciously discharge his obligations towards the Company under the Job Work Agreement which may have an adverse impact our business, financial condition and results of operations. Further, in case any regulatory authorities were to take an action against the Jobworker, on account of non-compliance with applicable laws or for any other reason, resulting in a stoppage or inordinate delays in their operations, our production cycle may be adversely impacted which may lead to delays in deliveries of our Products to our end-customers. There can be no assurance that our clients shall be accommodative of delays due to factors outside our control and in such a case we may not be able to successfully (i) retain our existing clients; and (ii) attract new customers which may have an adverse impact our business, financial condition and results of operations.

Further, the Jobworker is an independent contract and the Company does not have any direct supervision or control over the manner of execution of its responsibilities under the Job Work Agreement. In case the Jobworker fails to provide quality services commensurate with the standards expected by the Company and its end-customers in a timely manner or at all, the Company may be subject to the risk of (i) losing its clients/customers to its competitors; and/or (ii) being sued by them for supplying products of a sub-standard quality. The Company does not have the right to seek indemnification for such losses from the Jobworker under the Job Work Agreement and may not also be in a position to successfully pass on such losses to its other customers, in part or in full or at all. Any such losses or damages, if incurred, may have an adverse impact our business, financial condition and results of operations.

Although the Job Work Agreement provides for a confidentiality clause, there can be no assurance that client-sensitive information shall be kept confidential by the Jobworker. Any compromise in any confidential information may expose us to (i) potential actions from our customers, (ii) loss of confidence in the Company; (iii) losing part or whole of our engagement with our clients which may have an adverse effect on not just the current orders with that customer, but also on future orders with other customers. We may enter into similar agreements for other line of manufacturing and may outsource other manufacturing processes in the future. Resultantly, we may not be able to negotiate and execute long form contracts with such jobworkers in the future with adequate precaution and terms favorable to our interest or at all. Such arrangements may expose to product liability claims or financial damages and for which we may not be able to seek indemnification for losses due to their lapses which could adversely impact our business, financial condition and results of operations.

15. ***Our existing international operations and our plans to expand into additional overseas markets subject us to various business, economic, political, regulatory and legal risks.***

We supply our Products in overseas markets such as the European Union, Brazil, United Kingdom, Israel etc. The revenues from exports aggregated to ₹ 264.06 million, ₹ 147.95 million, ₹ 60.10 million and ₹ 133.95 million for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively and as a percentage of our revenue from operations, were 9.54%, 4.78%, 3.38% and 11.28%, respectively. The decline in our revenues from exports Fiscal 2019 to Fiscal 2020 was on account of unfavourable market conditions persisting in the European market during that period. Although we have not experienced such downward fluctuations in our revenues on a regular basis, there can be no assurance that fluctuations on account of unfavourable market conditions shall not occur in the future. Any such fluctuations, if they occur, may adversely affect our profitability, results of operations and financial condition. We do not possess our own network of distributors and retailers in these markets and have entered into agreements with third parties for the distribution of our Products in some of these markets. If these third parties fail to provide the support and effort necessary to distribute our Products, our ability to expand our operations in such jurisdiction may be negatively impacted.

We plan to continue to expand our presence in international markets by focusing on target countries globally. The markets in which we operate and plan to operate in the future are diverse and fragmented, with varying levels of economic and infrastructure development and distinct legal and regulatory systems, and do not operate seamlessly across borders as a single or common market. We may require considerable management attention and financial resources for managing our growing business across these international markets. Our multinational operations are subject to inherent risks, including, but not limited to:

- entry barrier and difficulties in establishing brand recognition;
- uncertainties in cooperation with new local business partners, including distributors, logistics and transportation partners;
- inability to adapt to consumers' preferences and local trends in new regions;
- exposure to expropriation or other government actions in new regions;
- existence of onerous clauses like indemnification and liquidated damages in our agreements with international clients/distributors
- increased costs related to raw materials and marketing our Products in new regions;
- start-up costs related to establishing offices, infrastructure and services in new regions;
- longer accounts receivable collection periods and greater difficulty in accounts receivable collection due to lower bargaining power in a less familiar market;
- potential foreign exchange and repatriation controls on foreign earnings, exchange rate fluctuations and currency conversion restrictions;
- the burden of complying with a variety of foreign laws, including delays or difficulties in obtaining government approvals and permits, import and export licenses, and regulations and unexpected changes in the legal and regulatory environment, including changes to import and export regulations;
- increases in distribution and transportation costs;
- uncertainty regarding liability for products;
- actions which may be taken by foreign governments pursuant to any applicable trade or other restrictions;
- difficulties and costs of staffing and managing multiple multinational operations;
- reduced protection for intellectual property rights in some jurisdictions, at a reasonable cost or at all;
- potentially adverse tax consequences, including tax consequences which may arise in connection with intercompany pricing for transactions between separate legal entities within a group operating in different tax jurisdictions;
- credit risk and higher levels of payment fraud;
- inability to obtain adequate insurance;
- challenges caused by distance, language and cultural differences, and by commencing business relationship with foreign partners and foreign agencies; and;
- political and economic instability including potential for political unrest, war or acts of terrorism in countries in which we operate.

We may be unsuccessful in developing and implementing policies and strategies that shall be effective in managing these risks in each country where we do business or plan to do business. Our failure to manage these risks successfully could adversely affect our business, operating results and financial condition. Further, we may face competition in other countries from companies that have more experience with operations in such countries or with international operations generally. We may not be able to compete with such companies if we are unable to offer competitive products at better price points which appeal to consumers in such markets. If we are unable to successfully build our brand reputation in the international markets, it may limit our ability to grow our business. Also, by expanding into new regions and markets, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

16. ***We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results.***

If we are unable to sustain or manage our growth, our business, results of operations and financial condition may be materially adversely affected. We have experienced significant growth in the past three Fiscals. Our revenue from operations grew at a CAGR of 61 %, our EBITDA grew at a CAGR of 105 % and our profit after tax has increased at a CAGR of 151.04 % from Fiscal 2019 to Fiscal 2021. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our strategy includes, among others, increasing existing capacity, Backward integration and cost optimization to improve margins, tap new geographies to increase exports, continue to improve efficiencies through technology enhancements and strengthen our brand value. For further details, see "*Our Business –Our Strategies*" on page 144. Such a growth strategy will place significant demands on our management as well as our operating systems and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, continued expansion increases the challenges involved in making accurate assessments of the resources we will require; acquiring new customers and increasing or maintaining contribution from existing customers; procuring raw materials at cheap cost; recruiting, training and retaining sufficient skilled management; maintaining high levels of customer satisfaction; and adhering to expected performance and quality standards. The anticipated benefits from these strategies and initiatives are based on several assumptions that may prove to be inaccurate, including assumptions as to the key trends that will drive growth in our business. Moreover, we may not be able to successfully complete these growth initiatives, strategies, and operating plans without making additional expenditures or at all. If we are unable to complete these initiatives, strategies, and operating plans, we may not realize all the benefits we currently anticipate, including the growth targets and cost savings, we expect to achieve. A variety of risks could cause us not to realize some or all the expected benefits. These risks include, among others, delays in the anticipated timing of activities related to such growth initiatives, strategies, and operating plans; the secular trends on which many of our strategies and initiatives are based not materializing or not materializing to the degree expected; increased difficulty and cost in implementing our growth efforts; inability to raise funds in the future, including for the purposes of future capital expenditure, and the incurrence of other unexpected costs associated with operating the business. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. If any of the assumptions underlying our growth initiatives prove to be inaccurate or any of the foregoing risks materialize, we may not realize the expected benefits of our initiatives and we may be adversely affected. Further, as we scale-up and diversify our products, we may not be able to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be in line with our past performance or growth strategy. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies, and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions, including our assumptions with respect to growth of our end-markets, prove inaccurate, our business, financial condition, and results of operations may be materially adversely affected.

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

Apart from our operations in India of which our sales are denominated in Indian Rupees, we also sell our Products in and source our raw materials from several other countries and receive/make payments in foreign currencies. Fluctuation in foreign currencies exchange rates could have adverse effects on our business, results of operations and financial condition. We import a majority of raw material i.e. hollow pipes required for manufacturing of seamless pipes, mainly from China and stainless steel coils are mainly procured from Malaysia and Indonesia. Our imports constituted 12.98%, 14.33%, 5.48%, and 12.94% of our total purchase for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively.

Further, we source some of our raw materials from China. The rising tension between India and China has resulted in the Government of India imposing restrictions on business relations with Chinese enterprises, such as Press Note No. 3 promulgated by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, in April 2020, which requires that foreign direct investments in India would be allowed from countries sharing land borders with India only after obtaining approval of the Government of India. There is no assurance that there will not be further regulatory restrictions on conducting business activities with Chinese enterprises.

Our business and results from operations may be affected in the event that the exchange rate between the international currencies and the Indian Rupee fluctuates and. we have in the past experienced net foreign currency exchange losses to the extent of ₹ 2.73 million for the Fiscal 2019. Although in the subsequent periods, viz. for the nine-months period ended December 31, 2021 and Fiscals 2021, 2020 there were net foreign currency exchange gains aggregating to ₹ 1.99 million, ₹12.18 million and ₹1.17 million respectively, there can be no assurance that we shall not be subject to such foreign currency exchange losses in the future. Depreciation of the Indian Rupee against such international currencies may have an adverse effect on our total expenses and profit. Further, volatility in exchange rates would result in an increase in the cost of our Products. We may not be able to pass on such increase in costs to our customers. Certain markets in which we sell our Products may be subject to exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. For particulars of our foreign exchange risk, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 253.

18. ***The emergence of modern trade channels in the form of online retailers may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of our Products, which may have an adverse effect on our results of operations and financial condition.***

While currently our product sales are through traditional trade channels on a Business-to Business ("**B2B**") model, in order to address the competition and consumer preferences, we may be expected in the future to sell some or all of our Products to our customers through online retailing considering the increasing popularity of modern trade channels in India which has witnessed the emergence and growth of such online retailers and we believe that the market penetration of online retail in India is likely to continue to increase in coming times. While we believe this may provide us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, we may not be able to successfully negotiate such arrangements on terms favorable to us or at all, which some of our large competitors may be in a position to do, placing us in a position of disadvantage. The online retailers may have exclusivity arrangements with our competitors, and may be unable to, or decline to, stock and distribute our Products, which in turn may limit our ability to expand our retail network. Any inability on our part to enter into agreements at all or on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition. Further, our marketing budgets may not be comparable with such competitors who may be able to secure better online visibility and product promotion leading to deeper client penetration and recall value. Although currently we do not have any concretized business plan to introduce our Products on the modern trade channels, in an event we adopt a business plan on the same in the future, there can be no assurance that we shall be successful in expanding our retail network in accordance with any such plan, or at all, which may adversely affect our business, results of operations and financial condition.

19. ***Our current and future expansion plans may require significant amount of capital. If we are unable to raise additional capital, our business prospects, results and financial condition could be adversely affected.***

We plan to further penetrate our presence in both India and the international markets and expand our business operations including manufacturing and sales. We may fund these development plans through a variety of sources, including borrowings, internal accruals and cash flow from operations. We expect our long-term capital requirements to increase significantly to fund our intended growth and we cannot assure that we shall have sufficient capital resources for these new expansion plans or any future expansion plans that we may have. While we expect our internal accruals, cash flow from operations and available credit facilities to be adequate to fund our existing commitments, there can be no assurance that the same shall be adequate to fund our expansion plans and our ability to secure these amounts is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing or the inability of one or more of our financiers to provide committed funding could adversely affect our ability to complete expansion plans. Moreover, there can be no assurance that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs and adversely affect our access to capital. Further, in case we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. Further, if we decide to meet our capital requirements through debt financing, our interest obligations shall increase and we may be subject to additional restrictive covenants under our respective financing arrangements. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected.

We have continuous working capital requirements for maintaining sufficient raw material, stores and inventories of finished products, sundry debtor and other current assets during the course of our business operations.

Over the periods indicated in the table below, our Company has witnessed (i) improved profitability; and (ii) improved debt to equity ratio whilst maintaining its total borrowings at a significantly lower number (on a consistent basis) vis-a-vis increase in its year-on-year turnover.

Reference	For the nine-months period ended December 31, 2021 (in ₹ Million)	For the year ended March 31, 2021 (in ₹ Million)	For the year ended March 31, 2020 (in ₹ Million)	For the year ended March 31, 2019 (in ₹ Million)
Turnover	2767.69	3,093.31	1778.08	1,187.52
Profit and Loss	235.95	236.32	41.28	37.50
Reference	**As at December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Debt-to-Equity Ratio	0.42	0.94	2.62	2.42
Long Term Borrowing (A)	163.16	184.89	185.85	144.01
Short Term Borrowing (B)	336.90	190.13	240.26	150.18
Total Borrowing (A + B)	500.06	375.02	426.11	294.19

Although, presently our borrowings are significantly less vis-à-vis our turnover, however, there can be no assurance that we shall not increase our borrowing/leverage levels in the future in order to execute our growth strategy and expanding our business operations for improving our overall profitability. If in future we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and requirements and limits our ability to repatriate funds in order to meet our contractual obligations or pay dividends. Although we tie up our working capital requirements with our lenders, however, such tie-ups may not be sufficient to meet our working capital requirements in future, considering our expansion plans. Also, there can be no assurance that the budgeting of our working capital requirements for a particular year shall be accurate. There may be situations wherein we may under-budget our working capital requirements, in which case there may be delays in arranging additional working capital, which may consequently disrupt the ongoing operations at our Manufacturing Facility leading to loss of reputation, levy of liquidated damages and an adverse effect on the cash flows. Further, we may not be able to continue obtaining new letters of credit, bank guarantees, and performance guarantees in sufficient quantities to meet our business requirements. In case we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet working capital requirement, there may be an adverse effect on our business operations and financial condition.

Further, as a part of our business operations, we secure materials from our raw material suppliers subsequent to the receipt of orders from our customers. However, there have been instances in the past wherein we have experienced cancellations of our customer orders due to which we were unable to utilize the ordered raw material. Typically, such raw materials are utilized for subsequent orders, however, such a situation increases the holding period for the said raw material requiring us to maintain working capital coverage in relation to the same for a longer period. There can be no assurance that (i) such order cancellations shall not occur in the future and (ii) we shall be able to successfully maintain the necessary working capital requirements, which may have an adverse effect on our business, results of operations and financial condition.

20. Our raw material cost constitutes a significant percentage of our total expenses.

We undertake procurement of raw materials from both domestic and international sources based on factors including but not limited to market availability, pricing and quality. Our basic raw material includes SS coils and hollow pipes and we procure our raw materials based on market availability, pricing and quality through three main channels: (i) domestic suppliers such as steel manufacturers, stockists and traders; (ii) international suppliers from China, Indonesia, Malaysia and Singapore; and (iii) high sea purchases. The cost of materials consumed (including Purchase of Stock in trade and changes in inventory) by us in our operations accounted for 82.09%, 84.53%, 88.29% and 85.58% of our revenue from operations for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively. We are exposed to the price risk associated with purchasing our raw materials consumed, which form the highest component of our expenses. Further, in cases where the holding period of the raw material exceeds the average holding period, we may require to have additional working capital coverage, for the purposes of maintaining such raw materials which may increase our raw material cost. Although, we endeavour to accommodate such excessive cost in our subsequent/future orders, there can be no assurance that we shall be successful in passing such costs to our customers in the subsequent orders in part, or in full, or at all. Further, any increase in the price of raw materials consumption, which our Company is unable to pass on the impact of, would have a material adverse effect on our Company's business and financial position.

Further, in case of high sea sales, the raw material supplied is on CIF basis wherein the risk with respect to any damage or loss of raw material rests with the supplier who is responsible to secure adequate insurance coverage at the time of supply of raw material. In case of loss, the advance paid to the supplier, if any, is typically recoverable subsequent to the suppler receiving the insurance claim. Although we believe that we enjoy a strong relationship with our suppliers and that our suppliers shall honour their commercial commitments, there can be no assurance any such advance amount paid shall be reversed by our suppliers to us, in a timely manner or at all subsequent to realisation of the insurance claim. Any such failure on the part of our suppliers may have an adverse effect on our business, results of operations and financial condition.

21. A slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, results of operations, financial condition and cash flows.

Our business is dependent upon our ability to manage our Manufacturing Facility, which are subject to various operating risks, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters, as well as loss of licenses, certifications and permits, regulatory changes and government imposition of closure or lockdown. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs, difficulties with production costs, product quality issues, disruption in electrical power or water resources and could cause disruptions in our operations or shut down the affected Manufacturing Facility. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition and results of operations. For example, our Manufacturing Facility in Kutch was shut down from March 22, 2020 to April 23, 2020 due to a nation-wide lockdown after COVID-19 was declared as a pandemic and the operation of such Manufacturing Facility was only resumed from April 24, 2020.

Further, we have employed a total of 203 permanent employees and 159 employees working on a contractual basis, as of February 28, 2022. Although, we have not experienced any strikes or labour unrest in the past, there can be no assurance that we shall not experience disruptions in work in the future due to disputes or other problems with our work force. Any disagreements with labour unions or labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, financial condition and results of operations and cash flows.

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

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

Our business is dependent on our ability to manage our Manufacturing Facility, including productivity of our workforce, compliance with regulatory requirements and those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Our inability to effectively respond to any slowdown or shutdown and to rectify any disruption, in a timely manner and at an acceptable cost, could also lead to an inability to comply with our customers' requirements and would result in us breaching our contractual obligations. Any disruption to the operations at our Manufacturing Facility may result in an adverse effect on our business, results of operations and financial condition. In addition, any significant social, political or economic disruption, or natural calamities or civil disruptions or breakdown of services and utilities in the region where Manufacturing Facility is located, or changes in the policies of the state or local governments of such region, may require us to incur significant capital expenditure, or change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

23. ***Disruption of our relationships with our stockists, traders, distributors, changes in their business practices, their failure to meet payment schedules and provide timely and accurate information, conflicts among our channels of distribution or our inability to further expand our distribution network could adversely affect our business, cash flows and results of operations.***

We have an extensive sales network, both domestically and internationally, comprising of stockists, traders, distributors and a market representative in order to increase our market penetration. Although we have not entered into long-term agreements with such stockists, traders, distributors and a market representative, we believe that our relationship with these parties has consolidated over a period of time and that the commercial terms and conditions offered by us and agreed to by them are favourable for a continued business relationship. However, there can be no assurance that such commercial relationship shall continue in the future at commercially viable terms or at all. Our competitors may offer our stockists, traders, and distributors more favourable terms or may have more products available to meet their needs or utilize the leverage of broader product lines to be sold through them and consequently these entities may decline to distribute our Products in the relevant jurisdictions. The relevant purchase orders with these parties may be amended or cancelled at any time, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Further, due to the lack of long-term agreements, these entities are not contractually bound to provide us with a specific volume of business and can terminate our engagement with or without cause, with little or no advance notice and without compensation. Further, our stockists, traders, distributors could change their business practices, such as inventory levels, or seek to modify their contractual terms, such as payment terms. We may face the pressure to modify our trading terms if our stockists, traders, distributors are unable or unwilling to continue engaging with us on presently agreed commercial terms. Additionally, unexpected changes in inventory levels or other practices by our stockists, traders, distributors could negatively affect our business, cash flows and results of operations. There can be no assurance that such entities shall be able to successfully maintain or strengthen their relationship with us, and their failure to do so may adversely affect our business, cash flows and results in operations. In order to expand the sales volume of our Products, it is essential that we continue to expand the density as well as the geographic reach of our existing distribution network and ensure that our Products reach every market segment and customer base. If we are unable to continue to expand our relationships with such entities, our business may suffer.

24. ***We may receive customer complaints and as a result may face product recalls, product liability claims and legal proceedings, if the quality of our Products does not meet our customers' expectations, in which case our business and revenues, and ultimately our reputation, could be negatively affected.***

Although in the past we have not received any major complaints from our stockists, traders, distributors and clients with respect to our product quality, we have no control over our stockists, traders, distributors and clients (i) alleging harm/loss caused to them due to the quality of products supplied by us; and (ii) instituting product liability claims, product recall claims and legal proceedings against us and our promoters and directors claiming product recalls, liquidated damages, indemnification claims etc. and therefore, we cannot assure that we shall not experience any product recalls or material product liability losses in the future or that we shall not incur significant costs to defend any such claims.

In case (i) such actions are instituted against the Company and/or our promoters and directors or are alleged to cause harm/loss to such entities; or (ii) there is a change in applicable law or there are rulings against us by courts or tribunals in relation to the quality of our Products, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. Further, any such situation may have a reputational impact on our brand, goodwill and market presence and our stockists, traders, distributors and clients may choose to not do business with us, which could have an adverse effect on our business, financial condition or results of operations. Further, we do not have any insurance cover to protect us from claims from customers in our international markets. A product recall or a product liability claim entails significant costs which may be in excess of our available insurance coverage, and may expose us to unanticipated losses/exposures thereby adversely affecting our reputation, business and revenues.

25. ***There are outstanding litigations pending against us, which, if determined adversely, could affect our operations. We could suffer significant litigation expenses in defending these claims and could be subject to significant damage, compensation, or other remedies.***

In the ordinary course of our business, we may receive consumer protection claims, product liability claims, general commercial claims related to the conduct of our business and the performance of our Products and services, employment claims and other litigation claims. Litigation resulting from these claims could be costly and time-consuming and could divert the attention of management and key personnel from our business operations.

There are certain outstanding legal proceedings against our Company and Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals and, if determined adversely, could adversely affect our reputation, business, results of operations and financial condition. While there are currently no litigations against the Company and Directors except for (i) a matter pertaining to indirect taxation involving an amount of ₹11.88 million, and (ii) a matter pertaining to indirect taxation against one of our Directors involving an amount of ₹16.83 million there is no certainty that we shall have no litigations in the future, which may impact our business and result of operation.

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. Although the Company has not presently made any provisioning for probable liabilities, if any, arising out of these legal proceedings, in case any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

There can be no assurance that these legal proceedings shall be decided in favour of our Company and Directors, as the case may be, or that no further liability shall arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources. 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. For further details of certain material legal proceedings involving our Company, our Promoters, our Directors and our Group Companies, see "*Outstanding Litigation and Material Developments*" beginning on page 289.

26. ***The success of our business depends substantially on a number of key management personnel, including our Promoters and management team, and on our operational workforce. Our inability to retain them or to recruit highly skilled technical personnel that are necessary for our business could adversely affect our businesses.***

Our success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for the management and running of our daily operations and the planning and execution of our business strategy. Our key management personnel are experienced in managing our businesses and are difficult to replace. They provide expertise which enables us to make well informed decisions in relation to our businesses and our future prospects. For details of our key management personnel, see "*Our Management*" on page 168. We cannot assure that we shall continue to retain any or all of the key members of our management. The loss of one or more members of our senior management team could severely impact our ability to execute our growth strategy and grow our revenues.

While we believe that our future success depends largely on our continued ability to hire, assimilate, retain and leverage the skills of highly qualified and skilled personnel, we may not be as successful as our competitors at recruiting, assimilating, retaining and utilizing the skills of such personnel which may adversely affect our ability to realise our growth strategy. Further, our ability to sustain our growth depends significantly upon training these employees effectively. Additionally, we may take a long period of time to hire and train replacement personnel if qualified personnel terminate their employment with us. Further, our overseas competitors may choose to locate research and development facilities in India and would likely be able to offer better compensation packages to such personnel. If we are unable to recruit and retain qualified personnel with the requisite experience, our growth and competitive position maybe adversely affected.

27. ***We are subject to various government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected. In addition, we have certain obligations under policies imposed and schemes launched by the government that may not be directly beneficial or profitable to our business.***

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India and in respective regions that we have operations, generally for carrying out our business, producing and marketing our Products, for our Manufacturing Facility, and our warehouse. For details of applicable regulations and approvals relating to our business and operations, see "*Government and Other Approvals*" on page 293.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. While we have obtained key approvals required for our business, we have also applied for, and are awaiting grant/renewal of certain key approvals. Failure to obtain or validly maintain such approvals could materially and adversely affect our business, results of operations and financial condition. In relation to financing the proposed project cost towards capacity expansion, technological upgradation, cost optimization of its operations and backward integration as disclosed on page 91 of the RHP under "*Objects of the Issue*", the Company proposes to increase its production capacity (i) from 600 MT per month to 1200 MT per month of welded pipes/tubes; and (ii) from 300 MT per month to 800 MT per month of higher diameter seamless pipes/tubes and installation of a piercing plant with a capacity of 800 MT per month for in-house manufacturing of hollow pipes as our backward integration strategy ("**Capacity Expansion**"). For achieving the above indicated Capacity Expansion in line with the Objects of the Issue, the Company is required to obtain modification/amendment to the existing licenses/approvals such as factory license, CTE, CCA at various stages of the Capacity Expansion.

Further, in line with the prescribed process by GPCB, the Company is required to obtain amendment to CTE for Capacity Expansion prior commencement of construction of Civil and covered structure at its manufacturing facilities. As per the revised Schedule of Implementation for the commencement of Civil and covered structure, as indicated on page 97 is June 2022. Accordingly, the Company had applied for the CTE amendment with GPCB vide application number '209123' on December 22, 2021 which was not processed due to submission of incomplete documentation. Thereafter, the Company filed a fresh CTE amendment application bearing number '255708' for establishing its new proposed plant on April 10, 2022 for approval from GPCB. (**CTE Application**”), which is currently pending.

In case of a delay in receipt of CTE amendment approval there may be adverse impact on the schedule of implementation of the Capacity Expansion. For further details, see “*Government and Other Approvals*” on page 293. The approvals required by our Company are subject to numerous conditions and there can be no assurance that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

28. Our Promoters and Directors, Jayantiram Motiram Choudhary and Megharam Sagramji Choudhary do not have any formal educational qualification.

Our ability to implement our business strategy depends largely on our ability to attract, train, motivate and retain highly skilled personnel. Competition for senior management and other key personnel with technical and industry expertise and education in our industry is intense, and we may not be able to recruit and retain suitable persons to replace the loss of any of our senior managers in a timely manner. In such a situation, our ability to realize our strategic objectives could be impaired. For instance, our Promoters and Directors Jayantiram Motiram Choudhary and Megharam Sagramji Choudhary, two of the founding Promoters of our Company, have played a critical role in the incorporation and promotion of our Company. Although Jayantiram Motiram Choudhary and Megharam Sagramji Choudhary have extensive experience of 10 and 15 years in the stainless steel industry, respectively, both of them have not received any formal education. There is no assurance that lack of formal education will not impact our business and operations in the future.

29. Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain customers and subject us to significant legal liability and reputational harm.

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. For example, misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures and internal policies, the precautions we take to prevent and detect such activity may not be effective in all cases and we may be unable to adequately prevent or deter such activities in all cases. While we have not experienced such issues in the past, there could be instances of fraud and misconduct by our employees which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, including claims for alleged negligence, in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurers, there can be no assurance that we shall recover any amounts lost through such fraud or other misconduct.

30. Upon listing, we may be subject to additional costs/unanticipated expenses arising from the obligations that a listed public company has to comply with, under the applicable regulatory framework in India.

We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed public company, we shall incur legal, accounting, insurance and other expenses that we have not incurred as an unlisted public company, including costs associated with listed company reporting and corporate governance requirements. We expect that rules and regulations shall increase our legal and financial compliance costs and make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. Laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. Laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as our senior management. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting, fines, sanctions and other regulatory action and potentially civil litigation. Any such action could adversely affect our business, financial condition and results of operations and cash flow.

For instance, we shall be subject to the Listing Regulations which shall require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a publicly listed company, we shall need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention shall be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations, and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but there can be no assurance that we shall be able to do so in a timely and efficient manner.

31. ***Our financing agreements contain covenants that limit our flexibility in operating our business. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and financial condition.***

Our Company has availed loans in the ordinary course of business for the purposes of meeting working capital requirements and for capital expenditure. As on April 7, 2022, the outstanding amount under the secured fund based borrowings of our Company was ₹ 612.48 million, secured non-fund based facilities availed by our Company, was ₹ 70.55 million and other unsecured loan was ₹ 98.89 million. Our ability to meet our debt service obligations and repay our outstanding borrowings shall depend primarily on the cash generated by our business. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions. These restrictive covenants *inter-alia* require us to obtain either the prior permission of such banks or financial institutions or require us to inform them of various activities, including, among others, alteration of our capital structure, implementing any scheme of expansion/diversification/modernization, amending our articles of association or memorandum of association, undertaking any guarantee obligations on behalf of any third party or any other company or raising of additional debt or equity. In the event that we breach a restrictive covenant, our lenders could deem us to be in default and seek early repayment of loans among other consequences in case of an event of default. An event of default would also affect our ability to raise new funds or renew maturing borrowings as needed to conduct our operations and pursue our growth initiatives. Although we have received consents from our lenders for the Issue, these restrictive covenants may affect some of the rights of our Shareholders. For further information, see "*Financial Indebtedness*" beginning on page 250.

In addition, certain terms of our borrowings require us to maintain financial ratios which are tested periodically, including on a quarterly or annual basis. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Certain of our financing arrangements also contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations and financial condition.

32. ***In the event our contingent liabilities materialize, our financial condition may be adversely affected.***

As of December 31, 2021, our aggregate contingent liabilities amounted to ₹289.64 million. The following table sets forth certain information relating to our contingent liabilities as of December 31, 2021:

Contingent liabilities

(*in ₹ million*)

Particulars	As of December 31, 2021
Duty on import against Advance licenses for Export obligation	289.64
Total	**289.64**

We cannot assure you that these contingent liabilities shall not become established as liabilities. In the event any of these contingent liabilities become established as liabilities, it may have an adverse effect on our financial condition and results of operations. Further, there can be no assurance that we shall not incur similar or increased levels of contingent liabilities in the future. For further details, see also "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 253.

33. Our financing agreements may entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.

As on April 7, 2022, the aggregate of our long-term borrowings, current maturities of long-term borrowings and short-term borrowings of our Company was ₹781.92 million. The Company has in the past experienced instances of increases in interest rates under its financing arrangements. For instance, the applicable rate of interest in our financing facility availed from Karnataka Bank in terms of the sanction letter dated October 6, 2018 was 11% per annum was revised to 11.45% per annum vide sanction letter dated June 27, 2019 due to revision in the Marginal Cost of Funds based Lending Rate ("**MCLR**"), the minimum lending rate below which a bank is not permitted to lend. There was a further revision of the applicable interest rate to 13.5% per annum vide sanction letter dated March 30, 2021 due to migration from MCLR to External Bench Mark Based Lending Rate ("**EBLR**"). There can be no assurance that the interest rates would not increase in the future leading to increased interest costs of such loans. Any such increase could adversely affect our results of operations and financial condition. In addition, if interest rates increase, our interest payments shall increase and our ability to obtain additional debt and non-fund-based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details with respect to the description of interest typically payable under our financing agreements, please see "*Financial Indebtedness*" beginning on page 250.

34. Our Promoters and Directors have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations, which may affect the ability of our Promoters and Directors to effectively render their duties and thereby, adversely impact our business and operations.

Our Company has availed loans and facilities in the ordinary course of its business for, *inter alia*, meeting working capital requirements, supplier financing and capital expenditure. Our Promoters and Directors Jayantiram Motiram Choudhary, Megharam Sagramji Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari, have personally guaranteed the repayment of certain loan facilities availed by our Company. The details of the same are as below:

S.No.	Lender	Type of Loan	Loan Amount Sanctioned (in ₹ million)	Applicable Rate of Interest	Guarantors
1.	State Bank of India	Cash Credit	450.00	2.75% over 6 months MCLR Rate (Presently at 9.70 % p.a.)	1. Megharam Sagramji Choudhary 2. Jayantiram Motiram Choudhary 3. Dhruv Mahendrakumar Patel 4. Arun Axaykumar Kothari
2.	State Bank of India	Letter of Credit	70.00	Applicable Commission	
3.	State Bank of India	Term Loan – I	8.53	4.00% over 6 months MCLR Rate (Present at 10.95% p.a)	
4.	State Bank of India	Term Loan – II	13.02	4.00% over 6 months MCLR Rate (Present at 10.95% p.a)	
5.	State Bank of India	Term Loan – III	21.22	4.00% over 6 months MCLR Rate (Present at 10.95% p.a)	
6.	State Bank of India	Term Loan (GECL)	39.83	100 bps over 6 months MCLR Rate (Presently at 7.95% p.a.)	
7.	State Bank of India	Term Loan (GECL Extension)	15.10	100 bps over 6 months MCLR Rate (Presently at 7.95% p.a.)	
8.	Tata Capital Financial Services Limited	Supplier Financing	50.00	10.25% i.e. STLR less 7.80%	

As of April 7, 2022, principal outstanding amounts from credit facilities personally guaranteed by them were ₹594.02 million, which constituted of 75.97% of our total outstanding indebtedness as on such date aggregating to ₹781.92 million. For details regarding the guarantees given by our Promoters, see "*History and Certain Corporate Matters – Guarantees given by the Promoters*" beginning on page 167.

Our Promoters and Directors may continue to provide such guarantees and other such securities post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoters and Directors may be invoked, which in turn, could have an impact on their ability to effectively service their obligations as Promoters and Directors of our Company in addition to negatively impacting their reputation and net worth and adversely affecting our business, results of operations and financial condition. Further, our Promoters and Directors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. In the event our Promoters and Directors withdraw or terminate their guarantees, our lenders may require alternate guarantees, repayments of amounts outstanding or even terminate the loan facilities. We may not be successful in providing alternate guarantees satisfactory to the lenders, and as a result may be required to repay outstanding amounts or seek additional sources of capital, which could affect our financial condition and cash flows.

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

Our Promoters, Directors and Key Managerial Personnel may be deemed to be interested to the extent of Equity Shares held by them and by members of our Promoter Group, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. As on date of this Red Herring Prospectus our Promoters and certain members of our Promoters Group hold 97,82,850 Equity Shares representing 64.27% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Issue, our Promoters and certain members of the Promoter Group together shall continue to exercise significant control over us, which shall enable them to vote together in capacity as shareholders of our Company on certain matters in general meetings of our Company. Accordingly, the interests of our Promoters and certain members of the Promoter Group in their capacity as shareholders of our Company may conflict with your interests and the interests of other shareholders of the Company. For further details, see "*Capital Structure*", "*Our Promoters and Promoter Group*" and "*Our Management*" beginning on pages 78, 184 and 168 respectively**.**

36. ***Our Promoters and Promoter Group shall continue to retain significant control in our Company after the Issue, which shall allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.***

As on date of this Red Herring Prospectus, our Promoters and certain members of our Promoters Group hold 97,82,850 Equity Shares representing 64.27% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. After the completion of this Issue, our Promoters and Promoter Group shall continue to hold significant shareholding in our Company. As a result, our Promoters and Promoter Group shall continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders shall be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender Issue or otherwise attempting to obtain control of us. We cannot assure that our Promoter and Promoter Group shall act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters and Promoter Group shall act to resolve any conflicts of interest in our favour. If our Promoters and Promoter Group sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoter shall not be sold any time after the Issue, which could cause the price of the Equity Shares to decline.

37. ***Any withdrawal, or termination of, or unavailability of tax benefits and exemptions being currently availed by us may have an adverse effect on our business, results of operations, financial condition and cash flows.***

The tax related laws that are applicable to us include the Income Tax Act, 1961, the Customs Act, 1962, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) and various rules and notifications issued by taxation authorities thereunder. Although, we are currently not entitled to any tax benefits and incentives under the aforesaid regulations/legislations, we may in the future benefit from credits/relaxations/incentives under the same. There can be no assurance as to the nature of action current or future governments shall implement regarding allowance of tax incentives or duty benefits. However, there is no certainty with respect to the nature and timing of such incentives/benefits, if any, in case any such benefits are extended in favour of the Company in the future, we may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

38. Our ability to pay dividends in the future may depend upon our future revenues, profits, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

We have not declared any dividends and all the profits historically have been applied towards the growth and expansion of the business of the Company. Whether we pay dividends in the future and the amount of any such dividends, if declared, may depend upon a number of factors, including our results of operations and financial condition, financing agreements that we have entered into, contractual restrictions (including the terms of some of our financing arrangements that currently restrict our ability to pay dividends) and other factors considered relevant by our Board of Directors and shareholders. We may be unable to pay dividends in the near or medium term, and our future dividend policy may depend on our capital requirements and financing arrangements. Further, dividends, if any distributed by us in the future may cost dividend distribution tax at rates applicable from time to time which may adversely affect our financial position and cash flows. We cannot assure you that our Company shall declare and pay, or have the ability to declare and pay, any dividends on Equity Shares at any point in the future. For further details, see "*Dividend Policy*" on page 193.

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

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. We experienced negative cash flows in the following periods as indicated in the table below:

(in ₹ million)

Particulars	**Nine-month period ended December 31, 2021**	**Year ended March 31, 2021**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Net cash used/ generated from operating activities	(579.63)	113.26	24.12	(66.58)
Net cash used/generated from investing activities	484.61	(24.17)	(123.61)	(13.87)
Net cash used/ generated from financing activities	94.72	(91.91)	100.15	77.16
Net increase/(decrease) in cash and cash equivalent	(0.30)	(2.82)	0.66	(3.30)

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 194 and 253, respectively.

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

We face the risk of loss resulting from product liability, intellectual property, contractual, warranty, and other lawsuits, whether or not such claims are valid. In addition, our insurance may not be adequate to cover such claims or may not be available to the extent we expect. For details of the insurance policies that we maintain, see "*Our Business – Insurance*" on page 157. A successful claim that exceeds or is not covered by our policies could require us to pay substantial sums. Our Company has maintained various insurance policies, in amounts that we believe are commercially appropriate, including insurance policies for employees compensation, common law (which includes accidental insurance), occupational diseases, contractors employees, medical expenses, standard fire and special perils, industrial, commercial vehicles package, and export marine policy. The following table sets forth our insurance cover figures for the nine-month period ending December 31, 2021, financial years ended March 31, 2021, March 31, 2020 and March 31, 2019:

Particulars	Book Value as on December 31, 2021 (*in ₹ million*)	Insured Value (*in ₹ million*)
Property, Plant and Equipment	273.00	290.00
Stock	861.02	1,000.00
Particulars	**Book Value as on March 31, 2021 (*in ₹ million*)**	**Insured Value (*in ₹ million*)**
Property, Plant and Equipment	245.79	102.71
Stock	441.80	520.00
Particulars	**Book Value as on March 31, 2020 (*in ₹ million*)**	**Insured Value (*in ₹ million*)**
Property, Plant and Equipment	163.15	35.76
Stock	442.76	350.00
Particulars	**Book Value as on March 31, 2019 (*in ₹ million*)**	**Insured Value (*in ₹ million*)**
Property, Plant and Equipment	117.62	5.16
Stock	361.67	200.00

Based on our property, plant and equipment and stock as on December 31, 2021, our presently valid insurance policies cover the risk to the extent of (i) 106.23% of the value of our property, plant and equipment; (ii) 116.14% of the value of our stock. Although, we attempt to obtain coverage for and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, our liability may sometimes not be covered as a result of the limitations of liability set forth in our insurance policies. In such event, our insurance policies may not protect us from liability for damages, which may lead to financial liability and other adverse consequences

Further, while we believe that adequate insurance coverage shall be available in the future, there can be no assurance that such coverage shall be available at costs and terms acceptable to us or that such coverage shall be adequate with respect to future claims that may arise. Although we have not experienced instances in the past where our claims have exceeded the insurance cover, in case we are not able to adequately insure against the risks we face, or the insurance coverage we have taken is inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected. In addition, our insurance policies are subject to annual review, and there can be no assurance that we shall be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our financial condition, results of operations and cash flows.

41. ***Our ability to acquire new businesses overseas, may be constrained by Indian and foreign laws, which could adversely affect our growth strategy, business and prospects.***

Under Indian foreign investment laws, an Indian company is permitted to invest in, or provide financial commitment to overseas joint ventures or wholly owned subsidiaries, to the extent of 400.00% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions), and any financial commitment exceeding USD 1.00 million (or its equivalent) in a Financial Year shall require prior approval of the RBI. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the host country for foreign investment. Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. Additionally, there are also further requirements specified under the Companies Act and Indian foreign exchange laws in relation to any acquisition that we propose to undertake in the future. These limitations on overseas direct investment could constrain our ability to acquire overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our growth strategy, business and prospects.

42. ***We have commissioned and paid for a report from Dun & Bradstreet which have been used for industry related data in this Red Herring Prospectus.***

Certain sections of this Red Herring Prospectus include information based on, or derived from, Industry Risk Report titled *"Stainless Steel Pipes & Tubes*" (the "**D&B Report**") dated April, 2022 prepared and released by Dun & Bradstreet on April 4, 2022.

We had commissioned Dun & Bradstreet in July, 2021 and paid them to produce the D&B Report, which has been used for industry related data disclosed in this Red Herring Prospectus. We commissioned the D&B Report for the purposes of confirming our understanding of the industry in connection with the Issue. This report uses certain methodologies for market sizing and forecasting. Investors should read the industry related disclosure in this Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

You should consult your own advisors and undertake an independent assessment of information in this Red Herring Prospectus based on, or derived from, the D&B Report before making any investment decision regarding the Issue.

43. ***We have entered into, and may continue to enter into, related party transactions. We cannot assure you that such transactions, individuals or in the aggregate, shall not have an adverse effect on our business, financial condition and results of operations.***

We have entered into certain transactions with related parties, including purchase of raw materials from and sale of Products to a related party. For the nine-month period ended December 31, 2021, Fiscal 2021, 2020 and 2019, the related party transactions accounted for approximately 6.01%, 11.61%, 23.84%, and 13.49% respectively, of our revenue from operations. For further information on our related party transactions, see "*Related Party Transactions*" on page 19. While we believe that all our related party transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is possible that we may enter into related party transactions in the future. Although all related party transactions that we may enter post-listing, shall be subject to board or shareholder approval, as necessary under the Companies Act and the SEBI LODR Regulations. We cannot assure you that such transactions, individually or in the aggregate, shall not have an adverse effect on our business, financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details of the related party transactions see "*Restated Financial Statements – Annexure V Note 29 – Related Party Transactions*" on page 232.

44. ***Our registered and corporate office, guest house, warehouse, godown and a portion of our factory are located on leased premises. There can be no assurance that these lease agreements shall be renewed upon termination or that we shall be able to obtain other premises on lease on same or similar commercial terms.***

We utilize our registered and corporate office, guest house, warehouse, godown and a portion of our factory on leasehold basis. The details of the same are as below:

S. No.	Reference	Property Description	Area (In Sq. Mtrs.)	Term
1.	Corporate Office (Leave and License)	Tripada Complex, Plot No 275, Sector 1/A, Near Mamlatdar office, Office No 1, Ground Floor Gandhidham, Kutch, Gujarat – 370 201	74.32	Period of 22 months beginning on September 10, 2021 till July 9, 2023
2.	Mumbai Marketing Office (Leave and License)	Shop No. 11, Ground Floor, Salsar Commercial Center, C.T.S No. 1, Phatak Road, Opposite Dham Kata Bhayander East, Maharashtra – 401105	57.14	Period of 11 months commencing from March 16, 2022 and ending on February 15, 2023.
3.	Factory Premises (Lease)	Revenue Survey No. 233/2, Dhaneti, Bhuj (Kutch), Gujarat – 370 020	18,919	Period of 10 years commencing from June 15, 2015 and ending on June 14, 2025.
4.	Godown (Ahmedabad) [Lease]	Property No. 83/2, Gujarat Vepar Mahamandal, Odhav, Vatva, Ahmedabad, Gujarat – 382 440	334.45	Period of 11 months and 29 days commencing from July 26, 2021 to July 24, 2022.
5.	Guest House	Plot No 319, Ward 8A Subhash Nagar Gandhidham, Gujarat - 370 201	170	Period of 11 months commencing from March 10, 2022 and ending on February 9, 2023

Our leases may expire in the ordinary course. We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing leases at favourable terms or at all. Any such event may adversely impact our operations and cash flows and may divert management attention from our business operations. In case of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate our agreements, we may suffer a disruption in our operations and shall have to look for alternate premises.

Given that our business operations are conducted on premises leased, any encumbrance or adverse impact, or deficiency in, the title, ownership rights or development rights of the owners from whose premises we operate, breach of the contractual terms of any lease or leave and license agreements, or any inability to renew such agreements on acceptable terms or at all may adversely affect our business operations. In the event of relocation, we may be required to obtain fresh regulatory licenses and approvals. Until we receive these, we may suffer disruptions in our operations and our business which may adversely affect our financial condition.

Although stamp duty was paid at the time of execution of the lease agreements, such arrangements may be finally adjudicated by relevant revenue authorities to be inadequately stamped or duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. For details in relation to our premises, see "*Our Business – Material Properties*" on page 158.

45. ***Compliance with, and changes in, safety, health and environmental laws and various labour, workplace related laws and regulations, including terms of the approvals granted to us, may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition.***

We are subject to a broad range of safety, health and environmental related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, laws in India limit the amount of hazardous and pollutant discharge that our Manufacturing Facility may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

Further, our business operations are subject to stringent compliance with labour laws and regulations including those governing 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 termination of employees, contract labour and work permits, and consequently, may be party to statutory or regulatory proceedings in this respect. For instance, the Employees' Provident Fund Organisation ("**EPFO**") has issued a notice dated October 20, 2021 alleging that our Company did not deposit provident fund dues aggregating to ₹ 0.12 million for a period from July, 2020 till March 2021. Our Company has responded to the notice clarifying that provident fund dues for the applicable period were duly deposited by our Company. Although the Company has deposited the due amounts as directed by the EPFO, there can be no assurance that the EPFO shall not initiate any further action against us in relation thereto or that we shall not be exposed to similar proceedings in the future. Further, in the past there have been several instances of delays on the part of the Company for the payment of the provident fund amount with EPFO. We cannot assure that EPFO will not initiate any further action against us for such delays in the future For further details of the current outstanding litigations, please see "*Outstanding Litigation and Material Developments— Action by statutory or regulatory authorities against our Company*" beginning on page 290 of this Red Herring Prospectus.

Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including manufacturing permits, and environmental, health and safety permits. For licenses, permits and authorization obtained by us, see "*Government and Other Approvals*" beginning from page 293. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

46. ***Some of our agreements may have not been adequately stamped and/or signed making them inadmissible as evidence in the court of law and as a result of which our operations may be impaired.***

We have not entered into long-form contracts for our business operations and typically we conduct our business by way of purchase orders/supply orders/contracts both with our raw material suppliers and our customers. Further, our contractual arrangements with third parties may not be adequately stamped making them inadmissible as evidence in the court of law. Even though the commercial terms agreed may have been negotiated in our favour, inadequate stamping may restrict our ability to produce such documents before the court of law and efficaciously seek legal remedies to protect our legal and contractual rights. The court of law, in such cases, may issue a verdict or prescribe restrictions and conditions that may legally and commercially prohibit us from benefitting from a pre-agreed position which could have a material adverse effect on our business, financial condition and results of operations.

47. ***Any downward revision of our credit ratings could result in an increase in the interest rates we pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business.***

In relation to our long-term financing facilities aggregating to ₹388.20 million and with respect to our short-term letter of credit facilities/forward contract aggregating to ₹220.00 million, Infomerics Valuation and Rating Private Limited vide letter dated April 19, 2022 has assigned the following credit rating valid till April 18, 2023:

Month/Year	April, 2022
Short-Term Rating	IVR A3+ (IVR Single A Three Plus)
Long-Term Rating	IVR BBB/Stable Outlook (IVR Triple B with Stable outlook)

Further, in the last three (3) Financial Years, we have experienced downgrades in our short-term and long-term credit ratings primarily on account of (i) non-availability of sufficient information and data with the relevant rating agency from the Company; and (ii) change in the credit rating agency appointed by the Company. For an instance, the short-term/long term ratings provided to us by Brickwork Ratings India Pvt. Ltd. ("**Brickwork**") were downgraded from "*BWR A4+*" Assignment on March 12, 2020 to "*BWR A4 Downgrade/ISSUER NOT COOPERATING*" on June 23, 2021 on account of the Company appointing Infomerics Valuation and Rating Private Limited on March 2, 2021 due to which no data was shared with Brickwork and their ratings were migrated to "Not Reviewed" category and therefore downgraded. Similarly, Acuité Ratings & Research Limited downgraded our ratings from "*ACUITE BB/Outlook: Stable*" on March 22, 2019 to "*ACUITE BB-*" (Downgraded and Indicative) on May 13, 2020 on account of lack of sufficient information leading to information risk for the credit rating agency. Further, the ratings from CARE Ratings Limited were reaffirmed from "*CARE BB-; Stable*" on March 30, 2018 to "*CARE BB- Stable Issuer Not Cooperating*" on April 4, 2019 and downgraded to "*Care B+; stable Issuer*" not Cooperating on May 28, 2020 on account of insufficient information available to arrive at a fair rating. There can be no assurance that such downgrades in credit ratings shall not occur in the future and any downward revision of our currently valid credit ratings could result in adverse changes to the terms of new borrowings, including, but not limited to, an increase in the interest rates we pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business, which could have a material adverse effect on our business, financial condition and results of operations:

Short-Term Ratings

S No.	Name of Credit Rating Agency	Details of Credit Rating Downgrade
1.	CARE Ratings Limited	Reaffirmed from CARE A4 (A Four) on March 30, 2018 to CARE A4: Issuer Not Cooperating (A Four Issuer Not Cooperating) on April 4, 2019 and May 28, 2020 and further to Reaffirmed and Withdrawn on December 8, 2020.
2.	Acuité Ratings & Research Limited	Reaffirmed from ACUITE A4+ on March 22, 2019 to ACUITE A4+ (Indicative) on May 13, 2020 and further to ACUITE A4+ (Withdrawn) on January 7, 2021.
3.	Brickwork Ratings India Pvt. Ltd.	Downgraded from BWR A4+ Assignment on March 12, 2020 to BWR A4 Downgrade/ISSUER NOT COOPERATING on June 23, 2021 and (Withdrawn) on April 2, 2022.

Long-Term Ratings

S No.	Name of Credit Rating Agency	Details of Credit Rating Downgrade
1.	CARE Ratings Limited	Reaffirmed from CARE BB-; Stable on March 30, 2018 to CARE BB-; Stable Issuer Not Cooperating on April 4, 2019 and downgraded to Care B+; stable Issuer not Cooperating on May 28, 2020 and further to Reaffirmed and Withdrawn on December 8, 2020.
2.	Acuité Ratings & Research Limited	Downgraded from ACUITE BB/Outlook: Stable on March 22, 2019 to ACUITE BB-(Downgraded and Indicative) on May 13, 2020 and further to ACUITE BB- (Withdrawn) on January 7, 2021.
3.	Brickwork Ratings India Pvt. Ltd.	Downgraded from BWR BB+/ Stable Assignment on March 12, 2020 to BWR BB/Stable. Downgrade/ISSUER NOT COOPERATING on June 23, 2021 and (Withdrawn) on April 2, 2022.

There can be no assurance that such downgrades in credit ratings shall not occur in the future and any downward revision of our currently valid credit ratings could result in adverse changes to the terms of new borrowings, including, but not limited to, an increase in the interest rates we pay on any new borrowings and could decrease our ability to borrow as much money as we require to finance our business, which could have a material adverse effect on our business, financial condition and results of operations.

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

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

Date of allotment*	No. of Equity Shares allotted	Face value (In ₹)	Issue price per Equity Share (In ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
September 10, 2021	43,66,350	10	-	Bonus Issue	Other than cash	1,30,99,050	13,09,90,500
October 21, 2021	21,22,960	10	280	Private Placement	Cash	1,52,22,010	15,22,20,100

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further information, please see section "*Capital Structure*" beginning on page 78.

49. ***Unsecured loans of ₹ 80.00 million taken by our Company from related party can be recalled at any time.***

As on April 7, 2022, we have one outstanding unsecured loan aggregating to ₹80.00 million taken by our Company from one of our related parties, Ambaji Warehouse Park for general corporate purposes with a tenure of three to five years in the form of a memorandum of understanding. Although, as on date, neither the loan arrangement has been terminated nor the outstanding amounts have been called to be repaid by the said related party. However, there can be no assurance that such party shall not recall the outstanding amount (in part, or in full) at any time. We intend to repay the said loan in due course, however, any failure to service such indebtedness, or discharging any obligations thereunder could have a material adverse effect on our business, financial condition and results of operations. For further details refer to the section entitled "*Financial Indebtedness*" beginning on page 250.

50. ***Certain statutory filings made by our Company may contain discrepancies/errors with respect to any of the information required therein. We cannot assure you that our Company shall not be subjected to any liability on account of such discrepancies.***

We monitor compliances with applicable laws and regulations by implementing stringent internal checks and controls. Although we have generally been in compliance with applicable laws, there have been certain instances of delayed statutory filings/discrepancies/ errors. Although, no regulatory action has been taken against us with respect to the aforesaid non-compliances/errors, there can be no assurance that a regulatory action shall not be taken by the relevant authorities against us in the future. In an event such an action is taken, we may be subject to penalties and other consequences that may adversely impact our business, reputation, and results of operation and there can be no assurance that we shall be able to successfully defend any action/allegation raised by such regulatory authorities. Our compliance team meticulously follows a detailed compliance calendar providing for compliances under various applicable laws, including but not limited to, Companies Act. As we continue to grow, there can be no assurance that deficiencies in our internal controls shall not arise, or that we shall be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. There may be recurrences of similar discrepancies/errors in the future that could subject our Company to penal consequences under applicable laws. Any such action could adversely impact our business, reputation, and results of operation.

51. ***We rely on contractors for the recruitment of contract labourers, and are therefore exposed to execution risks, including the risk of the unavailability of requisite manpower when needed, and liability towards labourers under applicable Indian laws.***

We enter into arrangements with contractors for recruitment of contract labourers as per our requirements for a fixed period of time. There is no assurance that we may be able to renew these arrangements on a timely basis or at all. We do not have direct control over the timing or quality of the services and supplies provided by such third parties. Contractors hired by us may be unable to provide the requisite manpower on a timely basis, or at all, or may be subjected to disputes with their personnel, which, in turn, may affect production at our Manufacturing Facility and timely delivery of our Products to our customers. Although we do not engage contract labourers directly, we may be held responsible under applicable Indian laws for wage payments to such labourers should our contractors’ default on wage payments, which shall adversely affect our financial condition and results of operation.

52. ***Our customers may be unable to pay their debts due to local economic conditions, which may affect payment for our Products used by them on credit leading to adversely affecting our business, financial condition and results of operations.***

Generally, we sell our Products against future payment with credit terms varying according to local market practice. Our credit terms typically vary from 7 days to 60 days. However, our customers may be adversely affected by a number of factors beyond their control which could affect their financial condition and consequently their ability to pay us for products that have sold or are present in their inventory. Although we have not experienced any significant defaults in the past, in periods of declining economic conditions and sustained adverse weather, there can be no assurance that such losses shall not be material, which may have an adverse effect on our business, financial condition and results of operations. Additionally, in the event of any dispute or a default regarding our payments, we may be constrained to initiate appropriate recovery proceedings which may adversely affect our relations with customers whose loyalties may change in favour of our competitors thereby negatively impacting our order book numbers. There can be no assurance that any legal action taken by our Company against such defaulting customers shall be adjudicated in our favour, and in case of an adverse finding, we may not be able to recover our dues from them, which shall adversely impact our financial condition and results of operations. Further, we may be subject to reputational losses and we may not be perceived as a favoured supplier as potential customers may not be desirous of engaging in commercial arrangements with us in anticipation of similar proceedings being instituted against them as well. This could have an adverse effect on our business, financial condition and results of operations.

53. ***We may not be able to recover our advances from our related parties supplying us raw materials for our final products which may adversely affect our cash flows and financial condition.***

We have, in the past, during the ordinary course of our business, entered into certain transactions with our related parties for purchase of raw materials and consumables in lieu of which certain advances were paid to such related parties. For further details, see "*Financial Information*" on page 194 of this Red Herring Prospectus. While historically we have received the raw materials and consumables from our related parties in a timely manner and there have been no instances where we had to recover such advances from them, there can be no assurance that our related parties shall not default in supplying us the raw materials and consumables in a timely manner or at all. We typically have credit periods ranging between ten (10) to one-hundred and twenty (120) days for our related parties supplying raw materials and consumables, however, there can be no assurance that we shall be able to successfully recover such amounts, in parts or in full, in a timely manner, or at all within such credit period. In such a case, we may be required to take the necessary steps to recover the advances already paid to such related parties and there can be no assurance that we shall be able to successfully recover such amounts. Any such delays in recovering such amounts may adversely impact our cash flows and results of operations. A successful recovery action from our related parties shall also depend on our ability to complete our contractual commitments. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect our advances, which could adversely affect our business, financial condition and results of operations and cash flows. For details, see "*Financial Information*" beginning on page 194 of this Red Herring Prospectus.

Furthermore, macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our related parties, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our related parties to delay raw material supply, request modifications to their payment terms, or default on their contractual obligations to us, all of which could increase our bad debts and/or write-offs of amounts due to us.

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

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

55. ***Information relating to the historical installed capacities of our manufacturing unit located in Kutch, Gujarat included in this Red Herring Prospectus may be based on certain assumptions and estimates by the chartered engineer verifying such information and future production and capacity utilisation may vary.***

Information relating to our installed capacities and the historical capacity utilisation of our manufacturing unit located in Kutch, Gujarat included in this Red Herring Prospectus may be based on certain assumptions and estimates, including assumptions relating to availability and quality of raw materials and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated March 25, 2022 from Rajesh Panjwani, chartered engineer, in relation to such capacities and actual production levels, future capacity utilisation rates may vary significantly from the estimated production capacities of our production facility and historical capacity utilisation rates. In addition, capacity utilisation is calculated differently in different countries, industries and for the kinds of products we manufacture. Actual utilisation rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our facilities. If we are unable to fully utilize our installed capacities in the future, there could be a negative impact on our cost and profitability and thereby adversely affecting our financial condition. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilisation information for our existing facilities included in this Red Herring

Prospectus. For further details of our production and capacity utilization, please see the section titled "*Our Business*" on page 139.

56. We may be exposed to the risks of significant breaches of data security, and malfunctions or disruptions of information technology systems.

We have deployed information technology systems and accounting system to support our business processes, including sales, order processing, production, procurement, inventory management, quality control, product costing, human resources, distribution and finance. Although, we are not dependent on any third-party storage facility to protect the confidentiality of our business data, we have installed (i) Fortinet network firewall to protect our data from a potential malware or data breach, and (ii) Network Attached Storage (NAS) server of 4TB capacity for in-house storage and backup of the data. These technology initiatives are intended to increase productivity and operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to sensitive data. Such data security breaches could lead to the loss of and the data related to our Products and other proprietary information could be compromised. These systems are also susceptible to outages due to fire, floods, earthquakes, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions shall require effort and diligence on the part of our third-party distribution partners and employees to avoid any adverse effect to our information technology systems.

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

Our manufacturing operations require continuous supply of electricity. for which we depend on state board electricity supply. For the Manufacturing Facility, we have a connected load of 475 KVA from Paschim Gujarat Vij Company Limited. Further, we have a power backup at our Manufacturing Facility through a DG set with a capacity of 200 KVA supporting our critical manufacturing operations. Any shortage or non-availability of electricity or failure of the state electricity grid could delay our operations at the Manufacturing Facility which may consequently adversely affect our delivery timelines to our customers. Any such delay may have an adverse effect on our business, results of operations and financial condition.

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

58. If we are subject to any frauds, theft, or embezzlement by our employees, contractors and customers, it could adversely affect our reputation, results of operations and financial condition.

Our operations may be subject to incidents of theft, prior to or during stocking. We may also encounter some inventory loss on account of employee/contractor/vendor fraud, theft, or embezzlement. Although, we have set up various security measures, including CCTV at our Manufacturing Facility, deployment of security guards and operational processes, such as periodic stock taking, there can be no assurance that we shall not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future, which could adversely affect our reputation, results of operations and financial condition.

59. Our Statutory Auditors have included certain emphasis of matters in our Restated Financial Information.

Our Statutory Auditors have included certain emphasis of matters in our Restated Financial Information with respect to the uncertainty relating to the effects of the COVID-19 pandemic on Company's operations and other related matters. The opinion of our auditors is not modified in respect of these matters and while these emphasis of matters do not require any adjustments to the Restated Financial Information, there is no assurance that our audit reports for any future fiscal periods will not contain qualifications, adverse remarks, matters of emphasis or other observations which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further information, see "*Financial Information*" on page 194 of this RHP.

60. Some of our Group Companies have incurred losses during recent financial years.

Some of our Group Companies have incurred losses in the recent financial years. The following table sets forth details of these losses suffered in the financial years 2021, 2020 and 2019:

Name of /Group Company	Financial Year 2021 (₹ million)	Financial Year 2020 (₹ million)	Financial Year 2019 (₹ million)
Ambaji Imports Private Limited	(9.22)	(29.08)	(15.68)
Sunshine Liquid Storage Private Limited	(4.32)	(41.00)	(39.20)

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

61. Our Company has entered into exclusive distributorship agreements with certain distributors overseas and may continue to do so in the future. Such commercial arrangements expose us to various kinds of risks that could impact our profit margins and results of operations.

We have entered into an exclusive distributorship arrangement with one of our overseas distributors for the purposes of distribution of our manufactured products. Such an exclusive agreement may restrain the Company from exploring and leveraging opportunities from other distributors in a specific location, and may force us to pay a price that is higher than the prevailing market price for distribution services, which may negatively impact our cash flows and results of operations. Further, the agreement provides that the said distributor shall have the sole authority to determine the prices of our Products in its territory. Such right may lead us to lose out on revenue in case the said distributor's pricing strategy for the relevant territory is not optimum or leads to the sale of our Products in that territory at a price below the prevailing market rate. Further, risks relating to the product shall pass on to the said distributor only once the goods arrive at its local port. Although we have an insurance coverage for risks for goods in transit, there can be no assurance that the said insurance coverage shall be adequate to cover the potential losses due to any loss/damage to goods during the transit. In such a case, our profits and results of operations could be adversely affected.

In consonance with our strategy to further penetrate our business operations in the international markets by way of expansion of our sales and distribution operations, we may enter into such arrangements in the future that may have equivalent or even more stringent terms than the existing contractual agreements. Further, considering that we are in an expansion stage and would be new to such overseas territories, our negotiating power may be comparatively restricted as compared to such overseas distributors which may not result in the best possible commercial terms being determined in our favour and we may need to incur losses for an uncertain period to competitively position our Products in such international markets. Further, we may take considerable time to establish our credentials and reputation in such markets during which our local competitors with established history of operations shall be at a relatively advantageous position to capture the market. Despite execution of such distribution agreements, there can be no assurance that we shall be able to penetrate such markets in a timely manner or at all. In case of failure to do so, along with any adverse publicity involving our brand, our Products, or us in such territories, may impair our reputation, dilute the impact of our branding and marketing initiatives including digital/social media marketing and adversely affect our business and our prospects.

62. The objects of the Issue for which funds have been raised and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution. The deployment of funds is entirely at the discretion of our management and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings. Further, if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.

We intend to utilise the Net Proceeds of the Issue as set forth in "*Objects of the Issue*" on page 90. The funding requirements mentioned for the objects of the Issue are purely based on internal management estimates, and have not been appraised by any bank or financial institution. They are based on current conditions and is subject to change in light of changes in external circumstances such as financial and market conditions, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design or configuration of the equipment due to variation in prices which may not be within the control of our management. Our actual expenditure may exceed our internal estimates which may have a bearing on our expected revenues and earnings further requiring us to reschedule our planned expenditure. Further, the deployment of the funds towards the Objects of the Issue is entirely at the discretion of our management. The exact amounts that shall be utilised from the Net Proceeds towards the stated objects shall depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identity and conclude inorganic acquisitions as well as general factors affecting our results of operations, financial condition and access to capital. Further, if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Accordingly, use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business. For further details, see "*Objects of the Issue*" beginning on page 90.

63. Our Company is yet to place some orders for the plant and machinery for the proposed expansion of our production capacity pursuant to the Objects of the Issue.

We plan to scale up our existing facility for enhancing our current production capacity and for backward integration of manufacturing of hollow pipes utilizing the amount of ₹1,079.45 million proposed to be funded for capital expenditure from the Issue Proceeds. For this purpose, we intend to install additional latest machineries for expansion of our existing Manufacturing Facility from 600 MT per month to 1200 MT per month for ERW Pipe and from 300 MT per month to 800 MT per month for seamless pipes.

The cost of the machineries is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulations and policies, change in management's view of desirability of the current plans, possible cost overruns, etc. Since, we have not yet placed orders for some of the plant and machinery for the proposed capacity expansion, we cannot assure that we shall be able to procure the same in a timely manner and at the same price at which the quotations have been received. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

The cost of the machineries is based on the quotations received from suppliers and such quotations are subject to change due to various factors such as, change in supplier of equipment, change in the government regulations and policies, change in management's view of desirability of the current plans, possible cost overruns, etc. We have not entered into definitive agreements with some of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. Further, as we are yet to place orders for some of our plant and machinery for the proposed capacity expansion, we cannot assure that we shall be able to procure the same in a timely manner and at the same price at which the quotations have been received. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Further, the quantity of equipment to be purchased is based on the present management estimates. In case we engage with vendors other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the services may differ from the current estimates. In view of the same, we have earmarked an amount of ₹ 53.13 million towards any cost overrun or any additional costs to be incurred for acquisition of plant and machinery. However, there can be no assurance that such an amount shall be sufficient for covering up such additional cost and in case of such a shortfall, we may not be in a position to purchase suitable plant and machinery for the purposes of the proposed expansion, which may adversely affect our business, financial condition, results of operations and future prospects.

External Risks

Risks Related to India

64. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its capital markets are influenced by economic, political and market conditions in India and globally including the volatility in the securities markets in other countries. We are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Further, the following external risks may have an adverse impact on our business and results of operations, should any of them materialize:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;

- downgrade of India's sovereign debt rating by an independent agency;

- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;

- India has experienced epidemics and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years.

- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which we operate.

Further, conditions outside India, such as slowdowns in the economic growth of other countries, could have an impact on the growth of the Indian economy and government policy may change in response to such conditions. The Indian economy and financial markets are also significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States, Europe or China or Asian emerging market countries, may have an impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss of investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets, and could have an adverse effect on our business, financial condition and results of operations and the price of the Equity Shares.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- the GAAR became effective from April 1, 2017. The tax 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. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us; and

- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

66. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India and was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India ("**CCI**") to prevent such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI, has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. Further, if it is proved that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. It is unclear as to how the Competition Act and the CCI shall affect the business environment in India.

In the event that we enter into any agreements or transactions that are held to have an appreciable adverse effect on competition in the relevant market in India, the provisions of the Competition Act shall be applicable. Any prohibition or substantial penalties levied under the Competition Act in addition to any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may materially and adversely affect our financial condition, cash flows and results of operations. Consequently, all agreements entered into by us may be subject to the provisions of the Competition Act and we are unable to predict the impact of the provisions of the Competition Act on such agreements. We cannot assure you that we shall be able to obtain approval for any future acquisitions on satisfactory terms, or at all. If we are affected directly or indirectly by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the CCI or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our reputation may also be materially and adversely affected. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us.

67. 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 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 may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring 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.

68. Delay / obstruction of trading routes may disrupt the sale of our Products and purchase of raw material from our suppliers.

The sale of our Products and purchase of raw material is routed through various trade routes in the high seas and is thereby subject to extraneous conditions beyond our control. For instance, during the obstruction of the Suez Canal in March, 2021, the sale of our Products to our customers were delayed as a result of the obstruction. While such obstruction is not usual and they caused as a result thereto was minor, there can be no assurance that such obstruction may never occur in the future causing delay in the sale of our Products, and purchase of raw material from our suppliers.

69. Investors may not be able to enforce a judgment of a foreign court against our Company outside India.

Our Company is incorporated under the laws of India. Our Company’s assets are located in India and all of our Company’s Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

70. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), 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 and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval shall be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, pursuant to Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can only be made through Government approval route, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 329.

71. Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as the Generally accepted accounting principles of the United States of America ("US GAAP") and the International Financial Reporting Standards ("IFRS"), which may be material to investors' assessments of our financial condition.

The financial statements included in this Red Herring Prospectus have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Red Herring Prospectus, shall provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

72. Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be similar to the shareholders' rights under the laws of other countries or jurisdictions.

Risks Related to the Issue

73. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares shall be determined by us in consultation with the BRLM, and through the Book Building Process. This price shall be based on numerous factors, as described under "*Basis for Issue Price*" on page 105 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor shall be able to resell their Equity Shares at or above the Issue Price.

74. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares shall develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and shall be based on numerous factors, as described in the section "*Basis for Issue Price*" on page 105. This price may not necessarily be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. You may not be able to re-sell your Equity Shares at or above the Issue Price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Issue, but there can be no assurance that active trading in our Equity Shares shall develop after the Issue, or if such trading develops that it shall continue. The Bidders may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue may be subject to significant fluctuations as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- Our financial condition, results of operations and cash flows
- The history and prospects for our business
- An assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures
- The valuation of publicly traded companies that are engaged in business activities similar to ours
- Quarterly variations in our results of operations
- Results of operations that vary from the expectations of securities analysts and investors
- Results of operations that vary from those of our competitors
- Changes in expectations as to our future financial performance, including financial estimates by research analysts and investors
- A change in research analysts' recommendations

- Announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments
- Announcements of significant claims or proceedings against us
- New laws and government regulations that directly or indirectly affecting our business
- Additions or departures of Key Management Personnel changes in the interest rates
- Fluctuations in stock market prices and volume
- General economic conditions

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in our Equity Shares may experience a decrease in the value of our Equity Shares regardless of our financial performance or prospects. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

75. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares shall be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares shall also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors (if any). In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

76. ***The Equity Shares subscribed in this Issue may not be able to be immediately sold on any Indian Stock Exchange.***

The Equity Shares shall be listed on the Stock Exchanges. Pursuant to the applicable Indian laws and practice, permission for listing of the Equity Shares shall not be granted till the Equity Shares in this Issue have been issued and allotted and all relevant documents are submitted to the Stock Exchanges. Further, certain actions must be completed prior to the commencement of listing and trading of the Equity Shares such as the Investor’s book entry or ‘demat’ accounts with the depository participants in India, expected to be credited within one Working Day of the date on which the Basis of Allotment is finalised with the Designated Stock Exchange. In addition, the Allotment of Equity Shares in the Issue and the credit of such Equity Shares to the applicant’s demat account with the depository participant could take approximately five Working Days from the Bid/Issue Closing Date and trading in Equity Shares upon receipt of listing and trading approval from the Stock Exchanges, trading of Equity Shares is expected to commence within six Working Days from Bid/ Issue Closing Date. Any failure or delay in obtaining the approval or otherwise commence trading in Equity Shares would restrict your ability to dispose of your Equity Shares. There can be no assurance you that the Equity Shares shall be credited to investor’s demat accounts or that trading in the Equity Shares shall commence in a timely manner (as specified herein) or at all. We could also be required to pay interest at the applicable rates if the allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

77. ***There is no assurance that our Equity Shares shall remain listed on the stock exchange.***

Although it is currently intended that the Equity Shares shall remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders shall not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchange.

78. ***Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and the sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options under an employee benefit scheme may lead to dilution of your shareholding in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoters or any of our other principal shareholders or any other change in our shareholding structure to comply with the minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our equity shares or incurring additional debt.

Except as disclosed in "*Capital Structure*" beginning on page 78, there can be no assurance that we shall not issue further Equity Shares or that our existing shareholders including our Promoters shall not dispose of further Equity Shares after the completion of the Issue (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Issue Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of a securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT shall be levied on and collected by an Indian stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less shall be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares shall be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

The Finance Act, 2019, had clarified that in the absence of a specific provision under an agreement, the buyer shall be liable to pay stamp duty in case of sale of securities through stock exchanges, and the transferor shall be liable to pay stamp duty in case of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These provisions have been notified with effect from July 1, 2020. The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in.

80. Qualified Institutional Buyers and Non-Institutional Bidders 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 and the Retail Individual Bidders are not permitted to withdraw their Bids after the Bid/Issue Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on the submission of the Bid and 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. Similarly, RIBs can revise or withdraw their Bids at any time during the Bid/Issue Period and until the Bid/Issue Closing Date, but not thereafter. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all the Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment within six Working Days from the Bid/Issue Closing Date or such other period as may be prescribed by SEBI, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows 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 Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders shall not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

SECTION III – INTRODUCTION

THE ISSUE

The following table summarises the Issue details:

Issue of Equity Shares	5,074,100 Equity Shares aggregating up to ₹ [●] million
The Issue consists of:	
A. QIB Portion	Not more than 2,537,050 Equity Shares aggregating up to ₹ [●] million
of which:	
Anchor Investor Portion	Up to 1,522,230 Equity Shares aggregating up to ₹ [●] million
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	1,014,820 Equity Shares
of which:	
Mutual Fund Portion (5% of the Net QIB Portion)	50,741 Equity Shares aggregating up to ₹ [●] million
Balance of Net QIB Portion for all QIBs including Mutual Funds	964,079 Equity Shares aggregating up to ₹ [●] million
B. Non-Institutional Portion	Not less than 761,115 Equity Shares aggregating up to ₹[●] million
C. Retail Portion	Not less than 1,775,935 Equity Shares aggregating up to ₹ [●] million
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	15,222,010 Equity Shares
Equity Shares outstanding after the Issue	20,296,110 Equity Shares
Use of Net Proceeds of this Issue	See "*Objects of the Issue*" on page 90 for information about the use of the proceeds from the Issue.

Notes:

- Our Board has authorised the Issue, pursuant to its resolution dated October 21, 2021. Our Shareholders have authorised the Issue pursuant to their resolution dated November 22, 2021.

- Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "*Issue Procedure*" on page 312.

- The Equity Shares available for Allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of Non-Institutional

Bidders. The allocation to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to availability of Equity Shares in the Non- Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

- Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion and Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. The Allocation to each Retail Individual Investor 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 Allocated on a proportionate basis. For further details, see "*Issue Procedure*" on page 312.

- Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. In case of under-subscription in the Issue, Equity Shares shall be allocated in the manner specified in the section "*Terms of the Issue*" on page 304.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Information as of and for the nine months ended December 31, 2021, Fiscal Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The summary financial information presented below should be read in conjunction with "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 194 and 253, respectively.

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Restated Statement of Assets and Liabilities

(₹ in Million)

	Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**				
1	**Non-current assets**				
	(a) Property, Plant and Equipment & Intangible Assets				
	(i) Property, Plant and Equipment	212.08	195.26	122.14	97.69
	(ii) Intangible Assets	1.12	0.70	0.62	-
	(iii) Capital Work in Progress	46.79	-	32.05	-
	(b) Financial Assets				
	(i) Other Non Current Financial Assets	16.39	13.18	20.46	2.55
		276.38	**209.14**	**175.27**	**100.24**
2	**Current assets**				
	(a) Inventories	861.02	441.80	442.76	361.67
	(b) Financial assets				
	(i) Trade Receivables	742.13	450.69	307.46	216.29
	(ii) Cash and Cash Equivalents	0.39	0.69	3.50	2.84
	(iii) Bank balances other than (ii) above	72.85	43.86	50.04	15.19
	(iv) Other Current Financial Assets	7.12	25.57	0.12	10.88
	(c) Other Current Assets	502.87	203.64	92.76	84.12
		2,186.38	**1,166.25**	**896.64**	**690.99**
	Total Assets	**2,462.76**	**1,375.39**	**1,071.91**	**791.23**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share Capital	152.22	87.33	87.33	87.33
	(b) Other Equity	1,052.60	311.99	75.43	34.41
		1,204.82	**399.31**	**162.76**	**121.74**
	Liabilities				
1	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	163.16	184.89	185.85	144.01
	(ii) Lease Liabilities	2.55	3.17	3.90	-
	(b) Provisions	2.85	2.17	1.60	0.71
	(c) Deferred Tax Liabilities (Net)	6.61	4.29	9.27	1.64
		175.17	**194.50**	**200.62**	**146.36**
2	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	336.90	190.13	240.26	150.18
	(ii) Lease Liabilities	0.81	0.74	0.65	-
	(iii) Trade payables				
	- Total outstanding dues to Micro Enterprise & Small Enterprise	8.89	-	-	-
	- Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprise	515.05	424.22	413.00	324.56
	(iv) Other Financial Liabilities	0.57	1.36	0.32	0.52
	(b) Provisions	0.07	0.04	0.02	0.01
	(c) Current-Tax Liabilities (Net)	155.30	102.75	23.76	18.87
	(d) Other current liabilities	65.18	62.34	30.52	28.99
		1,082.77	**781.57**	**708.53**	**523.13**
	Total Equity and Liabilities	**2,462.76**	**1,375.39**	**1,071.91**	**791.23**

Restated Statement of Profit and Loss

(₹ in Million)

	Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
1	**Revenue from operations**	2,767.69	3,093.31	1,778.08	1,187.52
2	**Other Income**	15.11	27.00	15.14	17.54
3	**Total Income (1+2)**	**2,782.80**	**3,120.31**	**1,793.22**	**1,205.06**
4	**Expenses**				
	(a) Cost of materials consumed	2,574.70	2,107.38	1,587.91	1,053.57
	(b) Purchase of Stock in Trade	64.55	524.67	66.10	-
	(c) Changes in inventories of finished goods & work-in- progress	(367.38)	(17.27)	(84.15)	(37.26)
	(d) Employee benefits expense	42.17	32.00	26.69	25.34
	(e) Finance Cost	42.61	55.61	45.54	31.09
	(f) Depreciation and amortization expense	10.58	9.65	21.10	19.93
	(g) Other expenses	98.53	98.76	65.17	62.94
	Total expenses	**2,465.76**	**2,810.80**	**1,728.35**	**1,155.61**
5	**Profit \ (Loss) before exceptional items and tax (3-4)**	**317.04**	**309.51**	**64.86**	**49.46**
6	**Exceptional items**	-	-	-	-
7	**Profit \ (Loss) before tax (5-6)**	**317.04**	**309.51**	**64.86**	**49.46**
8	**Tax expense:**				
	(a) Current tax expense	78.81	78.25	15.30	12.92
	(b) Deferred tax	2.28	(6.46)	7.71	(0.96)
	(c) Earlier Year Tax Adjustments	-	1.39	0.57	-
9	**Profit \ (Loss) for the period (7-8)**	**235.95**	**236.32**	**41.28**	**37.50**
10	**Other comprehensive income**				
	(i) Items that will not be reclassified to Profit / (Loss)				
	- Actuarial Gain / (Loss) on defined benefit Plan	0.16	0.31	(0.34)	-
	- Deferred Tax on above	(0.04)	(0.08)	0.09	-
11	**Total Comprehensive income for the period (9+10)**	**236.07**	**236.56**	**41.02**	**37.50**
12	**Earnings per share (Face Value of ` 10/- each):**				
	Before Bonus Issue				
	(a) Basic (in `)	15.50	27.06	4.73	4.29
	(b) Diluted (in `)	15.50	27.06	4.73	4.29
	Post Bonus Issue				
	(a) Basic (in `)	15.50	18.04	3.15	2.86
	(b) Diluted (in `)	15.50	18.04	3.15	2.86

Restated Statement of Cash Flows

(₹ in Million)

	Particulars	April '21 to December' 21	2020-2021	2019-2020	2018-2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) before tax & exceptional items	317.04	309.51	64.86	49.46
	- Depreciation	10.58	9.65	21.10	19.93
	- Provision for doubtful debts(ECL)/advances	(7.49)	4.92	(8.20)	(6.60)
	- Interest Expense	30.10	49.08	31.77	23.13
	- Interest Income	(3.55)	(12.48)	(3.40)	(10.30)
	Changes in Working Capital:-				
	Adjustment for (Increase) / Decrease in Operating Assets				
	- Trade Receivables	(283.95)	(148.16)	(82.98)	(158.44)
	- Inventory	(419.22)	0.96	(81.08)	(180.41)
	- Other Non Current Financial Assets	(0.48)	(0.27)	0.01	-
	- Other Current Financial Assets	(0.08)	(25.46)	10.77	(27.87)
	- Other Current Assets	(299.23)	(110.47)	(8.53)	-
	Adjustment for Increase / (Decrease) in Operating Liabilities				
	- Non Current Liabilities	0.83	0.88	0.55	-
	- Other Current & Non-Current Financial Liabilities	(0.54)	(0.65)	0.25	-
	- Trade Payables	99.72	11.22	88.44	208.37
	- Other Current Liabilities	2.86	31.84	1.54	29.06
	Cash generated from Operations	**(553.41)**	**120.57**	**35.10**	**(53.67)**
	Direct taxes paid	(26.22)	(7.30)	(10.98)	(12.92)
	Cash flow before extraordinary items	**(579.63)**	**113.26**	**24.12**	**(66.58)**
	Prior Period Adjustments (Other than Taxation)	-	-	-	-
	Net cash from Operating Activities (A)	**(579.63)**	**113.26**	**24.12**	**(66.58)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Issue of Equity Shares	569.43	-	-	-
	Purchase of Fixed Assets and CWIP	(75.17)	(50.39)	(74.24)	(20.88)
	Withdrawal / (Investment) in Fixed Deposits	(13.20)	13.74	(52.77)	(3.29)
	Interest Received	3.55	12.48	3.40	10.30
	Net Cash used in Investing Activities (B)	**484.61**	**(24.17)**	**(123.61)**	**(13.87)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds / (Repayment) from / (of) Borrowings (Net)	125.04	(51.09)	131.93	100.29
	Interest Paid	(30.32)	(40.81)	(31.77)	(23.13)
	Net cash used Financing Activities (C)	**94.72**	**(91.91)**	**100.15**	**77.16**
	Net increase in cash and cash equivalents (A+B+C)	**(0.30)**	**(2.82)**	**0.66**	**(3.30)**
	Cash and cash equivalents at the beginning of the period	**0.69**	**3.50**	**2.84**	**6.14**
	Cash and cash equivalents at the end of the period	**0.39**	**0.69**	**3.50**	**2.84**
	Components of Cash & Cash Equivalents				
	Cash on Hand	**0.39**	**0.61**	**3.39**	**2.78**
	Balances with banks:				
	a) In current account	-	**0.07**	**0.12**	**0.07**
	Total Cash and Bank	**0.39**	**0.69**	**3.50**	**2.84**

GENERAL INFORMATION

Our Company was incorporated as "Venus Pipes & Tubes Private Limited" under Companies Act, 2013 at Ahmedabad, Gujarat pursuant to a certificate of incorporation dated February 17, 2015, issued by the RoC. Subsequently, the name of our Company was changed to "Venus Pipes & Tubes Limited" pursuant to a special resolution passed by our Shareholders in an annual general meeting held on September 10, 2021 and a fresh certificate of incorporation dated September 16, 2021 was issued by the RoC. For further details, including details relating to changes in the registered office, see "*History and Certain Corporate Matters*" on page 164.

Registered Office

Venus Pipes & Tubes Limited
Survey No. 233/2 and 234/1,
Dhaneti, Bhuj,
Kachchh - 370020
Gujarat, India.
Tel: +91 2836 232 183/84
E-mail: cs@venuspipes.com
Website: www.venuspipes.com

Corporate Office

Venus Pipes & Tubes Limited

Tripada Complex, Plot No 275,
Sector 1/A, Near Mamlatdar office,
Office No 1, Ground Floor,
Gandhidham,
Kutch – 370201 Gujarat, India
Tel: +91-7048897799
E-mail: cs@venuspipes.com
Website: www.venuspipes.com

CIN

The CIN of the Company is U74140GJ2015PLC082306

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:

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

Board of Directors

The table below sets forth the details of the constitution of our Board:

Name	Designation	DIN	Address
Megharam Sagramji Choudhary	Whole-Time Director	02617107	Plot No. 121, 122 Sector 8, Gandhidham-370201, Gujarat, India
Jayantiram Motiram Choudhary	Chairman and Non-Executive Director	02617118	Duplex-1, Plot No. 119,120, Ward -7/A, Gurukul, Gandhidham, Kuchchh -370201, Gujarat, India
Dhruv Mahendrakumar Patel	Whole-Time Director	07098080	C/o Mahendra Patel, Naathibaa Park, Neelkanth Nagar, Near Bharat Nagar School, Unjha, Mehesana, Gujarat – 384170.

Name	Designation	DIN	Address
Arun Axaykumar Kothari	Managing Director	00926613	Plot no 364, Lilashah Nagar, Gandhidham 370201
Kailash Nath Bhandari	Independent Director	00026078	House No. 5, Indira Gandhi park ke samne new power house road, Jodhpur shastri nagar, Jodhpur – 342003
Pranay Ashok Surana	Independent Director	05192392	Plot No. 35, Survey No. 777/2, Karmyogi nagar, Trimurti Chowk Nashik, Maharashtra – 422008
Komal Lokesh Khadaria	Independent Director	07805112	3D-Golden Avenue, Near State Bank of India, Svr College, Chorasia Surat ,Gujarat 395007
Shyam Agrawal	Independent Director	03516372	Tara Sadan, Mahamandir Bagh, Ram Lila Maidan, Sikar, Sikar, Rajasthan, 332001

For brief profiles of our Directors, please see "*Our Management*" on page 168.

Company Secretary and Compliance Officer for the Issue

Pavan Kumar Jain is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Address: Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India
Tel: +91 2836 232 183
E-mail: cs@venuspipes.com

Statutory Auditors of our Company

M/s Maheshwari & Co
304, Metro Tower, Near Kinnary Cinema, Ring Road, Surat 395002, Gujarat, India
Tel.: +91 261 4893 596
E-mail: mandco.surat@gmail.com
ICAI Firm Registration Number:105834W
Peer Review Number: 012144

Changes in Statutory Auditors

Except as disclosed below, there has been no change in the statutory auditors of the Company during the last three years immediately preceding the date of this Red Herring Prospectus.

Name of the Auditors	Date of change	Reason for change
M/S Maheshwari & Co 304, Metro Tower, Near Kinnary Cinema, Ring Road, Surat 395002Email: mandco.surat@gmail.com Firm Registration No.: 105834W Peer Review No.: 012144	December 31, 2020	Appointed as Statutory Auditors
Vinayak Kothari & Associates 'Akshat House' Plot No. 220, 1st Floor, Sector -1/A, Gandhidham, Kutch – 370201 Email: vinayakakothari@gmail.com Firm Registration No.: 143411W Peer Review No.: Not Applicable	July 4, 2020	Resignation as Statutory Auditors
Vinayak Kothari & Associates 'Akshat House' Plot No. 220, 1st Floor, Sector -1/A, Gandhidham, Kutch – 370201 Email: vinayakakothari@gmail.com Firm Registration No.: 143411W Peer Review No.: Not Applicable	June 25, 2020	Appointed as Statutory Auditors
Sanjay Jhanwar & Associates 'Akshat House' Plot No. 220, 1st Floor, Sector -1/A,	June 1, 2020	Resignation as Statutory Auditors

Name of the Auditors	Date of change	Reason for change
Gandhidham, Kutch – 370201 Email: sanjayjhanwar88@gmail.com Firm Registration No.: 141603W Peer Review No.: Not Applicable		
Sanjay Jhanwar & Associates 'Akshat House' Plot No. 220, 1st Floor, Sector -1/A, Gandhidham, Kutch – 370201 Email: sanjayjhanwar88@gmail.com Firm Registration No.: 141603W Peer Review No.: Not Applicable	September 30, 2019	Re-appointed as Statutory Auditors

Book Running Lead Manager

SMC Capitals Limited
A- 401/402, Lotus Corporate Park,
Off Western Express Highway,
Jai Coach Signal, Goregaon (East),
Mumbai – 400063
Maharashtra, India
Tel: 022 - 66481818
E-mail: ipo.venus@smccapitals.com
Investor Grievance e-mail: investor.grievance@smccapitals.com
Website: www.smccapitals.com
Contact person: Mr. Satish Mangutkar/ Mr. Bhavin Shah
SEBI Registration Number: INM000011427

Registrar to the Issue

KFIN Technologies Limited
Selenium, Tower B,
Plot No- 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India.
Tel: +9140 6716 2222
E-mail: venus.ipo@kfintech.com
Investor grievance e-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: Mr. M Murli Krishna
SEBI Registration No.: INR000000221

Legal Counsel to the Company and BRLM

L&L Partners
(formerly Luthra and Luthra Law Offices)
20th Floor, Tower 2
Unit A2, One International Centre (formerly Indiabulls Finance Centre)
Elphinstone Road
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4354 7000
E-mail: capitalmarkets@luthra.com

Special Advisor to the Company

SNA Finlife Advisors LLP
211, 2nd floor, B-wing,
Kanakia Western Edge II,

Western Express Highway,
Borivali-East
Mumbai 400 066
Maharashtra, India
Email: info@snafinlife.com
Contact number: 9920085834
Contact person: Varun Kacholia

Bankers to our Company

State Bank of India
Commercial Branch Morbi,
Dharamjeet Complex,
8A National Highway,
Morbi 363 642
Gujarat, India
Tel: 7600041026
Email: rm3.cbmorbi@sbi.co.in
Website: www.sbi.co.in
Contact Person: Kshirod Kumar Sahoo

Karnataka Bank Limited
D.No. 168,
Near Zanda Chowk,
Gandhidham Gujarat--370 201,
Tel: 7000788562, 7046778668
Email: gandhidham@ktkbank.com
Website: www.karnatakabank.com
Contact Person: Mr. Devendra Kumar Laddha

Syndicate Member

SMC Global Securities Limited
17, Netaji Subhash Marg,
Daryaganj,
New Delhi 110 002,India
Tel: +91 11 6662 3300, 9910644949, 8595851823
Website: www.smctradeonline.com
Contact Person: Sushil Joshi, Neeraj Khanna
Email Id: skj@smcindiaonline.com, neerajkhanna@smcindiaonline.com
SEBI Registration No.: INZ000199438

Escrow Collection Bank(s) / Refund Bank(s) / Public Issue Account Bank/ Sponsor Bank

Axis Bank Limited
Ground Floor, Plot No. 349
Sector 12/B, Gandhidham – 370201
Gujarat, India
Tel: 02836 668100
E-mail: gandhidham.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Shaista Riyaz
SEBI Registration Number: INBI00000017

Sponsor Bank

ICICI Bank Limited
Capital Market Division,
1st Floor,122, Mistry Bhavan
Dinshaw Vachha Road, Backbay Reclamation

Churchgate, Mumbai – 400020
Maharashtra, India
Tel: 022 6681 8911/23/24
E-mail: sagar.welekar@icicibank.com
Website: www.icicibank.com
Contact Person: Sagar Welekar
SEBI Registration Number: INBI00000004

Kotak Mahindra Bank Limited,
27 BKC, C27 G Block,
Bandra Kurla Complex,
Bandra (East) Mumbai – 400051,
Maharashtra, India
Tel: 022-66056588
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Mr. Kushal Patankar
SEBI Registration Number: INBI00000927

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do? Do Recognised=yes & in tm Id=35 or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number, and e - mail address, is provided on the websites of BSE and NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo _mem_terminal.htm,respectively, or such other websites as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number, and e-mail address, are provided on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/ equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for the Issue.

Grading of the Issue

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Issue.

Trustees

As this is an Issue of Equity Shares, there are no trustees appointed for the Issue.

Monitoring Agency

Our Company has appointed Care Ratings Limited as the Monitoring Agency in accordance with Regulation 41 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

CARE Ratings Limited
4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Western Express Highway,
Sion (E), Mumbai – 400022, Maharashtra, India
Tel: 022 67543606
E-mail: maheshkumar.narhare@careedge.in
Website: www.careratings.com
Contact Person: Maheshkumar Narhare
SEBI Registration Number: IN/CRA/004/1999

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity is appointed for the Issue.

Statement of inter se allocation of responsibilities

Since SMC Capitals Limited is the sole BRLM in this Issue, all the responsibilities relating to the co-ordination and other activities in relation to the Issue shall be performed by it and hence, a statement of inter se allocation of responsibilities is not applicable.

Filing

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal and atcfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of this Red Herring Prospectus, along with the material contracts and documents referred to herein has been filed with the RoC at its office and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

A copy of this Red Herring Prospectus has been filed Through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/ 011 dated January 19, 2018 and at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*".

A copy of the Prospectus, along with the material contracts and documents referred to therein will be filed with the RoC at its office and through the electronic portal at http://www.mca.gov.in/ mcafoportal/loginvalidateuser.do. Subsequent to such filing of the Prospectus with the Roc, a copy of such Prospectus will be filed through the SEBI Intermediary Portal at https://sipotal.sebi.gov.in, in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/ 011 dated January 19, 2018 and at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing – CFD*".

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and minimum Bid Lot will be decided by our Company in consultation with the BRLM, and advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily newspaper, Gujarati also being the regional language of Gujarat where our Registered Office is located), at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date.

All Bidders, other than Anchor Investors, shall participate in the Issue mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis.

For further details on the method and procedure for Bidding and book building process, see "*Issue Structure*" and "*Issue Procedure*" on pages 308 and 312, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note the 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 approval of the RoC after the Prospectus is registered with the RoC.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Issue Procedure*" on page 312.

Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares. It is proposed that pursuant to the terms of the Underwriting Agreement, BRLM shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Member do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before the filing of the Prospectus with the RoC.)

Name, address, Tel. number and email address of the Underwriters	Indicative Number of Equity Shares to be underwritten	Amount underwritten (₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or are registered as brokers with the Stock Exchange(s). The Board of Directors/ IPO Committee, at its meeting, held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been entered into as on the date of this Red Herring Prospectus. The Underwriting Agreement shall be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Red Herring Prospectus is set forth below:

(In ₹, except share data)

	PARTICULARS	Aggregate nominal value	Aggregate value at Issue Price*
A)	**AUTHORISED SHARE CAPITAL^**		
	25,000,000 Equity Shares of face value of ₹ 10 each	250,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	15,222,010 Equity Shares of face value of ₹ 10 each	152,220,100	-
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Issue of up to 5,074,100 Equity Shares of face value of ₹10 each [(a)]	50,741,000	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	20,296,110 Equity Shares of face value of ₹10 each (assuming full subscription to the Issue)	202,961,100	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		548,199,200**
	After the Issue		[●]

^ For details of changes in the authorised share capital of our Company, see "*History and Certain Corporate Matters – Amendments to our Memorandum of Association*", on page 164.

** To be included upon determination of the Issue Price.*

[(a)] *The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on October 21, 2021 and by our Shareholders pursuant to a resolution passed at the meeting held on November 22, 2021.*

*** This figure is reached after adjusting issue expenses of ₹ 25,000,000/- from Security Premium Account of ₹ 573,199,200.*

Notes to the Capital Structure

1. **Share Capital History**

a) *History of Equity Share capital of our Company*

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

Date of allotment*	No. of Equity Shares allotted	Face value (In ₹)	Issue price per Equity Share (In ₹)	Nature of allotment	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
February 17, 2015	10,000	10	10	Subscribers to the Memorandum of Association (1)	Cash	10,000	100,000
March 18, 2016	2,990,500	10	10	Further Issue (2)	Cash	3,000,500	30,000,500
August 26, 2016	1,999,500	10	10	Further Issue (3)	Cash	5,000,000	50,000,000
March 31, 2017	1,000,000	10	10	Further Issue (4)	Cash	6,000,000	60,000,000
March 31, 2018	2,732,700	10	10	Further Issue (5)	Cash	8,732,700	87,327,000
September 10, 2021	4,366,350	10	-	Bonus Issue(6)	Other than cash	13,099,050	130,990,500
October 21, 2021	2,122,960	10	280	Preferential allotment (7)	Cash	15,222,010	152,220,100

**The Equity Shares were fully paid-up on the date of their allotment.*

(1) 5,000 equity shares each were allotted to Megharam Sagramji Choudhary and Jayantiram Motiram Choudhary, pursuant to initial subscription to the MoA.

(2) 29,90,500 Equity Shares, were allotted to the following allottees:

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Mahesh Himatlal Puj	1,032,000
2.	Megharam Sagramji Choudhary	647,000
3.	Jayantiram Motiram Choudhary	597,500
4.	Dhruv Mahendrakumar Patel	282,000
5.	Payal Kothari	282,000
6.	Hemant Rajnikant Shah	150,000
Total		**2,990,500**

(3) 19,99,500 Equity Shares, were allotted to the following allottees:

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Payal Kothari	750,000
2.	Megharam Sagramji Choudhary	675,000
3.	Dhruv Mahendrakumar Patel	170,000
4.	Mahesh Himatlal Puj	170,000
5.	Jayantiram Motiram Choudhary	164,500
6.	Hemant Rajnikant Shah	70,000
Total		**1,999,500**

(4) 10,00,000 Equity Shares were allotted to the following allottees:

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Hemant Rajnikant Shah	500,000
2.	Megharam Sagramji Choudhary	500,000
Total		**1,000,000**

(5) 27,32,700 Equity Shares each, were allotted to the following allottees:

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Payal Kothari	1,150,000
2.	Jayantiram Motiram Choudhary	517,700
3.	Manojsingh Jadoun	493,000
4.	Leeladevi J Choudhary	300,000
5.	Hemant Rajnikant Shah	272,000
Total		**2,732,700**

(6) Bonus issue in the proportion of one Equity Share for every two fully paid up Equity Share

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Megharam Sagramji Choudhary	1,178,914
2.	Dhruv Mahendrakumar Patel	873,270
3.	Payal Kothari	404,097
4.	Arun Axaykumar Kothari	404,097
5.	Jayantiram Motiram Choudhary	392,972
6.	Manojsingh Jadoun	371,000
7.	Hemant Rajnikant Shah	371,000
8.	Mahesh Himatlal Puj	371,000
Total		**4,366,350**

(7) 21,22,960 Equity Shares were allotted to 51 allottees:

Sr. No.	Name of allottee	Number of equity shares allotted
1.	Singularity Holdings Limited	620,000
2.	Pannalal C Kothari HUF	180,000
3.	Vikas Vijaykumar Khemani	150,000
4.	Jyoti Rakesh Lahoti	150,000
5.	Sandip Kumar Agarwal	130,000
6.	Kamvan Construction Private Limited	125,000
7.	Shruti G Chaturvedi	111,000
8.	Trishakti Power Holdings Private Limited	75,000
9.	Gagan D Chaturvedi	75,000
10.	Prashant Vinaykumar Sharma	50,000
11.	Shreya Tejas Sheth	50,000
12.	Dineshchand Navratmal Gupta	37,500
13.	Maheshchand Gupta	37,500
14.	Alka Corporate Services LLP	26,250
15.	Shiv Sehgal	25,000
16.	Rishi Kiran Logistics Private Limited	25,000
17.	Kapil Ladha HUF	20,000
18.	Sohit Mandowara	20,000
19.	Kushal Mahendrakumar Lalwani	13,000
20.	Naveen Chaturvedi	10,000
21.	Abhijeet Chetan Bhuta	10,000
22.	Deepak Arora	10,000
23.	Anju Bala	10,000
24.	Harsh Jitendra Sanghvi	10,000
25.	Moneycrew Fintec Private Limited	9,000
26.	Kalpesh Manohar Sanghvi	9,000
27.	Seema Dixit Chhajed	9,000
28.	Aditya Birla	8,900
29.	3I Wealth LLP	8,750
30.	Rahul R Doshi HUF	7,500
31.	Rohit R Doshi HUF	7,500
32.	Indermal Dargaji Jain	7,400
33.	Sushila Bapna	7,000
34.	Sanjeev Murari Jalan	7,000
35.	Vikram Navram Purohit	7,000
36.	Jitendra Indramal Bhansali	6,600
37.	Anita Maheshwari	5,000
38.	Savitri Devi Jhanwar	5,000
39.	Rukman Devi Jhanwar	5,000
40.	Rupika Jhawar	5,000
41.	Aniruddha Bhailal Dave	5,000
42.	Shah Nirav Vijay	4,000
43.	Narendra Devchand Chhajed HUF	3,960
44.	Dilipkumar Devchandji Chhajed	3,600
45.	Dilipkumar Chhajed HUF	3,600
46.	Dimple Dilip Chhajed	3,600
47.	Mukeshkumar D Jain	3,500
48.	Abhishek Jhanwar	3,000
49.	Vishwa Jeet Jhanwar	2,800
50.	Preeti Mandowara	2,500
51.	Badam Devi Mandowara	2,500
	Total	**2,122,960**

b) History of preference share capital of our Company

Our Company has not issued any preference shares.

c) Issue of specified securities at a price lower than the Issue Price in the last year

Except as disclosed above under "*Capital Structure - History of Equity Share capital of our Company*" on page 78, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Red Herring Prospectus.

d) Equity Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued any Equity Shares out of revaluation reserves since incorporation. Details of Equity Shares issued for consideration other than cash are as follows:

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company
September 10, 2021	4,366,350	10	-	Bonus issue	See footnote (6) to the table on equity share capital build up in "*Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company*" on page 78.	-

2. **Details of shareholding of our Promoters and members of the Promoter Group of our Company**

(a) Build-up of our Promoters' shareholding in our Company

As on the date of this Red Herring Prospectus, our Promoters hold 8,469,759 Equity Shares representing 55.64% of the pre-issued, subscribed and paid-up Equity Share capital of our Company. The build-up of the Equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Nature of Transaction	Date of allotment/ transfer	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	% of the pre-Issue capital	% of the post-Issue capital
Megharam Sagramji Choudhary							
Subscription to MOA	February 17, 2015	5,000	Cash	10	10	0.03%	0.02%
Further Issue	March 18, 2016	647,000	Cash	10	10	4.25%	3.19%
Further Issue	August 26, 2016	675,000	Cash	10	10	4.43%	3.33%
Further Issue	March 31, 2017	500,000	Cash	10	10	3.28%	2.46%
Transfer from Payal Kothari	September 8, 2021	281,072	Cash	10	57	1.85%	1.38%
Transfer from Jayantiram Motiram Choudhary	September 8, 2021	249,757	Cash	10	57	1.64%	1.23%
Bonus Issue	September 10, 2021	1,178,914	Bonus Issue	10	0	7.74%	5.81%
Transfer to Ridhi Siddhi Posah LLP	September 21, 2021	(39,000)	Cash	10	57	(0.26%)	(0.19%)
Total No. Shares held		**3,497,743**					

Nature of Transaction	Date of allotment/ transfer	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	% of the pre-Issue capital	% of the post-Issue capital
Mr. Jayantiram Motiram Choudhary							
Subscription to MOA	February 17, 2015	5,000	Cash	10	10	0.03%	0.02%
Further Issue	March 18, 2016	597,500	Cash	10	10	3.93%	2.94%
Further Issue	August 26, 2016	164,500	Cash	10	10	1.08%	0.81%
Further Issue	March 31, 2018	517,700	Cash	10	10	3.40%	2.55%
Transfer to Megharam Sagramji Choudhary	September 8, 2021	(249,757)	Cash	10	57	(1.64)%	(1.23)%
Transfer to Manoj Jadoun	September 8, 2021	(249,000)	Cash	10	57	(1.64)%	(1.23)%
Bonus Issue	September 10, 2021	392,972	Bonus Issue	10	0	2.58%	1.94%
Total No. Shares held		**1,178,915**					
Dhruv Mahendrakumar Patel							
Further Issue	March 18, 2016	282,000	Cash	10	10	1.85%	1.39%
Further Issue	August 26, 2016	170,000	Cash	10	10	1.12%	0.84%
Transfer from Hemant R Shah	September 8, 2021	250,000	Cash	10	57	1.64%	1.23%
Transfer from Mahesh Puj	September 8, 2021	460,000	Cash	10	57	3.02%	2.27%
Transfer from Liladevi Choudhary	September 8, 2021	300,000	Cash	10	57	1.97%	1.48%
Transfer from Payal Kothari	September 8, 2021	284,540	Cash	10	57	1.87%	1.40%
Bonus Issue	September 10, 2021	873,270	Bonus Issue	10	0	5.74%	4.30%
Transfer to Ridhi Siddhi Posah LLP	September 21, 2021	(39,000)	Cash	10	57	(0.26)%	(0.19)%
Total No. Shares held		**2,580,810**					
Arun Axaykumar Kothari							
Transfer from Payal Kothari	September 8, 2021	808,194	By way of gift	10	0	5.31%	3.98%
Bonus Issue	September 10, 2021	404,097	Bonus Issue	10	0	2.65%	1.99%
Total No. Shares held		**1,212,291**					

Note: All the equity shares held by the Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

(b) Shareholding of our Promoters and Promoter Group

The details of the shareholding of our Promoters and the members of the Promoter Group as on the date of this Red Herring Prospectus are set forth in the table below:

S. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of total shareholding	No. of Equity Shares	% of total shareholding
Promoters					
1.	Megharam Sagramji Choudhary	3,497,743	22.98	3,497,743	17.23
2.	Dhruv Mahendrakumar Patel	2,580,810	16.95	2,580,810	12.72
3.	Jayantiram Motiram Choudhary	1,178,915	7.74	1,178,915	5.81
4.	Arun Axaykumar Kothari	1,212,291	7.96	1,212,291	5.97
Total (A)		***8,469,759***	***55.64***	***8,469,759***	***41.73***

Promoter Group					
1	Payal Kothari	1,160,291	7.62	1,160,291	5.72
2	Jyoti Rakesh Lahoti	150,000	0.99	150,000	0.74
3	Vishwa Jeet Jhanwar	2,800	0.02	2,800	0.01
Sub-total (B)		***1,313,091***	***8.63***	***1,313,091***	*6.47*
Total Promoter & Promoter Group (A+B)		***9,782,850***	***64.27***	***9,782,850***	*48.20*

All the Equity Shares held by our Promoters and Promoter Group are in dematerialised form.

(c) Details of Equity Shares pledged by our Promoters

None of our Promoters have pledged their Equity Shares, as on the date of this Red Herring Prospectus.

3. Details of Promoters' contribution locked in for three years

(a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be considered as the minimum promoters' contribution and locked-in for a period of three years from the date of Allotment (the "**Promoters' Contribution**"). The lock-in of the Promoters' Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares. As on the date of this Red Herring Prospectus, our Promoters collectively hold 8,469,759 Equity Shares (constituting 55.64% of the issued, subscribed and paid-up Equity Share capital of our Company), of which 4,519,415 Equity Shares (constituting 29.69% of the issued, subscribed and paid-up Equity Share capital of our Company) are eligible for Promoters' Contribution.

(b) Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari have, pursuant to their letters dated December 24, 2021, given consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters' Contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations.

(c) **Details of Promoters' Contribution are as provided below:**

Name of the Promoter	**Date of Allotment of the Equity Shares****	**Nature of transaction**	**No. of Equity Shares ****	**Face Value (₹)**	**Issue/acquisition price per Equity Share (₹)**	**No. of Equity Shares Locked-in***	**Percentage of the post-Issue paid-up capital (%)**
Megharam Choudhary	February 17, 2015	Subscription to MOA	5,000	10.00	10	5,000	0.02%
	March 18, 2016	Further Issue	647,000	10.00	10	647,000	3.19%
	August 26, 2016	Further Issue	675,000	10.00	10	675,000	3.33%
	March 31, 2017	Further Issue	500,000	10.00	10	500,000	2.46%
	September 10, 2021	Bonus Issue	414,307	10.00	NA	414,307	2.04%
Total						**2,241,307**	
Jayantiram Choudhary	February 17, 2015	Subscription to MOA	5,000	10.00	10	5,000	0.02%
	March 18, 2016	Further Issue	98,743	10.00	10	98,743	0.49%
	August 26, 2016	Further Issue	164,500	10.00	10	164,500	0.81%
	March 31, 2018	Further Issue	517,700	10.00	10	517,700	2.55%

	September 10, 2021	Bonus Issue	392,972	10.00	NA	392,972	1.94%
Total						**1,178,915**	
Dhruv Patel	March 18, 2016	Fresh Issue	282,000	10.00	10	282,000	1.39%
	August 26, 2016	Further Issue	170,000	10.00	10	170,000	0.84%
	September 10, 2021	Bonus Issue	187,000	10.00	NA	187,000	0.92%
Total						**639,000**	
Total						**4,059,222**	**20.00%**

**Subject to finalisation of Basis of Allotment and to be updated at the Prospectus stage. The Equity Shares shall be locked-in for a period of three years from the Date of Allotment.*
*** all the indicated equity shares considered for lock-in were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

(d) The Equity Shares that are being locked-in for computation of Promoters' Contribution are not, and will not be, ineligible under Regulation 15 of the SEBI ICDR Regulations. In particular, these Equity Shares do not, and shall not, consist of:

(i) Equity Shares acquired during the three years preceding the date of this Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) Equity Shares resulting from a bonus issue by utilisation of revaluations reserves or unrealised profits or against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;

(ii) Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Equity Shares issued to the Promoters in the last one year preceding the date of this Red Herring Prospectus upon conversion of a partnership firm; and

(iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

4. Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, members of our Promoter Group or our Directors or their immediate relatives during the six months immediately preceding the date of this Red Herring Prospectus.

Our Promoters, members of our Promoter Group, our Directors or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of this Red Herring Prospectus:

5. Details of share capital locked-in for one year

In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked in for three years as specified above, in terms of Regulation 16 of the SEBI ICDR Regulations, Promoters' holding in excess of the Promoters' Contribution shall be locked-in for a period of one year from the date of Allotment.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in may be transferred to and among the members of our Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations, as applicable.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of three years from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: There shall be a lock-in of 90 days from the date of Allotment on 50% of the Equity Shares Allotted to the Anchor Investors, and a lock-in of 30 days from the date of Allotment on the remaining 50% of the Equity Shares Allotted to the Anchor Investors.

6. Our Shareholding Pattern

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

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class	Class	Total								
								Equity	NA									
(A)	**Promoter and Promoter Group**	7	9,782,850	0	0	9,782,850	64.27	9,782,850	0	9,782,850	64.27	0	64.27	0	0	0	0	9,782,850
(B)	**Public**	53	5,439,160	0	0	5,439,160	35.73	5,439,160	0	5,439,160	35.73	0	35.73	0	0	0	0	5,439,160
(C)	**Non Promoter-Non Public**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C) (1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C) (2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total (A) + (B) + (C)	60	15,222,010	0	0	15,222,010	100.00	15,222,010	0	15,222,010	100.00	0	100.00	0	0	0	0	15,222,010

7. As on the date of this Red Herring Prospectus, our Company has 60 shareholders.

8. **Equity Shareholding of our Directors and Key Managerial Personnel in our Company**

Except as stated below, none of our Directors and Key Managerial Personnel hold Equity Shares in our Company as on the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	Number of Equity Shares	% of Pre-Issue Equity Share Capital held
Directors and Key Managerial Personnel			
1.	Megharam Sagramji Choudhary	3,497,743	22.98%
2.	Dhruv Mahendrakumar Patel	2,580,810	16.95%
3.	Jayantiram Motiram Choudhary	1,178,915	7.74%
4.	Arun Axaykumar Kothari	1,212,291	7.96%

9. **Major Shareholders**

(a) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Red Herring Prospectus and ten days prior to the filing of this Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

Sr. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share Capital holding	Number of Equity Shares on a fully diluted basis	Percentage (%) on a fully diluted basis
1.	Megharam Sagramji Choudhary	3,497,743	22.98	3,497,743	22.98
2.	Dhruv Mahendrakumar Patel	2,580,810	16.95	2,580,810	16.95
3.	Arun Axaykumar Kothari	1,212,291	7.96	1,212,291	7.96
4.	Jayantiram Motiram Choudhary	1,178,915	7.74	1,178,915	7.74
5.	Payal Kothari	1,160,291	7.62	1,160,291	7.62
6.	Hemant Rajnikant Shah	1,113,000	7.31	1,113,000	7.31
7.	Mahesh Himatlal Puj	1,113,000	7.31	1,113,000	7.31
8.	Manojsingh Jadoun	1,113,000	7.31	1,113,000	7.31
9.	Singularity Holdings Limited	620,000	4.07	620,000	4.07
10.	Pannalal C Kothari Huf	180,000	1.18	180,000	1.18
	Total	**13,769,050**	**90.45**	**13,769,050**	**90.45**

(b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on one year prior to the date of this Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

Sr. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share Capital holding	Number of Equity Shares on a fully diluted basis	Percentage (%) on a fully diluted basis
1.	Payal Kothari	2,182,000	24.99	2,182,000	24.99
2.	Megharam Sagramji Choudhary	1,827,000	20.92	1,827,000	20.92
3.	Jayantiram Motiram Choudhary	1,284,700	14.71	1,284,700	14.71
4.	Mahesh Himatlal Puj	1,202,000	13.76	1,202,000	13.76

Sr. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share Capital holding	Number of Equity Shares on a fully diluted basis	Percentage (%) on a fully diluted basis
5.	Hemant Rajnikant Shah	992,000	11.36	992,000	11.36
6.	Manojsingh Jadoun	493,000	5.65	493,000	5.65
7.	Dhruv Mahendrakumar Patel	452,000	5.18	452,000	5.18
8.	Leeladevi J Choudhary	300,000	3.44	300,000	3.44
	Total	**8,732,700**	**100.00**	**8,732,700**	**100.00**

(c) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on two years prior to the date of this Red Herring Prospectus (including the maximum number of Equity Shares that any such Shareholder will be entitled to upon conversion of any convertible instrument or exercise of any option held by such Shareholder).

Sr. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share Capital holding	Number of Equity Shares on a fully diluted basis	Percentage (%) on a fully diluted basis
1.	Payal Kothari	2,182,000	24.99	2,182,000	24.99
2.	Megharam Sagramji Choudhary	1,827,000	20.92	1,827,000	20.92
3.	Jayantiram Motiram Choudhary	1,284,700	14.71	1,284,700	14.71
4.	Mahesh Himatlal Puj	1,202,000	13.76	1,202,000	13.76
5.	Hemant Rajnikant Shah	992,000	11.36	992,000	11.36
6.	Manojsingh Jadoun	493,000	5.65	493,000	5.65
7.	Dhruv Mahendrakumar Patel	452,000	5.18	452,000	5.18
8.	Leeladevi J Choudhary	300,000	3.44	300,000	3.44
	Total	**8,732,700**	**100.00**	**8,732,700**	**100.00**

10. Our Company, our Directors and the BRLM have not entered into any buy-back arrangement for the purchase of Equity Shares of our Company.

11. Neither the BRLM nor its associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares as on the date of filing of this Red Herring Prospectus.

12. No person connected with the Issue, including, but not limited to, the BRLM, the Syndicate Member, our Company, the Directors, the Promoters or the members of our Promoter Group and Group Companies, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Issue, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

13. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus.

14. The Equity Shares to be issued or transferred pursuant to the Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

15. Our Company has not allotted any Equity Shares in terms of any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

16. Except for the Issue, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares, whether on a preferential basis or by way of issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement or otherwise.

17. Except for the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

18. The Equity Shares of our Company held by the Promoters and the Promoter Group are held in dematerialised form.

19. None of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

20. Our Promoters and members of our Promoter Group will not submit Bids, or otherwise participate in this Issue.

21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

22. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group, if any, during the period between the date of filing this Red Herring Prospectus with the RoC and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of the transactions.

23. The BRLM and any person related to the BRLM or Syndicate Member cannot apply in the Issue under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLM or insurance companies promoted by entities which are associates of the BRLM or a FPI (other than individuals, corporate bodies and family offices) sponsored by entities which are associate of the BRLM.

OBJECTS OF THE ISSUE

Details of utilisation of Proceeds

The details of utilization of the proceeds of the Issue are summarized below:

Particulars	Amount (₹ in million)
Gross proceeds of the Issue*	[●]
(Less) Issue related expenses *	[●]
Net Proceeds	[●]

*****_To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC._

Objects of the Issue

Our Company proposes to utilize the Net Proceeds raised through the Issue for the following objects:

1. Financing the project cost towards capacity expansion, technological upgradation, cost optimization of our operations and support to the manufacturing facility and backward integration for manufacturing of hollow pipes;
2. To meet long-term working capital requirements; and
3. General corporate purposes, subject to the applicable laws

(collectively, referred to herein as the "**Objects**").

In addition, our Company expects to achieve the benefits of listing the Equity Shares on Stock Exchanges.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised through the Issue. Further, the activities proposed to be funded from the Net Proceeds would be as permitted under the main objects set out in the Memorandum of Association.

Requirement of Funds and proposed Schedule of Deployment

(in ₹ million)

Particulars	Total Estimated Cost	Amount deployed as on April 7, 2022#	Amount to be deployed from Net Proceeds	Estimated deployment **
				Fiscal Year 2023
Financing the project cost towards capacity expansion and backward integration for manufacturing of Hollow Pipes	1115.75	36.30	1079.45	1079.45
To meet the long term working capital requirements	250.00	NIL	250.00	250.00
General corporate purposes*	[●]	[●]	[●]	[●]
Total	[●]	**36.30**	[●]	[●]

**To be finalised upon determination of the Issue Price. The amount utilised for general corporate purposes from the Net Proceeds shall not exceed 25% of the gross proceeds of the Issue.*
***In the event the amount marked out for deployment in Fiscal 2023 is not used in Fiscal 2023, it will be deployed in Fiscal 2024, in accordance with applicable law.*
 # as certified by certificate dated April 19, 2022 by the Statutory Auditors.

The above fund requirements and proposed deployment are based on internal management estimates, and quotations received from third-party vendors, which are subject to change in the future, and have not been appraised by any bank or financial institution or any other independent agency. These are based on current conditions and business needs, and are subject to revisions in light of changes in costs, the financial condition of our business, interest rate fluctuations, business, strategy or external circumstances which may not be in our control. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Further, we have not yet placed orders for majority of plant and machinery to be purchased and set up as part of our proposed expansion of our facility at Dhaneti, Kutch. For further information, please see "*Risk Factors - Our Company is yet to place orders for majority of the plant and machinery for the proposed expansion of our production capacity pursuant to the Objects of the Issue.*" on page 55**.**

In case we require additional capital towards meeting the objects of the Issue, we may explore a range of options including utilising internal accruals and availing additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of Finance

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds and internal accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/or debt, as required. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for funding other object as mentioned above or towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross Proceeds from the Issue in accordance with the SEBI ICDR Regulations.

Details of the Objects

1. **Financing the project cost towards capacity expansion, technological upgradation, cost optimization of our operations and support to the manufacturing facility and backward integration for manufacturing of Hollow Pipes/Tubes**

Our Board of Directors in its meeting dated April 7, 2022 approved the proposed amount of ₹ 1079.45 million to be funded for capital expenditure from the Net Issue Proceeds. We propose to undertake the following to enhance our operational capacity and efficiencies:

a) Increase the plant capacity at Dhaneti, Kutch and procure additional equipment and machinery for technological upgradation, cost optimization of our operations and support to the manufacturing facility. We currently have one manufacturing facility at Dhaneti, Kutch which has a total installed capacity of 10,800 MT per annum as of February 28, 2022. We currently manufacture welded pipes/tubes upto size 6 mm - 219.3 mm and seamless pipes/tubes upto size of 6 mm - 114.3 mm diameters at our manufacturing facility. We propose to increase the installed capacity of our manufacturing facility to 2,000 MT per month which will also enable us to increase our production capacity and product offerings by manufacturing pipes and tubes of multiple sizes, including higher diameter welded pipes/tubes upto 1.219.2 mm and seamless pipes/tubes upto 168.3 mm. Towards this end, we propose to install LSAW (A358) Plant which will increase production capacity from 600 MT per month to 1200 MT per month of welded pipes/tubes by manufacturing higher diameter welded pipes. Further, we propose to install a pilger plant to increase production capacity from 300 MT per month to 800 MT per month of higher diameter seamless pipes/tubes.

   We propose to acquire a slitting machine for the purposes of cutting steel strips/coils as per the desired width which is required for our backend manufacturing process of welded pipes. We believe that the same shall lead to reasonable cost savings, as currently, cutting of steel strips and coils is outsourced by us. Further, with increase in our production capacity, we intend to set up an additional effluent treatment plant, along with our existing effluent treatment plant, at our manufacturing facility, to ensure compliance with the applicable pollution norms. Also, as a part of our technological advancement strategy, we propose to set up an Acid Regeneration Plant (**"ARP"**) which shall reduce our raw acid usage and chemicals in the neutralization plant, with a consequent reduction in the landfill produced. We intend to procure additional machines like bevelling machines, and cranes to enhance/support our production capabilities to service our customer requirements. We believe that the setting-up of the ARP shall lead to enhancement in productivity, reducing the down-time for dumping and cleaning of sludge-filled pickling tanks.

b) *Backward integration through a piercing plant.* The basic raw material for manufacturing seamless pipe is hollow pipe which we procure from open market. We propose to install a piercing plant with a capacity of 800 MT per month for in-house manufacturing of hollow pipes as our backward integration strategy. With the setting-up of the piercing plant, we shall be able to produce hollow pipes from stainless steel round bars.

The total outlay of capital expenditure proposed is as follows:

(in ₹ million)

S No.	Particulars	Estimated Cost#
1	Civil and covered structure	241.62
2	Plant and machineries#	784.70
3	Contingency*	53.13
	Total	**1079.45**

** The allocation for contingent capital expenditure has been calculated to be equivalent to 5% of the total aggregate outlay capital expenditure for i) Civil & covered structure, and ii) Plant and machineries. The contingent capital expenditure has been derived basis management estimates.*
 # as certified by certificate dated April 19, 2022 by the Statutory Auditors.

Civil Works

The proposed civil works to be carried out includes land filling and levelling, construction of factory sheds and related infrastructure. Our manufacturing facility is located at Dhaneti, Kutch with an area measuring 33,994 sq.mtrs. However, only 22,400 sq. mtrs of the land area is being utilized for the manufacturing and related purpose, leaving a surplus land of 11,594 sq. mtrs which will be used for installing the new equipment and machineries.

We have received quotations for such civil works from several third-party vendors. However, we have not entered into any definitive agreements with any of such third party vendors and there can be no assurance that the same vendors would be engaged to eventually undertake the civil works or the estimated cost will not increase due to a possible cost escalation. If we engage someone other than the third party vendors from whom we have obtained quotations or if the quotations obtained expires, such vendor's estimates and actual costs for the services may differ from the current estimates.

We estimate the requirement of seven structures in the form of covered structure out of which two covered structures will be used for piercing plant, two covered structure for LSAW (A358) plant, and one covered structure each for pilger plant, slitting line and for dispatch facility. We have earmarked ₹ 241.62 million from the Net Proceeds towards expenses on civil works. The breakup of expenditure is as follows:

<table>
<tr><th>Particulars</th><th>Total Cost inclusive of Taxes (Amount in INR Mn)</th><th>Date of Quotation</th><th>Validity of quotation</th><th>Name of Vendor</th></tr>
<tr><td>Civil Works</td><td>92.99</td><td>September 11, 2021</td><td>Not Applicable</td><td>M/s. Loladi Construction</td></tr>
<tr><td>Structure 1 (2 covered structure)</td><td>41.37</td><td rowspan="4">April 04, 2022</td><td rowspan="4">45 Days</td><td rowspan="4">M/s. Shree Umiya Structures</td></tr>
<tr><td>Structure 2 (1 covered structure)</td><td>18.51</td></tr>
<tr><td>Structure 3 (4 covered structure)</td><td>62.29</td></tr>
<tr><td>Sheeting Cost (2 covered structure)</td><td>9.20</td></tr>
</table>

Sheeting Cost (1 covered structure)	3.45			
Sheeting Cost (4 covered structure)	13.81			
Total	**241.62**			

Plant and Machineries

Our Company intends to utilize ₹ 784.70 million from the Net Proceeds for the purchase of plant and machinery which will be utilized to (a) enhance our production capacity, (b) technological upgradation, cost optimization of our operations and support to the manufacturing facility and (c) backward integration. While we have placed orders for an aggregate amount of ₹ 178.99 million for the purchase of new and upgraded machineries and deployed ₹ 36.30 million through internal accruals as certified by Statutory Auditor by certificate dated April 19, 2022, we are yet to place orders for machineries and equipment for an aggregate amount of ₹ 642.01 million. Accordingly, we are yet to place orders for 78.20% of the total estimated cost in relation to the purchase of machinery and equipment.

The following is a brief description of the plants and machinery is set forth below:

Plant and machineries for which order has been placed:

Machinery specifications and description	Type / purpose of the machinery	Date of Contract/Order	Estimated date of Supply	Name of the vendor	Quantity	Cost per unit (in USD/EUR/GBP /INR)	Cost per unit (in ₹ million)*	Total cost of the machinery (in ₹ million)**	Condition (new / upgraded)	Age of the machine (years)	Balance estimated life after upgrade (years)
Capacity expansion for Welded pipes -A											
HR CR SS Slitting Line	Slitting Machine	Oct 31, 2021	150 days from the day of 30% advance	Foshan Hongjia Machinery Co., Ltd., China	1	USD 389,500	29.95	45.19	New	25	New
Total-A								45.19			
Setting up piercing plant-B											
Piercing Machine	Manufacturing Hollow Pipes	Oct 28, 2021	Within 10 months	Taiyuan Tongze Heavy Industry Co. Ltd.	1	USD 1,224,000	94.13	133.80	New	25	New
Total-B								**133.80**			
Total A+B								**178.99#**			

#As certified by the Statutory Auditor, as on April 7, 2022, we have already deployed ₹ 36.30 million through internal accrual as an advance for acquiring the slitting machine and the piercing plant. The balance amount of ₹ 142.69 will be funded through the Net Proceeds.

** Exchange rate considered is as of March 31 ,2022, being 1 USD = ₹ 76.90 (source: cbic.gov.in)*

*** Customs duty rate of 7.50% has been applied for calculation of taxes applicable to cost of certain imported machinery and equipment. This amount also includes applicable goods and services tax & freight but excludes installation and packaging charges.*

Plant and machineries for which orders are yet to be placed:

Machinery specifications and description	Type / purpose of the machinery	Date of the quotation	Validity of the quotation	Name of the vendor	Quantity	Cost per unit (in USD/EUR/GBP /INR)	Cost per unit (in ₹ million)*	Total cost of the machinery (in ₹ million)**	Condition (new / upgraded)	Age of the machine (years)	Balance estimated life after upgrade (years)
Expansion of current Manufacturing Facility -A											
Capacity expansion for Welded pipes											
LSAW (A358) Plant	For making Higher diameter welded pipes	Oct 25, 2021	NA	Parth Equipment Ltd.	1	-	210.00	247.80	New	25	New
Total-B								**247.80**			
Capacity expansion for Seamless pipes											
Pilgers											
- LG30H	SS Pipes from hollow	March 15, 2022	60 Days	Zhangjiagang Hengli Machinery Company Limited, China	2	USD 205,000	15.76	42.87	New	25	New
- LG60H					3	USD 270,000	20.76	83.33			New
-LG90					2	USD 340,000	26.15	69.21			New
-LG120					1	USD 450,000	34.61	45.34			New
- Draw Bench		March 27, 2022	2 Month	J.M. Engineering, Gujarat	1	-	11.18	14.18			New
Bevelling Machine	For Pilger Machine	March 25, 2022	3 Month	J.M. Engineering, Gujarat	1	-	1.8	2.12	New	25	New
Total-C								**257.05**			
Additional equipment and machinery for technological upgradation, cost optimization of our operations and support to the manufacturing facility											

Ultrasonic Testing Machine											
- Ultrasonic Testing	For Testing	October 24, 2021	9 months	Enrico Technologies (NDT) LLP	1	-	9.27	10.94	New	25	New
- Multi Channel Module					1	EURO 64,850	5.54	8.11			New
- Data Logging Software					1	-	0.75	0.89			New
- Tube Handling System					1	-	1.85	2.18			New
- Scanner					1	-	3.86	4.56			New
- Data Logging Software					1	-	0.65	0.77			New
- Handling System					1	-	0.88	1.03			New
ETP Plant	Effluent Treatment	Jan 19, 2022	150 Days	Riddhi Siddhi Purification	1	-	1.29	1.52	New	25	New
Acid Regeneration Plant	Acid Purification Unit	March 29, 2022	6 months	Luova AB, Sweden	4	1,39,000 EUR	11.88	61.35	New	12 months (warranty)	New
Dg Set 200 Kva 3 Ph	Power backup	March 13, 2022	NA	Amritlal Desai & Co., India	1	-	1.06	1.25	New	2 years Warranty	New
Cranes											
- 3 Ton	For Handling	April 4, 2022	45 Days	Cranetech Equipments, Ahmedabad	1	-	0.72	0.85	New	25	New
- 6 Ton					10	-	2.13	25.13			New
- 20 Ton					2	-	3.27	7.72			New
- 30 Ton					2	-	4.61	10.87			New
Total – Expansion of current Manufacturing Capacity (D)								**137.16**			
Total – Expansion of current Manufacturing Capacity A=B+C+D								**642.01**			

** Based on quotations received from third party vendors. Exchange rate considered is as of March 31,2022, being 1 USD = ₹ 76.90 and 1 EUR = ₹ 85.45 (Source: cbic.gov.in)*
*** Customs duty rate of 7.50% has been applied for calculation of taxes applicable to cost of certain imported machinery and equipment. This amount also includes applicable goods and services tax & freight but excludes installation and packaging charges.*

Schedule of Implementation

The detailed schedule of implementation for expansion of plant facility and setting up of piercing plant is set forth below:

S.No.	Particulars	Commencement	Completion
1.	Civil Work	June 2022	January 2023
2.	Procurement of Plant & Machinery	June 2022	January 2023
3.	Expected date of commercial commencement of project	March 2023	

Contingencies

We have not entered into definitive agreements with majority of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. If we engage a party other than the vendors from whom we have obtained quotations, or if the quotations obtained expire, our current management estimates and the actual costs for the services may differ. In view of the same, we have earmarked an amount of ₹ 53.13 million towards any cost overrun or any additional costs to be incurred. The allocation for contingent capital expenditure has been calculated to be equivalent to 5% of the total aggregate outlay capital expenditure for (i) civil & covered structure, and (ii) plant and machineries. The contingent capital expenditure has been derived basis management estimates. Our Company shall have the flexibility to deploy such funds as per our internal estimates of our management and business requirements, which may change from time to time. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus.

2. To meet the long-term working capital requirements

We have continuous working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals, financing from various banks and financial institutions. As on April 07, 2022, our Company's working capital facilities sanctioned from banks/financial institutions consisted of an aggregate fund-based limit (includes cash credit, working capital term loan & supplier financing) of ₹ 574.93 million and an aggregate non-fund-based limit of ₹ 70 million. Basis our management estimates, we propose to utilise ₹ 250 million from the Net Proceeds to fund our Company's long-term working capital requirements for Fiscal 2023, which shall lead to a consequent reduction in our finance costs and thereby have a positive impact on our profitability and financial condition.

Basis of estimates of long-term working capital requirements

The existing working capital of the Company as at nine -month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 and source of funding of the same are provided in the table below:

S No	Particulars	As at*							
		Dec 31, 2021 (₹ million)	***Holding Levels (Days)***	**March 31, 2021 (₹ million)**	***Holding Levels (Days)***	**March 31, 2020 (₹ million)**	***Holding Levels (Days)***	**March 31, 2019 (₹ million)**	***Holding Levels (Days)***
I	**Current Assets**								
	Inventories								
	a. Raw Material(incl Stores)	269.73	*28.10*	217.89	*30.22*	236.12	*52.10*	239.18	*82.86*
	b. WIP	105.75	*12.05*	21.95	*2.92*	22.26	*4.89*	22.17	*7.33*
	c. Finished Goods	485.54	*48.24*	201.96	*23.83*	184.38	*37.85*	100.32	*30.83*
	Total	**861.02**		**441.80**		***442.76***		***361.67***	
	Trade Receivables	742.13	*73.74*	*450.69*	*53.18*	*307.46*	*63.11*	*216.29*	*66.48*
	Other Current Financial Assets*	7.12	*0.71*	*25.57*	*3.02*	*0.12*	*0.02*	*10.88*	*3.34*
	Other Current Asset	502.87	*49.97*	*203.64*	*24.03*	*92.76*	*19.04*	*84.12*	*25.85*
	Total Current Assets (A)	**2,113.14**	**212.81**	**1,121.70**	**137.19**	**843.09**	**177.02**	**672.96**	**216.70**

S No	Particulars	As at*							
		Dec 31, 2021 (₹ million)	***Holding Levels (Days)***	**March 31, 2021 (₹ million)**	***Holding Levels (Days)***	**March 31, 2020 (₹ million)**	***Holding Levels (Days)***	**March 31, 2019 (₹ million)**	***Holding Levels (Days)***
II	**Current Liabilities**								
	Trade Payables	523.94	*53.57*	*424.22*	*59.24*	*413.00*	*91.34*	*324.56*	*98.96*
	Other Financial Liabilities	39.14	*3.89*	*44.15*	*5.21*	*37.75*	*7.75*	*18.15*	*5.58*
	Provisions	0.07	*0.01*	*0.04*	*0.00*	*0.02*	*0.00*	*0.01*	*0.00*
	Current Tax Liabilities (Net)	155.3	*15.43*	*102.75*	*12.12*	*23.76*	*4.88*	*18.87*	*5.80*
	Other Current Liabilities	65.18	*6.48*	*62.34*	*7.36*	*30.52*	*6.27*	*28.99*	*8.91*
	Total Current Liabilities (B)	**783.63**	**79.37**	**633.50**	***83.94***	**505.05**	***110.24***	**390.58**	***119.25***
III	**Working Capital Requirements (A) – (B)**	***1,329.51***	***133.44***	***488.20***	**53.25**	***338.04***	**66.78**	***282.38***	**97.45**
IV	**Means of Finance**								
	Short Term Borrowings (i)**	341.62	*11.11*	*195.87*	*23.11*	*203.48*	*41.77*	*132.55*	*40.74*
	Internal Accruals (ii)	987.89	*122.33*	292.33	*30.14*	134.56	*25.01*	149.83	*56.71*
	Total Means of Finance (i) + (ii)	**1,329.51**	**133.44**	**488.20**	**53.25**	**338.04**	**66.78**	**282.38**	**97.45**

** Other Current Financial Assets excludes Cash and Cash Equivalents*
*** Short Term borrowing includes Cash credit & working capital term loan*
Note: Pursuant to the certificate dated April 19, 2022, issued by Maheshwari & Co., Statutory Auditor

Expected working capital requirements

On the basis of existing and estimated working capital requirement of our Company and assumptions for such working capital requirements, our Board pursuant to its resolution dated April 7, 2022 has approved the estimated working capital requirements for Fiscal 2022 and projected working capital requirement for fiscal 2023, together with the assumptions and justifications for holding levels, and the proposed funding of such working capital requirements as set forth below:

S No	Particulars	As at			
		March 31, 2022 (₹ million)	***Holding Levels (Days)***	**March 31, 2023 (₹ million)**	***Holding Levels (Days)***
I	**Current Assets**				
	Inventories				
	a. Raw Material (incl Stores)	295.51	*31.75*	522.42	*54.45*
	b. WIP	113.30	*12.89*	146.83	*14.16*
	c. Finished Goods	485.52	*48.19*	490.40	*40.62*
	Total	894.33		1159.65	
	Trade Receivables	755.59	*75.00*	784.73	*65.00*
	Other Current Financial Assets*	40.30	*4.00*	60.36	*5.00*
	Other Current Assets	382.83	*38.00*	410.48	*34.00*
	Total Current Assets (A)	**2,073.05**	***209.83***	**2,415.22**	***213.23***
II	**Current Liabilities**				
	Trade Payables	380.78	*40.00*	408.66	*40.00*
	Other Financial Liabilities	53.62	*5.32*	41.28	*3.42*
	Provisions	0.10	*0.01*	0.12	*0.01*
	Current Tax Liabilities (Net)	31.21	*3.10*	11.96	*0.99*
	Other Current Liabilities	100.74	*10.00*	120.73	*10.00*
	Total Current Liabilities (B)	**566.45**	**58.43**	**582.75**	**54.42**

S No	Particulars	As at March 31, 2022 (₹ million)	Holding Levels (Days)	March 31, 2023 (₹ million)	Holding Levels (Days)
III	**Working Capital Requirements (A) – (B)**	**1506.60**	**151.40**	**1832.47**	**158.81**
IV	**Means of Finance**				
	Short term borrowing (i)**	573.59	56.94	494.32	40.95
	Net Proceeds from the Issue (ii)	-	-	250.00	20.71
	Internal Accruals (iii)	933.01	94.46	1088.15	97.15
	Total Means of Finance (i) + (ii) +(iii)	**1506.60**	**151.40**	**1832.47**	**158.81**

**Other Current Financial Assets excludes Cash and Cash Equivalents*
*** Short Term Borrowing includes Cash credit, working capital term loan & supplier financing.*

Note: Pursuant to the certificate dated April 19, 2022 issued by Maheshwari & Co., Statutory Auditor.

Our Statutory Auditors have provided no assurance on the prospective financial information, working capital estimates or projections and have performed no service with respect to the same.

Key Assumptions to the projected working capital requirements of the Company*

Particulars	FY 2023 Assumptions (Days)	FY 2022 Assumptions (Days)	FY 2021 (Days)	FY 2020 (Days)	FY 2019 (Days)
Inventories					
Raw Material	54.45	31.75	30.22	52.10	82.86
WIP	14.16	12.89	2.92	4.89	7.33
Finished Goods	40.62	48.19	23.83	37.85	30.83
Trade Receivables	65.00	75.00	53.18	63.11	66.48
Other Current Financial Assets	5.00	4.00	3.02	0.02	3.34
Other Current Assets	34.00	38.00	24.03	19.04	25.85
Trade payables	40.00	40.00	59.24	91.34	98.96
Other Financial Liabilities	3.42	5.32	5.21	7.75	5.58
Provisions	0.01	0.01	0.00	0.00	0.00
Current-Tax Liabilities (Net)	0.99	3.10	12.12	4.88	5.80
Other current liabilities	10.00	10.00	7.36	6.27	8.91

**Pursuant to the certificate dated April 19, 2022 issued by Statutory Auditor.*

Justification for Holding Period Levels

S. No	Particular	Justifications
1	Inventory Days	In order to achieve cost competitiveness, maintaining efficient inventory levels are critical. In FY21, FY20 and FY19 the inventory days were 23.83 days, 37.85 days and 30.83 days for finished goods respectively. In FY21, FY20 and FY19 the raw materials inventory days were 30.22 days, 52.10 days and 82.86 days respectively. Our average inventory days for last 3 fiscals was 55.06 days for raw material and 30.84 days for finished products. We have estimated 31.75 days of raw materials inventory and 48.19 days of finished product inventory for the Fiscal ended March 31, 2022 and 54.45 days of raw material inventory and 40.62 days of finished product inventory for the Fiscal ended March 31, 2023. As we plan for expansion and backward integration of manufacturing activity the assumed raw material inventory levels will be slightly higher on account of change in raw material for our backward integration facility.
2	Trade Receivable Days	In FY21, FY20 and FY19 trade receivable days were 53.18 days, 63.11 days and 66.48 days respectively. Our average trade receivable days for last 3 fiscals were 60.92 days. Due to the business growth and proposed expansion and the need for increasing the sales volume we estimate the receivable to be maintained at levels of 75 days & 65

S. No	Particular	Justifications
		days for FY22 & FY23 which is in line with our average receivables holding levels.
3	Other Current Financial Assets	The key items under this head are TDS recoverable, Fixed deposits, margin money and allied interest. We expect to maintain the same level for FY22 and FY23.
4	Other Current Assets	Other Current Assets include balance with statutory authorities, prepaid expenses, advance to suppliers, advances etc. We expect the holding levels shall be at 38 days and 34 days of for FY22 and FY23 respectively on account of increase in advances to suppliers.
5	Trade Payable Days	Our trade payables have been for 59.24 days, 91.34 days and 98.96 days for FY21, FY20 and FY19 respectively. Our average trade payables were at 83.18 days. However, going forward we estimate to maintain payables at 40 days for Fiscal 2022 and & Fiscal 2023 as increased demand and price volatility will impact on credits available.
6	Other Financial Liabilities	Other Financial Liabilities include Creditors for Capital Goods \ Services, Interest accrued for borrowings, Obligation under lease payable, current maturities of long term debts. We expect the same shall be in line with previous years.
7	Current Provisions	Current Provisions includes provisions created for compensated absences, gratuity etc. We shall maintain the same level for FY22 and FY23
8	Other Current Liability	Other current liabilities include Statutory Remittances dues, advance from Customers etc. We expect the levels to be at 10 days on account of increase in receipts of advance from customers

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, subject to such amount not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include, without limitation, maintenance and expansion of our manufacturing facility, repayment of loans, strengthening of the marketing capabilities, as may be applicable, and meeting ongoing general corporate exigencies.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. In addition to the above, our Company may utilise the Net Proceeds towards other purposes relating to our business which are considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business.

Government Approvals

We are required to secure various approvals for running its operations at its Manufacturing Facility including (i) factory license; (ii) registrations under employee and labour related laws etc. In addition to these, for the purposes of carrying on its manufacturing operations, we are required to obtain certain environmental consents, clearances, which are issued in various stages on Company's compliance with the requirements prescribed under the Water Act, Air Act and authorization under Hazardous Management Rules ("**Environmental Laws**") as per the procedures/guidelines prescribed by the Gujarat Pollution Control Board ("**GPCB**"). The standard environmental approvals are in the form of (i) Consent to Establish ("**CTE**") to establish its manufacturing facilities and (ii) a Consolidated Consent and Approval ("**CCA**") to commence its manufacturing operations, from the GPCB. As disclosed on page 294 of the RHP, the Company has obtained a CCA on December 17, 2021 from the GPCB for operating its Manufacturing Facility at its current capacity, under the Environmental Laws.

In relation to financing the proposed project cost towards capacity expansion, technological upgradation, cost optimization of its operations and backward integration as disclosed on page 91 of the RHP under "*Objects of the Issue*", the Company proposes to increase its production capacity (i) from 600 MT per month to 1200 MT per month of welded pipes/tubes; and (ii) from 300 MT per month to 800 MT per month of higher diameter seamless pipes/tubes and installation of a piercing plant with a capacity of 800 MT per month for in-house manufacturing of hollow pipes as our backward integration strategy ("**Capacity Expansion**"). For achieving the above indicated Capacity Expansion in line with the Objects of the Issue, the Company is required to obtain modification/amendment to the existing licenses/approvals such as factory license, CTE, CCA at various stages of the Capacity Expansion.

Further, in line with the prescribed process by GPCB, the Company is required to obtain amendment to CTE for Capacity Expansion prior commencement of construction of Civil and covered structure at its manufacturing facilities. As per the revised Schedule of Implementation for the commencement of Civil and covered structure, as indicated on page 97 is June 2022. Accordingly, the Company had applied for the CTE amendment with GPCB vide application number '209123' on December 22, 2021 which was not processed due to submission of incomplete documentation. Thereafter, the Company filed a fresh CTE amendment application bearing number '255708' for establishing its new proposed plant on April 10, 2022 for approval from GPCB. (**CTE Application**"), which is currently pending.

In case of a delay in receipt of CTE amendment approval there may be adverse impact on the schedule of implementation of the Capacity Expansion. For further details please refer to Risk Factor no.- 27 "*We are subject to various government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected. In addition, we have certain obligations under policies imposed and schemes launched by the government that may not be directly beneficial or profitable to our business"* and Section *"Government and Other Approvals"*.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The Issue related expenses include fees payable to the BRLM and legal counsel, underwriting commission, fees payable to the Auditor, brokerage and selling commission, commission payable to Registered Brokers, SCSBs' fees, Escrow Banks' and Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The following table sets forth details of the break-up for the estimated Issue expenses:

S. No.	Activity	Estimated Amt (₹ in million)	As a % of total estimated Issue Expenses*	As a % of Issue size
1	Payment to the BRLM (including brokerage, underwriting and selling commission)	[•]	[•]	[•]
2	Selling commission payable to SCSBs for Bids directly procured by them and processing fees payable to SCSBs for Bids (other than Bids submitted by RIBs using the UPI Mechanism) procured by the Members of the Syndicate, the Registered Brokers, CRTAs or CDPs and submitted to SCSBs for blocking fees payable to the Sponsor Banks for Bids made by RIB.	[•]	[•]	[•]
3	Brokerage, selling commission and bidding charges for the Members of the Syndicate, SCSBs, Registered Brokers, RTAs and CDPs	[•]	[•]	[•]
4	Processing fees payable to Sponsor Banks	[•]	[•]	[•]
5	Fees payable to the Registrar to the Issue	[•]	[•]	[•]
6	Others: a) Listing fees, SEBI filing fees, book building software fees and other regulatory expenses; b) Printing and stationery expenses; c)Fees payable to Monitoring Agency; d) Fees payable to legal counsel; e) Advertising and marketing for the Issue; and f) Miscellaneous	[•]	[•]	[•]
	Total Issue Expenses	**[•]**	**[•]**	**[•]**

<u>For SCSBs</u>

Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured and uploaded by them would be as follows:

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors (Category 1)	*0.20% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors (Category 2)	*0.20% of the Amount Allotted* (plus applicable taxes)*

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

No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.

The Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

***Processing fees payable to the SCSBs** for processing the Bid cum Application of Retail Individual Bidder and Non-Institutional Investors procured from the Syndicate /Sub-Syndicate Members/Registered Brokers /RTAs /CDPs and submitted to SCSBs for blocking would be as follows:*

*Portion for Retail Individual Investors**	*₹ 10/- per valid application (plus applicable taxes)*
Portion for Non-Institutional Investors (Category 1 & 2)	*₹ 10/- per valid application (plus applicable taxes)*

**The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021*

<u>For Syndicate (including their Sub-Syndicate Members), RTAs and CDPs</u>

***Brokerages, selling commission and processing/uploading charges** on the portion for Retail Individual Investors (using the UPI mechanism), portion for Non-Institutional Investors which are procured by members of Syndicate (including their Sub-Syndicate Members), RTAs and CDPs or for using 3-in1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for Retail Individual Investors	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors (Category 1)	*0.20% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors (Category 2)	*0.20% of the Amount Allotted* (plus applicable taxes)*

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

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

The payment of Selling Commission payable to the sub-brokers / agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member.

The Selling Commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

***Uploading Charges/ Processing Charges of ₹** 10/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs:*

- *for applications made by Retail Individual Investors using the UPI Mechanism*

***Uploading Charges/ Processing Charges of ₹** 10/- valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs:*

- *for applications made by Retail Individual Investors using 3-in-1 type accounts*
- *for Non-Institutional Bids using Syndicate ASBA mechanism / using 3- in -1 type accounts,*

The Bidding/uploading charges payable to the Syndicate / Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

***Processing fees for applications made by Retail Individual Investors using the UPI mechanism of** ₹ 30/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs.*

<u>For Registered Brokers</u>

Selling commission payable to the registered brokers on the portion Retail Individual Bidders & Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders & Non-Institutional Bidders (Category 1 & 2)	₹ 10/- *per valid application* (plus applicable taxes)*

*Based on valid applications.

<u>For Sponsor Bank</u>

Processing fees for applications made by Retail Individual Investors using the UPI mechanism will be as under:

Sponsor Banks**	
Axis Bank	₹ 6/- *per valid Bid cum Application Form * (plus applicable taxes).*
Kotak Mahindra Bank	*₹ 8/- per valid Bid cum Application Form * (plus applicable taxes).*
ICICI Bank	*₹ 8/- per valid Bid cum Application Form * (plus applicable taxes).*

** For each valid application.*
***The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

"The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021."

The selling commission and Bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Appraisal and Bridge Loans

The above fund requirements have not been appraised by any bank or financial institution. Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Means of Finance

The entire fund requirements of each the objects detailed above are intended to be funded completely from the Net Proceeds and /or through our internal accruals or any combination thereof. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals as required under Regulation 7(1)(e) of the SEBI ICDR Regulations.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, we confirm that we shall not use the Net Proceeds or any part thereof, for buying, trading or otherwise dealing in any shares of any listed company or for any investment in equity markets.

Monitoring of Utilization of Funds

Our Company has appointed CARE Ratings Limited as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilization of the Net Proceeds including interim use, under a separate head in the balance sheet, specifying the details, if any, in relation to all proceeds of the Issue that have been utilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Our Company will also indicate investments, if any, of the unutilized proceeds of the Issue in our balance sheet for the relevant financial years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Companies, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/agreements with our Directors, our Key Management Personnel, or our Group Companies in relation to the utilisation of the Net Proceeds of the Issue.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, along with the corresponding rules issued thereunder, our Company shall not vary the objects of the Issue, unless authorised by our Shareholders in a general meeting by way of a special resolution and subject to compliance with applicable laws.

BASIS FOR ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to the sections "*Our Business*", "*Risk Factors*", "*Restated Financial Statements*" and "*Management Discussion and Analysis"* on pages 139, 23, 194 and 253 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

1. International Accreditations and product approvals,
2. Specialised production of Stainless-Steel Pipes and Tubes,
3. Multi-fold demand of our Products,
4. Customer Diversification, and
5. Experienced & Qualified Team

For further details, see "*Our Business – Our Competitive Strength*" on page 140.

For further details, please see "*Our Business*" and "*Risk Factors*" on pages 139 and 23, respectively.

Quantitative factors

Some of the information presented in this section relating to our Company is derived from the Restated Financial Information.

Some of the quantitative factors, which form the basis for computing the Issue Price, are as follows:

1. ***Basic and Diluted Earnings Per Share ("EPS")***

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weightage
Financial Year ended March 31, 2021	18.04	18.04	3
Financial Year ended March 31, 2020	3.15	3.15	2
Financial Year ended March 31, 2019	2.86	2.86	1
Weighted Average	**10.55**	**10.55**	
Nine months period ended December 31, 2021*	**15.50**	**15.50**	-

***** *Not Annualized*

(1) *Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.*

(2) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]*

(3) *The above statement should be read with significant accounting policies and notes on Restated Financial Information as appearing in the section titled "Restated Financial Statements" on page 194.*

2. ***Price Earning ("P/E") Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share***

Particulars	P/E ratio at the Floor Price (number of times)	P/E ratio at the Cap Price (number of times)
Based on Basic EPS for the financial year ended March 31, 2021	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2021	[●]	[●]

Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 41.51, the lowest P/E ratio is 9.69 and the average P/E ratio is 25.60.

Particulars	Name of the Company	P/E Ratio	Face value of equity shares (in ₹)
Highest	Ratnamani Metal & Tubes Limited	41.51	2.00
Lowest	Jindal Saw Limited	9.69	2.00
Industry Composite		**25.60**	

Notes:

1. *The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "- Comparison of Accounting Ratios with Listed Industry Peers" on page 106.*

2. *P/E figures for the peer are computed based on closing market price as on April 19, 2022 on BSE, divided by Basic EPS (on consolidated basis) based on the financial results declared by the peers available on website of www.bseindia.com for the Financial Year ending March 31, 2021.*

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

As per the Restated Financial Information of our Company:

Financial Period	RoNW (%)	Weightage
Financial Year ended March 31, 2021	59.18%	3
Financial Year ended March 31, 2020	25.36%	2
Financial Year ended March 31, 2019	30.80%	1
Nine months period ended December 31, 2021	19.58%	
Weighted Average	**43.18%**	

* *Net Profit after tax, as restated / Net worth, as restated, at the end of the period/year*

Notes:

(1) *Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth **x** Weight) for each year] / [Total of weights]*

(2) *Return on Net Worth (%) = Net Profit after Taxation (as restated) divided by Net worth at the end of the year.*

(3) *Net worth has been computed as the aggregate of share capital and reserves and surplus (including securities premium, share option outstanding account, debenture redemption reserve and surplus/ (deficit) of our Company).*

3. *Net Asset Value per Equity Share**

Fiscal/ Period Ended	NAV (₹)
As on December 31, 2021	79.15
As on March 31, 2021	30.48
After the completion of the Issue	At the Floor Price: [●] At the Cap Price: [●]
Issue Price	[●]

**will be populated in the Prospectus.*

[Notes:

(1) *Issue Price per Equity Share will be determined on conclusion of the Book Building Process.*

(2) *Net Asset Value Per Equity Share = net worth as per the restated financial information / number of equity shares outstanding as at the end of year/period*
Net worth has been computed by aggregating share capital and reserves and surplus as per the restated financial information. There is no revaluation reserve or miscellaneous expenditure (to the extent not written off).]

4. *Comparison of Accounting Ratios with Listed Industry Peers*

Name of the company	Total income (₹ in million)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Venus Pipes & Tubes Limited	3,120	10.00	[●]	18.04	18.04	59.18%	30.48

Name of the company	Total income (₹ in million)	Face Value per equity share (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Listed Peers							
Jindal Saw Limited	108,720	2.00	9.69	10.02	10.02	4.69%	218.39
Ratnamani Metal & Tubes Limited	23,415	2.00	41.51	59.07	59.07	13.9%	425.35

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the annual reports/financial results as available of the respective company for the year ended March 31, 2021.

Financial information for Venus Pipes & Tubes Limited is derived from the restated financial information for the year ended March 31, 2021.

Notes:

(1) Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the financial statements of the companies respectively for the year ended March 31, 2021

(2) P/E Ratio has been computed based on the closing market price of equity shares on BSE on April 19, 2022, divided by the Diluted EPS provided under Note 1 above.

(3) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Net worth has been computed as sum of paid-up share capital and other equity.

(4) NAV is computed as the net worth divided by the outstanding number of equity shares.

(5) Financial information for companies is for the year ended March 31, 2021

The Issue Price is [●] times of the face value of the Equity Shares.

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 23, 139, 194 and 253, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 23 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

Certificate on Statement of Possible Special Tax Benefits

Date: April 19, 2022

To,

The Board of Directors
Venus Pipes & Tubes Limited
(Formerly known as Venus Pipes & Tubes Private Limited)
Survey No. 233/2 and 234/1,
Dhaneti, Bhuj,
Kachchh, Gujarat - 370020

SMC Capitals Limited
A-401/402, Lotus Corporate Park,
Off Western Express Highway, Jai Coach Junction,
Goregaon (East), Mumbai - 400063
Maharashtra, India

Sub : Statement of possible special tax benefits(under direct and indirect tax laws) available to Venus Pipes & Tubes Limited ("Company") and its shareholders of the Company prepared in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations")

Dear Sir/Madam,

1. We, Maheshwari & Co., Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed **Annexure A and B,** prepared by the Company and initialled by us for identification purpose ("**Statement**") for the proposed initial public offering of equity shares of the Company ("**Issue**"), provides the possible special tax benefits available to the Company and to its shareholders under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, , the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 each as amended (read with the rules, circulars and notifications issued in connection thereto),) and as presently in force in India as on the date of this certificate and, as amended by the Finance Act, 2020, i.e. applicable for the Financial Year 2020-21 relevant to the assessment year 2021-22, Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the ICDR Regulations. While the term '*special tax benefits*' has not been defined under the ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the **Annexure A and B**. Any benefits under the taxation laws other than those specified in the **Annexure A and B** are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the **Annexure A and B** have not been examined and covered by this statement.

3. The benefits discussed in the enclosed Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

   - the Company or its shareholders will continue to obtain these benefits in the future; or

   - the conditions prescribed for availing of the benefits, where applicable have been/would be met with.

   - the revenue authorities/courts will concur with the views expressed therein.

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

7. We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. This certificate may be relied upon by the Company, the Book Running Lead Manager ("**BRLM**") and the legal counsel appointed by the Company and the BRLM in relation to the Issue. We hereby consent to the extracts of, or reference to, this certificate being used in the Red Herring Prospectus, the Prospectus and in any other material used in connection with the Issue and other Issue related materials (collectively, the "**Issue Documents**"). We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law.

We confirm that we will communicate any changes in writing in the above information that will come to our attention or as made available to us by the management or the BRLM until the date when the Equity Shares allotted in the Issue commence trading on the relevant stock exchanges.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

Yours Sincerely,

For **MAHESHWARI & CO.**
Chartered Accountants
(Firm Registration Number: 105834W)

Sd/-

Ramesh Totla
(Partner)
Membership Number: 416169
UDIN:
Place of Signature: Surat

Annexure A

Statement of Tax Benefits

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO VENUS PIPES & TUBES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

DIRECT TAXATION

This statement of possible special direct tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). The term 'special tax benefit' has not been defined under the SEBI ICDR Regulations, for the purpose of this statement, possible special tax benefits which could be available dependent on the Company or its shareholders fulfilling the conditions prescribed under the tax laws, are enumerated below.:

A) Under the Income-tax Act, 1961 (hereinafter referred to as 'the Act'), as amended by the Finance Act, 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022- 23 ('Year').

This Annexure sets out only the possible special direct tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 i.e. applicable to Financial Year 2021-22 relevant to Assessment Year 2022-2023, presently in force in India.

I. Special direct tax benefits available to the Company under the Act

Lower Corporate Tax Rate under section 115BAA

A new section 115BAA was inserted by the Taxation Laws (Amendment) Act, 2019 ('The Amendment Act, 2019) with effect from 1 April 2020 (Assessment Year 2020-21) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), subject to the condition that going forward it does not claim specified deductions/ exemptions as specified in section 115BAA(2) of the Act and computes total income as per the provisions of section 115BAA(2) of the Act. Proviso to section 115BAA (5) provides that once the company opts for paying tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year. Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

The Company has evaluated and decided to opt for the lower corporate tax rate of 25.168% with effect from the Financial Year 2019-20. Such option has been exercised by the Company while filing its return for the Financial Year 2019-20 within the due date prescribed under sub-section (1) of section 139 of the Act. Once the Company exercises such option, the MAT tax credit (under section 115JAA) which it is entitled to on account of MAT paid in earlier years, will no longer be available for set-off or carry forward in future years.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company from investment in the equity shares of the Company. However, such shareholders shall be liable to tax at concessional tax rates on certain incomes (arising from sale of equity shares of the Company) under the extant provisions of the Act.

Section 112A of the Act provides for concessional rate of tax with at the rate of 10% in respect of specified long-term capital gains gain exceeding Rs.1,00,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an equity share in an Indian company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Initial Public Offering.

Section 111A of the Act provides for concessional rate of tax @ 15% in respect of short-term capital gains (provided the short term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months) being an equity share in a company or a unit of an equity-oriented fund wherein STT is paid on transfer.

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of individuals, whether incorporated or not and every artificial judicial person, surcharge would be restricted to 15% irrespective of the amount of dividend.

In respect of non-residents shareholder, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which such non-resident shareholder has fiscal domicile.

NOTES:

1. The above benefits are as per the current tax law as amended by the Finance Act, 2021 and Taxation Laws (Amendment) Act, 2020 applicable for Financial year 2021-22 relevant to the Assessment year 2022-23, presently in force in India.
2. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company. The shareholders/investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
4. The benefits discussed above cover only possible special tax benefits available to the Company and to its shareholders and do not cover general tax benefits. The above statement sets out the provisions of the law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

Annexure B

Statement of Tax Benefits

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO VENUS PIPES & TUBES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

INDIRECT TAXATION

This statement of possible special indirect tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). The term 'special tax benefit' has not been defined under the SEBI ICDR Regulations; for the purpose of this statement possible special tax benefits which could be available dependent on the Company or its shareholders or its material subsidiary fulfilling the conditions prescribed under the tax laws, are enumerated below.

I. Special tax benefits available to the Company under the GST Laws, Customs Act, Customs Tariff Act and FTP

Refund of tax paid on Export of goods or refund of tax paid on inputs/input services used in export of goods/services

Under the GST laws, export of goods or services has been treated as a 'zero rated supply' i.e. the goods or services exported shall be exempted or refunded of GST levied upon them. Thus, in case of export of goods or services the Company has an option to either pay GST on the supply and claim refund of the same or it can export goods or services without payment of GST and claim refund of the GST paid on inputs and input services used in such export. Going forward, with effect from a date to be notified, the refund of tax paid on export of goods/ services would be available only to notified taxpayers. However, refund of tax paid on inputs and input services used in export would continue to be available as before.

Advance authorization

Advance Authorisation is a scheme under FTP that allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also allowed to be imported duty free.

The quantity of inputs allowed for a given product is based on specific norms defined for that export product. The Directorate General of Foreign Trade (DGFT) provides a sector-wise list of Standard Input-Output Norms (SION) under which the exporters may choose to apply. Alternatively, exporters may apply for their own ad-hoc norms in cases where the SION does not suit the exporter.

The inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education Cess, Anti-dumping duty, Safeguard Duty and Transition Product-Specific Safeguard duty, Integrated tax, and Compensation Cess, wherever applicable, subject to certain conditions.

Advance Authorisation covers manufacturer exporters or merchant exporters tied to supporting manufacturer(s).

Export Promotion Capital Goods (EPCG) Scheme

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty.

The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization.

EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

Merchandise Export from India Scheme (MEIS) and Remission of Duties and Taxes on Exported Products (RoDTEP)

Under the MEIS Scheme, certain rewards and incentives are given to exporters. Such incentives are given to exporters at a specified rate which varies from product to product and from country to country. The incentives are given at a specified rate on the Free on Board value. The percentage of rewards varies from product to product and are in the range of 2% to 5% for most items. The incentives awarded to exporters under this scheme are issued in the form of Duty Credit Scrips. These Duty Credit Scrips are freely transferable and can be used for the payment of Customs Duty.

The MEIS incentives are applicable from 1 April 2015 to 31 December 2020.

The end of MEIS (2015-20) gave birth to the RoDTEP scheme which came into effect on 01 January 2021. RoDTEP entitles exporters to a certain percentage of an export price as a scrip which however gets limited to the embedded taxes. The benefits under the scheme range between 0.5% to 4.3% of the FOB value of exported products, subject to a cap at a certain sum per unit of the export commodity. As of now, Company product is not yet covered in RoDTEP.

II. Special tax benefits available to the Shareholders of the Company

(i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company. Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, the Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

All information in this section is sourced from the Dun & Bradstreet Research Report (the "**D&B Report**"). The D&B Report is subject to the disclaimer set out in "Certain Conventions, Currency of Presentation, Use of Financial Information – Industry and Market Data" on page 13. All forward looking statements, estimates and projections in this section are D&B's forward looking statements, estimates and projections. While we have taken reasonable action to ensure that information from the D&B Report has been reproduced in its proper form and context, none of our Company, the Book Running Lead Manager and their respective directors, employees, agents and professional advisors have conducted an independent review of the content or independently verified the accuracy thereof. Accordingly, prospective investors should not place undue reliance on the information contained in this section. The Material Contracts and Documents for Inspection shall also be available on https://www.venuspipes.com/investors.

This section contains copies of certain tables and charts from the D&B report. References to "2017- 18", "2018-19", "2019-2020" and "2020-21", etc., or "FY 17", "FY 18", "FY 19" and "FY 20" etc. in these tables and charts are to the financial years ended March 31, 2018, 2019, 2020 and 2021, etc., or as at March 31, 2018, 2019, 2020 and 2021, etc., as applicable. The use of the letter "E" or "P" after a number means it is an estimated or projected number, respectively.

Global Economic Overview

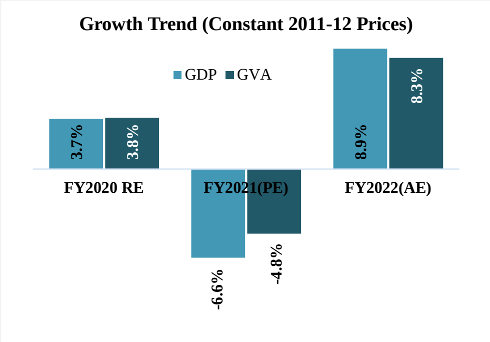
Global economy rebounded well in 2021 from its Covid-induced historic decline. Despite the worsening pandemic dynamics at the start of year and eventual lockdown in many parts of the world, the world GDP grew by 5.9% (est.) in 2021. Gradual unlocking of economy, accelerating vaccination, dropping infection rate during majority part of H2 2021 and government stimulus in many countries, all played its role in supporting the economic revival. However, emergence of Covid-19 new variants (Omicron) and its rapid spread towards the end of 2021 again presented an uncertainty about when pandemic going to end. Consequently, IMF in its October 2021 forecast, did a downward revision in global GDP growth by 0.1% against its July 2021 forecast. As per IMF, the world GDP is estimated to have grown at 5.9% in 2021. The low base effect also translated in higher rate of growth in 2021.

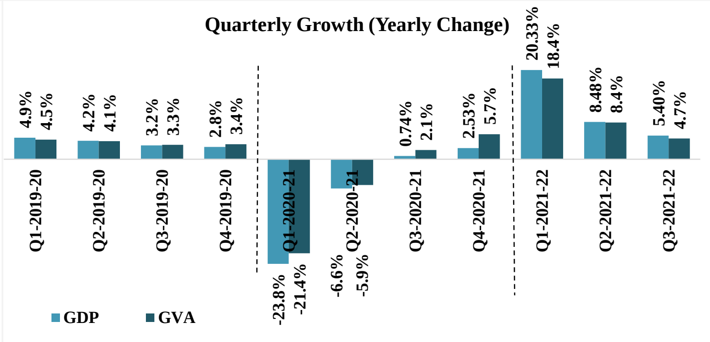
Real GDP growth	2020	2021Est.	2022 P	2023P
World	**-3.2%**	**5.9%**	**4.4%**	**3.8%**
India	-7.3%	9%	9%	7.1%
China	2.3%	8.1%	4.8%	5.2%
Japan	-4.7%	1.6%	3.3%	1.8%
USA	-3.5%	5.6%	4%	2.6%
UK	-9.8%	7.2%	4.7%	2.3%
EU	-6.5%	5.2%	3.9%	2.5%

Source: International Monetary Fund

In current year, the geopolitical event and changes in world economic dynamics shaping as a result ongoing Russia-Ukraine war threaten to derail the global GDP growth in 2022. US ban on Russian oil, natural gas and coal coupled with UK and EU announcement to wean themselves off from Russian oil has potential to intensify oil supply in global market and accelerate the already high global inflationary pressure. It will be noteworthy to know that Russia account for 12% of global oil output and 17% of natural gas output and it may take some time to ramp up alternative supply due to sudden ban on consuming Russian oil & gas. Prior to Russia- Ukraine crises, the international oil prices were already at risk of hitting new high due to tight supply of crude oil as OPEC plus countries refuse to increase output while major oil supplier such as Qatar, Saudi Arabia, and the UAE do not have significant capacity to increase supply at short notice. Also, their output is already reserved for trade partners or domestic consumption. Disrupted business operation, supply chain disruption, elevated crude oil prices, surging freight cost, inaccessibility of critical raw material and insecurity risk may aggravate food and fuel prices. In addition to above, Russia's unknown response to tightening western sanction is another major risk to global GDP growth. As per IMF most recent outlook released in January 2022, the global GDP is projected to grow by 4.4% in 2022.

India Economic Overview



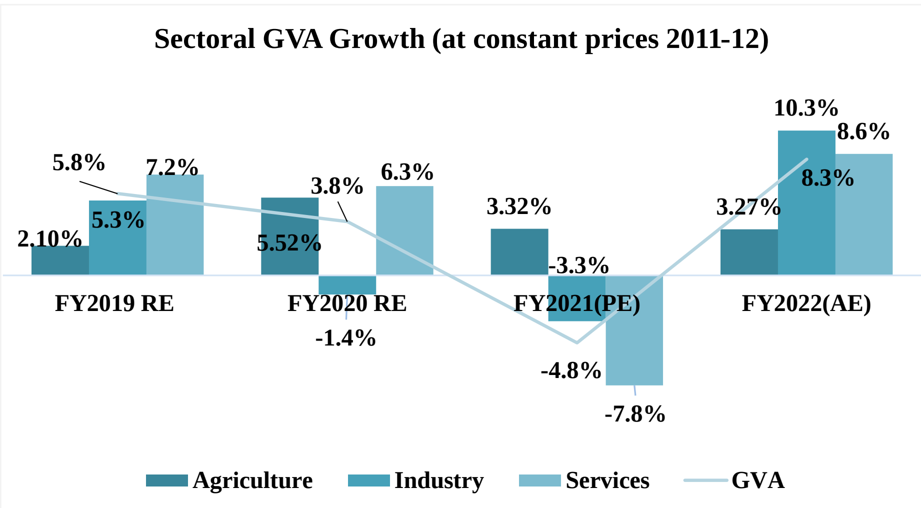


Sources: MOSPI R.E.: Revised Estimate. P.E.: Provisional Estimate

Hit by the coronavirus pandemic and subsequent lockdown, India's annual GDP growth shrunk by 6.6% in FY 2021 as compared to a 3.7% y-o-y growth in the previous year. As per Mospi advance estimates, despite the adverse effect of second wave of COVID-19 and associated localized lockdowns, the Indian economy rebounded well in FY 2022 and is estimated to have grown by 8.9%. The country is set to overachieve its export target despite the supply chain disruptions posed by COVID-19 restrictions, skyrocketing freight charges and container shortages.

On quarterly basis, the country recovered well from the Covid slump as it registered healthiest ever quarterly GDP growth of 20.33% in Q1 FY 2022 on y-o-y basis. Though much of this sharp surge in GDP growth is attributed to the low base-effect (as country observed a contraction of nearly 24% in GDP during Q1 FY 2021). While a surge in the Delta variant during the second wave of pandemic starting from end of February and strengthening till May 2021 was a drag on the overall economic recovery. On sequential Q-o-Q basis, India's GDP fell by 17% in Q1 FY 2022 as compared to the previous quarter output (Q1 FY 2022 change over Q4 FY 2021). Major relaxations in Covid-related restrictions and government relief measure such as INR 6.29 trillion stimulus package for the pandemic hit sectors, higher healthcare spending, accommodative policy rate etc. supported economic recovery in the subsequent quarter. During Q2 FY 2022, broader economic indicators bounced back above pre-pandemic level which was well captured in the improved quarterly result announcement of the corporates. Other economic indicators such as increase in bank credit growth and higher m-o-m GST collections from August 2021 onwards too indicated economic recovery. With over INR 1.3 trillion for the second straight month, the GST collection in November 2021 grew by over 25% (y-o-y) while it was 27% higher than the FY 2020 collection. In the quarter ending 30th September 2021, the country's GDP grew by 8.4% on yo-y basis against 7.4% decline in the same quarter in the previous fiscal. On sequential basis, it registered 10% growth over the previous quarter. The y-o-y growth moderated in subsequent quarter (Q3 FY 2022) to 5.4% due to the weaning impact of high base effect.

(*Source: D&B Report*)



Sectoral analysis of GVA data based on advanced estimates reveals, growth returning higher to pre-pandemic level in FY 2022. GVA in the industrial sector and services sector both strengthened during FY 2022 while agriculture sector GVA observed some moderation in yearly growth.

In the industrial sector, growth across major economic activities such as mining, manufacturing and construction sector surged, and registered a growth of 12.6%, 10.5% and 10% in FY 2022 against a decline 8.5%, 7.2% and 8.6% in FY 2021, respectively. Within industrial sector, only utilities sector observed growth single digit y-o-y growth of 7.8%, although it was higher than the decline of 3.6% registered in the previous year.

Talking about the services sectors performance, with major relaxation in covid restriction, progress on covid vaccination and living with virus attitude, business in service sector gradually returned to normalcy. Economic recovery was supported by the service sector as individual mobility returned to pre-pandemic level. The worst hit trade, hotel, transport, communication, and broadcasting segment registered 11.6% y-o-y growth in FY 2022 as compared to 20% contraction registered during FY 2021.

India's Economic Outlook

The ongoing spread of Omicron ba.2 in many parts of the world and recent external risk shaping up due to Russia-Ukraine crises have potential to restrain the pace of economic recovery especially in the manufacturing sector. Profitability of businesses are under pressure. The high-risk averseness of foreign investors, volatility and sharp downward movement in rupee, surge in commodity prices and the consequent rise in interest rates will impact India's short-term growth. Though in immediate term, the balance of risks facing the Indian economy are tilted to the downside, but various structural measure introduced by the government post Covid to revive 2.10% 5.52% 3.32% 3.27% 5.3% -1.4% -3.3% 10.3% 7.2% 6.3% -7.8% 8.6% 5.8% 3.8% -4.8% 8.3% FY2019 RE FY2020 RE FY2021(PE) FY2022(AE) Sectoral GVA Growth (at constant prices 2011-12) Agriculture Industry Services GVA 8 economy is going to have a long-lasting impact on India's growth story. The new free trade agreements that India has inked with UAE and is likely to forge with several countries such as UK and Australia along with the PLI scheme would provide a boost to India's export. Effective implementation of various policies such as Amtanirbhar Bharat, Gati Shakti for multi-modal connectivity and the National Monetization Pipeline (NMP) to finance infrastructure creation, will determine the future roadmap of India's growth story. If implemented well, it will have a crowd in effect on private investments and help India to move closer to its target of reaching USD 5 trillion GDP goal by 2024. For CY 2022, backed by the supportive structural reforms, IMF in its latest economic outlook review (Jan 2022) have projected India to continue growing at 9% while growth outlook for many other major countries excluding Japan was revised downwards.

Global Stainless-Steel (SS) Industry

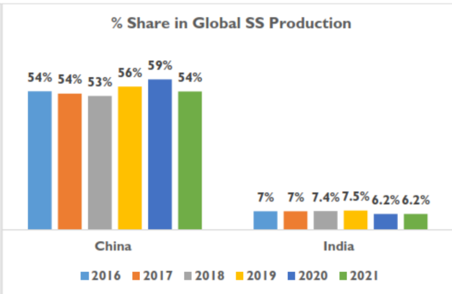
Stainless Steel is a value-added product with high corrosion resistant properties. Higher levels of Chromium and additions of other alloy elements (Nickel, Molybdenum, etc.) enhance the corrosion resistance. Compared to traditional steel, stainless-steel has higher resistance to corrosion, superior aesthetic finish and higher life span. These features have helped in increasing the popularity of stainless -steel across the world. High recyclability, resistance to corrosion and low maintenance properties has made stainless steel a preferred metal for application in diverse sectors railway, metro project, process industries, bridges, nuclear, airport, transportation, and kitchenware. Based on the content of alloying elements stainless steel is segregated into three series: 200 series, 300 series and 400 series. With 55% share, Cr-Ni grade (300-series) account for majority share in overall SSproduction.

Three Distinct Series of Stainless Steel & their composition			
	200 series	300 series	400 series
Manganese	5.5 -12%	2%maximum	1%maximum
Nickel	1 -6%	6 -22%	0.75%mximum
Chromium	10.5 -20%	15-25%	10.5%minimum
Copper	1.5 -2.5%	None	None
Iron	Balance	Balance	Balance

Production and Consumption Pattern

Global stainless-steel melt shop production grew by 10.6% to 56.3 Mn Tonnes in 2021 compared to ~50.9 Mn Tonnes in 2020 (Source: *International Stainless-Steel Forum*). In 2021, China with over 54% share in global SS production observed moderate 1.6% growth in 2021 against 2.5% y-o-y increase in the previous year. Talking about India's position in the global stainless steel market, India with average 7% share in global SS steel output (during 2016-20), remained the second largest stainless-steel producer behind China till 2020. In 2021, the global SS production composition is believed to have changed as Indonesia, the fourth largest SS producer was expected to replace Japan and India to become the second largest SS producer globally. Industry Sources suggest, Indonesia with estimated SS output of 4.2 Mn tonnes in 2021 observed nearly 75% annual growth against 5.7% increase in 2020 while India's SS output was estimated to be 3.5 Mn Tonnes. With 3.5 Mn tonnes SS output, India's share in world SS output is estimated to have gradually reduced from 7.3% in 2016 to 6.2% in 2021.

Globally, cold rolled flat products are the largest produced stainless steel products in the world, followed by hot rolled coils, and steel wire rods & bars. According to International Stainless steel Forum, cold rolled flat products account for approximately 47% of the total stainless steel trade in the world. Hot coils, Semis-flat, Semis-long, hot bar/wire rod, cold bar/wire, hot plate &sheet are the other SS intermediary products traded globally.



(*Source:* International Stainless-Steel Forum)

Metal products – manufacturing of kitchen utensils and home ware – is the largest end use of stainless-steel, both globally as well as in India. In India, 12% of the stainless steel is used in construction and infrastructure, 13% in automobiles, railways and transport (ART), 30 % in capital goods and 44% in durables and household utensils and 1% in others.

Indian Scenario

The Indian stainless-steel sector, the second largest producer (till 2020) and consumer in the world, has a total manufacturing capacity of more than 5 Mn tons of stainless steel annually. Since 2011, stainless-steel production has increased at a CAGR of 7.8% per annum from ~2.16 Mn Tonnes in 2011 to 3.93 Mn Tonnes in 2019. Barring 2020 for pandemic led decline, India's stainless-steel (SS) production has increased steadily between 2014-21. In 2020, India stainless steel production observed a decline of 19.4% over 2019 owing to Covid-19 pandemic induced depressed market condition. However, the industry rebounded well in CY 2021 where India's annual domestic stainless-steel production was estimated to have reached 3.5 Mn tonnes, registering 10.4% y-o-y growth.

SS production and consumption observed a V-shape recovery where volume improved gradually with phase-wise unlocking of the economy on the back of government stimulus and efforts put in place by the industry stakeholder. Flat products, which include steel slabs, sheets, plates, and coils account for 75% of total stainless steel products in the country.

Despite being one of the largest producers as well as consumers of stainless steel, the per capita stainless steel consumption in India remains low. India's per capital stainless steel consumption has increased from 1.2 kg in2010 to 2.5 kg in 2019, however, its consumption is comparatively much lower compared to the world average of 6 kg per capita, This low consumption pattern is an indication of the inherent opportunities existing in the sector.

Steel Pipes & Tubes

Globally, 10% of the steel produced is estimated to be converted to tubes. Higher demand for oil & gas and chemical & petrochemical industry– two of the largest consumers of steel pipes and tubes – is driving the demand across the world. Steel pipes and tubular products are broadly classified into the following six types:

<u>Standard Pipe</u>: There are three different types of standard metal pipes - welded (ERW Pipe), seamless pipe, and galvanized pipe.

<u>Line Pipe</u>: Used primarily in oil and gas applications. Line pipe includes ERW, FW, SAW and DSAW Pipe. They are manufactured to API 5L specification and are available in X42, X50, X60 etc. grades.

<u>Oil Country Tubular Goods (OCTG)</u>: This includes drill pipes, tubing and casing and are primarily used in drilling and completion of oil and gas wells. OCTG are produced by ERW and seamless manufacturing.

<u>Pressure Tubing</u>: Pressure tubing are produced using seamless manufacturing and are used for industrial and pressure application.

<u>Mechanical tubing</u>: These are used for mechanical and structural application and are produced by ERW and seamless manufacturing. They conform to ASTM specification.

<u>Structural Tubing</u>: These are used for support or retention purpose and are produced by ERW manufacturing. These are available in round or square and are largely used in construction, for fencing and other miscellaneous support needs.

Pipe Manufacturing

The two most common types of pipes are welded pipe and seamless pipe, both of which are available in carbon steel and stainless steel. They are part of tubular goods, which are manufactured to different specifications and standards. Pipes are sold by ‘nominal pipe size’ in sizes from 1/8” to 72”.

Welded Pipes: Welded pipe is manufactured using the following three process– ERW (Electric Resistance Welded) pipe, Furnace Weld (FW) also called as Continuous Weld, and Submerged Arc Weld (SAW), also known as DSAW. Most common specification for welded carbon steel pipe is A53. Welded SS Pipe is made to specification ASTM A312 and A358. A312 is the most common specification for SS pipe. Welded stainless pipe is made from 1/8" to 24" NPS (Nominal Pipe Size).

Seamless pipes: Seamless pipes are manufactured using a process that requires no welding. They are made from steel billets and have uniform structure and strength across the entire pipe body because of which they can withstand high pressure, temperature and stress, as compared to welded pipes, wherein the strength of the pipe is somewhat limited to the strength of the weld joint. These are used in applications which require properties of high anti-corrosion and an ability to withstand high pressure. Most common specification for seamless carbon steel pipes is A106B and for seamless stainless steel pipes is A312. Seamless stainless steel pipe is made to specification ASTM A312 and A376. A312 is also the most common specification for seamless SS pipe. Seamless SS pipe is made from size 1/8” to 14” nominal.

Based on manufacturing process and differentiated by their end-usage, several types of steel pipes & tubes manufactured are listed below–

Pipe Type	Size	Manufacturing	Key Application
Seamless	1/2”–14”	Piercing ingots/ billets of steel at high temperatures	It finds wide application in High Pressure condition Oil & Gas Exploration &Drilling, Boiler, Automobiles, Process, Pipelines, Refineries.
Spiral HSAW	18”–100”	Spirally Welding HR Coils	Low Pressure Application Cross- Country Line Pipes for Oil & Gas and Water Transportation

Spiral LSAW	16”–50”	Longitudinally submerged arcwelding ofsteelplates	High Pressure Application Cross Country Line Pipes for Oil & Gas Transport
ERW	1/2”–20”	Hot Rolled steel coils using electrical resistance welding process	Low/Medium Pressure Application, Application in urban and rural infrastructure (scaffolding),industrial application in engineering, automobile and process industry such as chemical, food processing, fertilizers, dairy, amongst other; pharmaceutical, power plants and water & sewage transport.
Blacksteel Pipe	Diameter:½"to20" Thickness:1.00 mm–12.7mm	Are Forged and threaded	Water, Gas, Air, Steam, Sewage, Water Wells, Mechanical, Hot water circulation in Boilers system, General Engineering purpose.
GI Pipes (Galvanised Iron Pipes)	15mm to 200mm.	Coated with Zinc layers. Generally screwed & socketed plain bevelled cut ends in pipe are used	It is primarily used in the carrying water in homes and commercial building, Structural Application, Scaffolding
DI Pipes	10mm – 300mmandabove	DI also known as ductile cast iron is advanced form of cast iron that can be manufactured in multiple grades to achieve high ductility and tensile strength. Aus tempered ductile iron has even better mechanical properties and resistance to wear	It finds large application in transporting water for drinking water application, sewage treatment and for industrial water supply.

LSAW pipes, made from steel plates, are also used in high pressure applications. On the other hand, HSAW and ERW pipes, made from HR coils, are used in low pressure application areas.

Generally, LSAW, HSAW and seamless pipes are used in the oil and gas industry for exploration and transportation. Typically, ERW, HSAW and seamless pipes are used in the non–oil segments such as water and sewage, engineering, process industry, power plants, autos and metros, among others.

Basis raw material, steel pipes and tubes segment industry is primarily classified into–

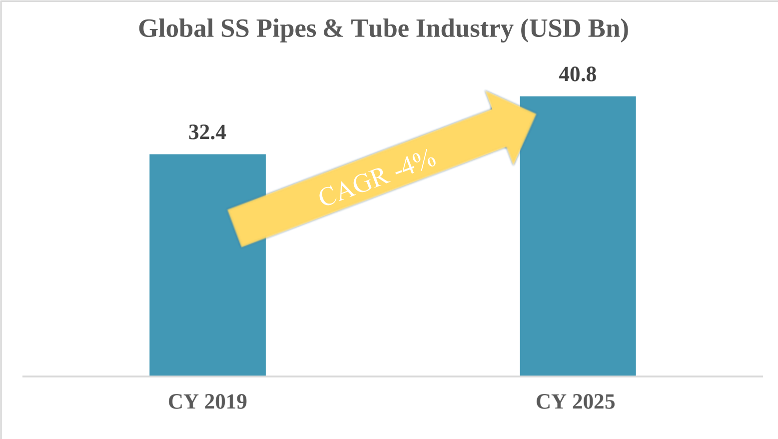
Stainless steel: Seamless and welded, ERW SS Pipes. Most common stainless material used in pipes manufacturing is 316 and 304 material grades.

Carbon steel: These are further divided into– i) Submerged arc welding (“SAW”), which includes LSAW & HSAW; ii) Electric welded resistance (“ERW”), which includes Black pipe, DI Pipes, GI pipe, GP, and hollow section; and iii) Seamless.

Stainless steel is iron based alloy containing a minimum of 16% chromium and Nickel being another important alloying element in stainless steel pipe. In many applications, stainless steel welded, and seamless pipes are used due to good resistance to corrosion, perform at high temperature, clean look, and low maintenance cost. Due to its general corrosive resistant and other attributes, stainless steel is used to manufacture SS High Precision and Heat Exchanger Tubes, SS Stainless Steel Hydraulic and Instrumentation Tubes. SS seamless pipes and SS welded and box pipes. These pipes and tubular product find diverse application in chemical plants, oil & gas, fertilizer, capital engineering good -heat exchangers, pressure vessel, process industry, automotive, pharmaceutical, paper & pulp, power plant, dairy, and food industries, amongst others.

Global Stainless - Steel Pipes & Tubes Industry

Globally, the SS pipes and Tube industry was estimated to be valued at nearly USD 32.4 billion in 2019 contributing 23% share in global pipes& tubes industry. In coming years too, the SS pipe & tube is expected to observe a stable growth of 4% through 2025 with the total market size estimated to cross USD 40 billion.



Demand Scenario

The oil & gas industry is among the major consumer segments for steel pipes and tubes used for transportation of gas & liquid as well as for upstream, midstream, and downstream processing of crude oil. With global economies gradually recovering from the pandemic impact, the demand for oil & gas is expected to resume quickly. Spreading Covid-19 cases at the start of 2022 once again shed some uncertainty over the economic recovery but this time the surge in infection caused muted impact on oil demand. Moreover, mobility indicator continued to remain strong lending the positive outlook for the Oil demand in 2022. According to the International Energy Agency (IEA), from 97 Mn barrels per day (BPD) in 2018, the oil demand is expected to increase by 5.5 mb/d in 2021 and by 3.3 mb/d in 2022 while it is estimated to return to the pre-pandemic level at around 99.7mb/d in 2022 projected to reach 103 mbd by 2030. However, the current Russia-Ukraine conflict could change the demand-supply dynamics between various countries in the coming years.

According to the International Energy Agency (IEA), from 97 Million barrels per day (BPD) in 2018, the oil demand is expected to increase by around 1 Million barrels per day (BPD) on an average every year till 2025. As a result, new pipelines projects are being commissioned, pipelines capacities are being expanded and offshore activities such as deep and ultra-deep-water production and development are increased which is having a positive impact on the steel pipe segment.

Few industry-specific research analysis highlights that the steel tube market dominates the overall industrial tubes market where the overall global industrial tube market was estimated to be valued at ~USD 478 billion in 2018 and is further slated to observe a decent 5.8% CAGR between 2018-23. Attributed to its metal properties, SS tubes is expected to witness growing application in global petrochemical, chemical, energy & power and automotive industries. Stainless steel is widely used in manufacturing of SS pipes, mechanical tubes, heat exchanger tubes, structural tubes, hydraulic & instrumentation tubes and others (capillary tubes, boiler tubes, precision tubes).

The pipeline segment is expected to register a steady growth within the US, which being a leading producer of oil& gas, accounts for nearly 23% and 17% share, respectively, in global gas and oil production. According to Global Data's latest report, 'North America Oil and Gas Projects Outlook to 2025 – Development Stage, Capacity, Capex, and Contractor Details of All New Build and Expansion Projects', North America is expected to witness the operational commencement of 603 projects during 2021-2025. The US dominates the upcoming project landscape in North America, with nearly 70% share of the total projects which are expected to start operations by 2025. Out of these, newly announced projects dominate with 83% while the remaining are expansion projects mainly in the upstream sector. Major upcoming projects in the US, such as the Alaska LNG liquefaction plant worth USD 43 billion and Cameron LNG Liquefaction Plant worth USD 33 billion, are expected to drive the need for oil & gas equipment including steel pipes & tubes.

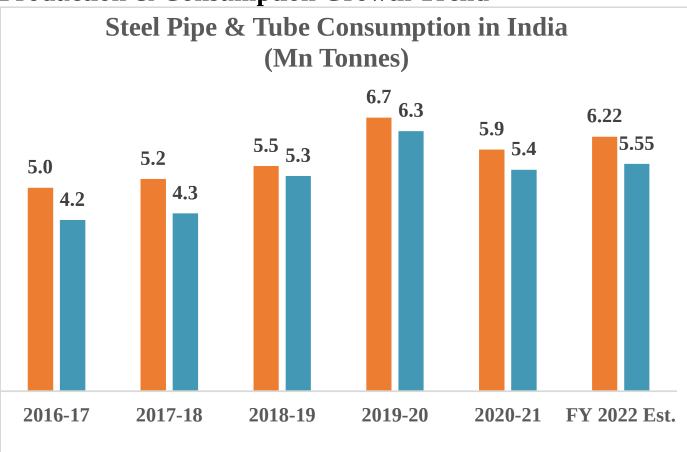
(*Source: D&B Report)*

Indian Steel Pipes and Tubes Industry

Since 2000, steel production in the country has seen a phenomenal increase as the sector witnessed high investments in capacity addition as well as technology upgradation. In 2018, India surpassed Japan to become the second largest steel producer in the world, after China. According to World Steel Association (WSA), India produced 118.13 Mn tons of crude steel in CY 2021 and accounted for 6.1% share in global crude steel production. In 2021, India's crude steel production registered a robust y-o-y growth of 18% against 10% contraction in the previous year while it grew at a CAGR of 4% between 2017-21. On consumption side, India is also the second largest consumer of finished steel. The emergence of a middle-class consumer segment has altered the consumption landscape in India, and with it the industrial production. The country's overall finished steel consumption in India is estimated to have been growing at 7% per annum since 2016 till 2019 to reach 102.6 Mn Tonnes but in 2020, it dropped by 14% against 6% y-o-y growth in 2019. International statistics indicates steel pipes & tube segment constitute ~8% share of the total steel consumption. Subdued industrial activity, and economic uncertainty have dampened the demand scenario, leading to lower consumption. However, economic recovery in 2021 points towards rising consumption of finished steel, consequently driving the steel production. During 10M FY 2022, the country's finished steel production was 21.06% higher than previous year output and it stood at 93.3 Mn tonnes while its consumption was ~15% higher and stood at 86.83 Mn tonnes.

Presence of such a vast primary steel manufacturing infrastructure has also helped in the growth of secondary and finished steel products. In pipes& tubes segment, India has emerged as one of the major producers of steel pipes, after Europe and China. The country has a well-developed steel manufacturing industry capable of manufacturing crude steel to value added steel products, including pipes & tubes. Availability of raw material, cheap labor, and ability to produce steel at a low cost have supported India's progress in the steel pipes and tubes industry. As per industry sources, the country's current manufacturing capacity of steel pipes and tubes stands at around 21.5 million tons which is further split into welded, seamless, and casted pipes with respective capacities of 16.3 million tons, 1.5 million tons and 3.7 million tons. Within welded pipes segment, ERW capacity is estimated at 9.5milliontons and SAW pipes at 6.80 million tons.

Production & Consumption Growth Trend



Source: Center for Monitoring Indian Economy

Annual production of steel tubes & pipes in India is estimated to reach 6.22 Mn Tonnes in FY 2022 while apparent consumption2 is estimated at 5.55 Mn Tonnes, but it continued to remain lower compared to the prepandemic level (FY 2020). Rising output is backed by resuming demand recovery in the major end user industry demand. The country's 10M FY 2022 steel pipes & tubes output was up by 8% while its consumption was up by 4% on y-o-y basis to reach 5.18 Mn Tonnes and 4.63 Mn Tonnes, respectively. In the previous year, both the output and consumption of steel pipes & tubes in India observed decline on the back of spread of covid-

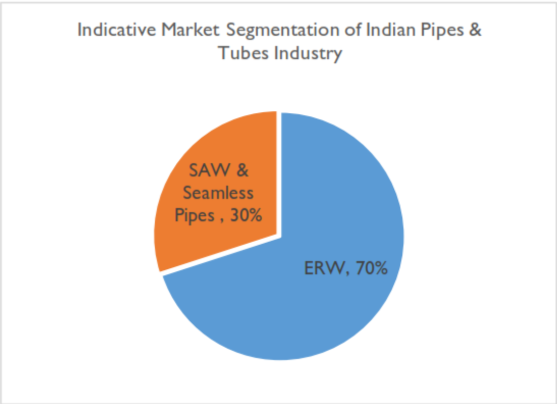
19 pandemic. Excluding FY 2021, the production and consumption of steel pipes& tubes in India has steadily grown at a CAGR of 5.8% and 7.4%, respectively. Incremental demand originating from infrastructure, water transportation mainly driven by Jal Jeevan Mission, construction, oil exploration, industrial application, and expansion of gas pipelines such as city gas distribution and national gas grid, amongst others has supported the growth of Indian pipes & tubes industry..

Domestic Industry Size

Due to diversified application in several industries, steel pipes and tubes industry is one of the important segments of the Indian steel sector. However, it accounts for just 8% share in the overall steel consumption basket which translate into consumption ranging from nearly 6.7 million tons to 8 million tons in the last five years while a few industry experts also suggest the actual usage of steel pipes & tubes in India to be about 12-13 million tons. In value terms, the size of the Indian steel pipes & tube industry is estimated at nearly INR 550-600 billion. With nearly 10 kg per capita consumption (PCC), steel pipes & tubes consumption in India is less than half of the global average(21-22 kg PCC) and about one fifth of the Chinese (55-60 kg PCC) which indicates huge opportunities for growing penetration of steel pipes & tubes in the Indian market.

Market Segmentation

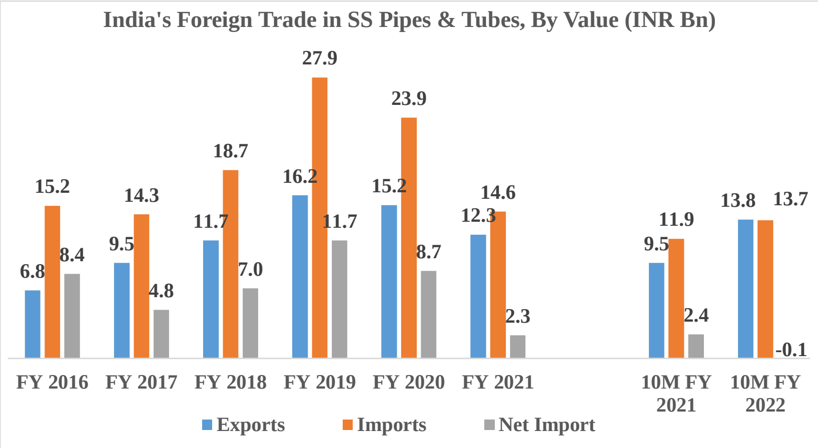
In terms of market segmentation, steel pipes & tube industry is equally split between ERW and SAW & Seamless pipes (S&S pipes) while by volume the ratio stands at 70:30, respectively. ERW pipes find prominence because of their diverse applications as well as implementation of advanced technology such as the Direct Forming Technology which allows for customized sizes and cost savings on raw material.



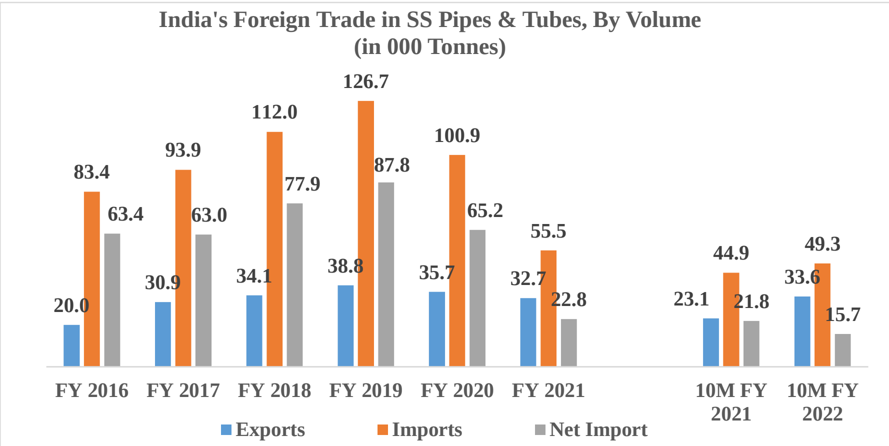
Basis raw material segmentation, the domestic demand for Stainless steel pipes & tubes is currently estimated at nearly 1.1Mn Tonnes in 2021.

Export and Import of SS Pipes & Tubes

India has continued to remain a net importer of SS pipes and tubes during the years 2016-21 where import value observed uneven growth in response to domestic demand scenario. Consequently, SS pipes & tubes import value declined at 1% CAGR during FY2016-21 to settle at INR 14.6 billion in FY 2021 while import volume declined at8% CAGR to settle at 55.5 thousand tons in FY 2021. During 10M FY 2022, India continued to remain a net importer by volume but by value it emerged as net exporter which depicts the influence of mild appreciation in rupee value that translated in lower import bills.



Source: Ministry of Commerce



Source: Ministry of Commerce

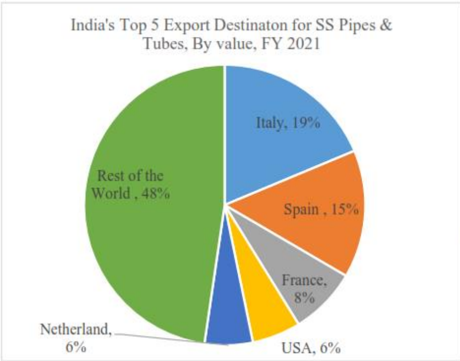
Annually, import observed decline for the two consecutive years in FY 2020 and FY 2021 where it declined by 14% and 39% in value terms and by 20% and 45% in volume terms, respectively. Contraction in industrial growth in India, leading to lower demand for SS pipes and tubes could be the major reason behind this drop-in import. It will be noteworthy to highlight that decline in volume was sharper than value which implies higher landed cost amidst depreciating rupee value. Falling imports in FY 2020 can be attributed to widespread moderation in economic activity while in FY 2021 it was largely due to Covid-19 pandemic induced market sentiments which impacted domestic consumption. During 10M FY 2022, India's SS pipes & tubes import observed 16% y-o-y growth in value terms and 9.7% increase by volume which point out revival in domestic end user industries in the last financial year.

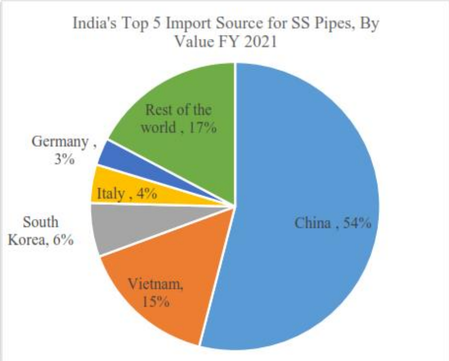
Major Trading Partners

China is the largest exporter of SS pipes and tubes to India and accounted for 54% of India's total imports in FY 2021. The cost advantage enjoyed by Chinese manufacturers, who operate at a lower cost as compared to Indian manufacturers, has helped in this high percentage of Chinese imports in the Indian SS steel pipes & tube imports.

However, the cancellation of the export rebates[1] on several steel products including ERW and seamless steel pipes as announced by the Chinese government on April 28, 2021 w.e.f. May 1, 2021 is expected to benefit

1On April 28, 2021, China's Ministry of Finance (MoF) and the State Administration of Taxation (SAT) announced to cancel VAT rebates on the exports of certain steel products starting May 1, 2021. A list of 146 steel products subject to the cancellation of export tax rebates on pig iron, seamless and ERW pipes (all sizes), hollow sections, wire rods, rebar, PPGI/PPGL coils and sheets, CRS, HRC, HRS and plates in carbon, alloy/SS, SS/alloy bars and rods, round/square bars/wires, structural and flat products, steel sheet pi les, railway materials, and articles of cast iron. Earlier, 13% VAT rebates on 1,084 products were made available by MoF and SAT in a notice dated March 17, 2020 to relax financial burdens faced by exporters due to the breakout of COVID-19 which will be no longer available to 146 steel products starting domestic pipes and tubes manufacturers. The cancellation of export tax rebates would encourage Chinese steel manufacturers to turn to the domestic market and would reduce the domestic production of various steel products for export. Vietnam and South Korea were other major exports of SS pipes & tubes to India and accounting for 15% and 6% of total imports in FY 2021.





(Source: Ministry of Commerce)

India's export of SS pipes & tubes is quite diversified where Indian manufactured products are supplied to more than 130 countries spread across the world. In FY 2021, Italy followed by Spain, France, USA, and Netherland remained India's top five market for SS pipes and tubes. Together, these top 5 countries accounted for 52% share in India's total export earnings generated against SS pipes & Tubes.

Major Policies in Steel & Steel Pipes & Tubes Sector

National Steel Policy 2017:

This policy was initiated with the intention to create a globally competitive steel industry in India. It is an updated version of the National Steel Policy of 2005. The achievement targets outlined under National Steel Policy 2017 is likely to have a favorable impact on supply side dynamics and strengthen the indigenous manufacturing capabilities. Key policy objectives include–

- Increase the per capita steel consumption from current 63 kg to 158 kg by FY 2031.
- Reduce the dependency on imports of coking coal from 85% to 65% by FY 2031.
- Domestically meet the demand for high grade automotive steel, electrical steel, special steel etc. by FY 2031.
- Attain global standards in Industrial safety, reduce the carbon footprint and have energy efficient steel production.

Strengthening the raw material supply chain. To reduce dependency on steel imports, in Dec 2020, the Ministry of Steel, Government of India, signed a Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities under the framework of India - Japan Steel Dialogue. The initiative is expected to strengthen the steel sector in terms of trade and investment, capacity building, energy efficiency etc., which bodes well for the stainless steel pipe industry as well.

Stainless steel pipes notified under Steel Quality Control Order: To ensure the availability of quality steel to the industry, the Ministry of Steel introduced the 'Steel Quality Control Order' banning sub-standard/defective steel products both from domestic players & imports. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards is made available to the end users in the country. As of December 20, 2021, 45 Indian Standards have been notified under the 'Quality Control Order' which covers carbon steel, alloy

on May 1, 2021. The policy covers almost all steel products, except cold-rolled coil, hot-dipped galvanized coil and aluminum-zinc coated coil.
On July 29, 2021, China's MoF and Tariff Commission further announced cancellation of export rebate for flat steel products classified under Harmonized System codes 7209, 7210, 7225, 7226, 7302 and 7304, including CRC, HDG, galvalume and other coated steel sheet, tinplate and different kind of electrical steel and seamless steel pipes with effect from August 1, 2021. The cancellation of 13% export rebate has translated into rising expense for Chinese CRC and HDG seller by nearly USD 120-130 per tonnes.

steel and stainless steel. In addition, goods & articles made of steel such as stainless steel pipes & tubes, laminations/cores of transformers, products of tin plate & tin free steel etc. have also been notified to prevent circumvention of the 'Steel Quality Control Order'. During the year 2020, 78 additional Indian Standards have been notified under the 'Quality Control Order'. The order excludes product meant for export as Indian manufacturers making product for export purpose are required to comply with the destination market standard.

Domestically manufactured iron and steel products policy (DMISP): On 8th May 2017, the Government released a DMISP policy to prefer the domestically manufactured iron & steel products in Government procurement. To align with the Government "Atmanirbhar Bharat" scheme, Ministry of Steel notified amendments / additions to the DMISP Policy in Dec 2020 which was last revised, 2019. The amended policy further broadens the scope of the policy to promote domestic manufacturing in the steel sector. Domestic steel has been defined as one which has been manufactured in India with value addition ranging from 15-50%. So far (till end of 22nd March 2022), the Policy has led to import substitution of more than INR 224 Bn worth of steel which indicates increasing usage of domestic steel in government procurement thereby contributing in creating more job opportunities and strengthening the overall economy.

With respect to SS pipes & tubes, this policy has the potential to increase the procurement of domestically manufactured pipes & tubes made with Stainless Steel by PSUs in manufacturing sector, particularly Oil & Gas sector where PSU presence is significant. This creates a direct opportunity for established large players in this industry.

Union Budget 2022-23 Announcement & Steel

- NIL Basic Custom Duty (BCD) on scrap of iron or steel including stainless steel that is applicable up to March 31, 2022 is being extended up to March 31, 2023. Continuation of NIL BCD on scrap imports is positive for sector.
- Tariff rate of scrap of iron or steel is reduced to 2.5% from 5%. Therefore, once the exemption from duty on these scraps expire, the BCD rate shall operate through tariff.
- Rescinds anti-dumping or countervailing duty on following products of steel are revoked with effect from February 1, 2022:

  ➢ Straight length Bars and Rod of alloy Steel from China PR,
  ➢ High Speed Steel of Non-Cobalt Grade from China PR, Brazil, Germany.
  ➢ Flat rolled products of steel (Al or Zinc coated) from China PR, Vietnam, and Korea RP.
  ➢ Hot rolled and cold rolled stainless steel flat products (from China PR).

Major Announcement in Infrastructure sector

- 58% increase in capital expenditure for Roads and Bridges to INR1. 80 tn in FY23 (BE).
- 17% increase in capital expenditure for Indian Railways – Commercial Lines to INR1.37 tn in FY23 (BE).
- INR 480 bn is allocated for completing 8 mn houses for beneficiaries of PM Awas Yojana.
- National Ropeways Development Programme (Parvatmala) in difficult hilly areas and congested urban areas to improve connectivity and convenience where conventional mass transit system is not feasible. Contracts for 8 ropeway projects for a length of 60 km will be awarded in 2022-23.

Significantly higher capital expenditure planned towards sectors with higher metals consumption intensity such as Railway, Road and Bridges, Water infrastructure and Affordable Housing is positive as this will support demand for metal. However, Removal of anti-dumping duty on certain imports from specific countries with effect from February 1, 2022 and higher commodity price cycles put a dent in otherwise positive announcements.

Demand Drivers

Stainless steel pipes and tubes are one of the most important products in the steel industry and they find wide application in oil & gas, capital goods, power and several other sectors. In the industrial sector, it is used in the manufacturer of the heat exchanger, condensers, and similar industrial equipment that are used in chemical plants, fertilizer plants, pharmaceuticals, sugar, dairy & dairy products, water desalination and automotive industry, among others. Additionally, steel pipes & tubes also find application in construction. Oil & gas and chemical & petrochemical industry are the two largest consumers of steel pipes and tubes– and are driving the demand across the world. Thus, demand for steel pipes & tubes is linked to the demand scenario and capex plans prevalent in its end-user industries.

Demand from Oil & Gas Sector

Oil &gas sector is one of the largest end user industries for steel pipes and tubes including SS pipes and tubes with pipelines being the major mode of transport for petroleum, oil, and lubricants. Therefore, oil & gas industry has a close linkage that dictate steel pipes and tube demand in the country. Stainless steel offer good resistance to high-pressure and high-temperature and therefore, is widely used in refineries, pipelines, storage capacity, gas terminals, and retail outlets. Talking about oil & gas industry, India is currently the 3rd largest energy and oil consumer in the world, after China and US. The Indian Oil & Gas (O&G) industry is distinguished in the global context as it contributes to 4.6% of the global oil demand with consumption of 4.8 barrel per day in 2021. As per IEA recent published report (under stated policy scenario), India's oil consumption is projected to rise by 50% by 2030 comparison to global demand growing by 7%. India's oil consumption is expected to grow by 4.8 million barrels per day (mbd) in 2019 to 7.2 mbd in 2030 and 9.2 mbd in 2050. India will continue to remain the third largest consumer of oil in 2030. For Natural gas, the country's consumption projected to double to 133 billion cubic meters in 2030 from 64 BCM in 2019 as against a 12% rise in global gas demand. Currently, India is also the 4th largest refining capacity globally after US, China, Russia, having total refining capacity of 249.87 Mn Metric Tonnes per annum (MMTPA) as on year ending on 1.04.2021 while per day refining capacity stood at 5 Mn barrel. As per IOC, a leading Indian Refiner, the country needs to add 2 Mn barrel per day by 2030 to support the country's economic expansion.

On production side, with proven reserves of 4.5 billion barrels, and 1.3 ton cubic meters, India accounts for a mere 0.3% and 0.7%, respectively, in the list of countries with proven crude oil and natural gas reserves in 2018. Moreover, the domestic crude oil production in the country has remained sluggish and has witnessed a falling trend since FY 2012. Therefore, India continues to remain an import dependent country, meeting 85% of its oil demand and 49.1% of its gas demand through imports (Apr-Feb 2022).

	Crude Oil Average price(India basket) USD/bbl.	Total Imports (MMT)	Domestic Production (MMT)	Total	%share of Imports	%share of Domestic Production
2014-15	84.16	189.43	37.47	226.90	83.49%	16.51%
2015-16	46.17	202.85	36.94	239.79	84.59%	15.41%
2016-17	47.56	213.93	36.01	249.94	85.59%	14.41%
2017-18	56.43	220.43	35.68	256.12	86.07%	13.93%
2018-19	69.88	226.50	34.20	260.7	86.88%	13.12%
2019-20	60.47	226.95	32.20	259.12	87.59%	12.14%
2020-21 (P)	44.82	198.11	30.50	228.61	86.70%	13.34%
April-Feb 2021*	44.55	178.20	27.90	206.10	84.10%	15.90%
April-Feb2022*	75.78	193.50	27.20	220.70	85.40%	14.60%

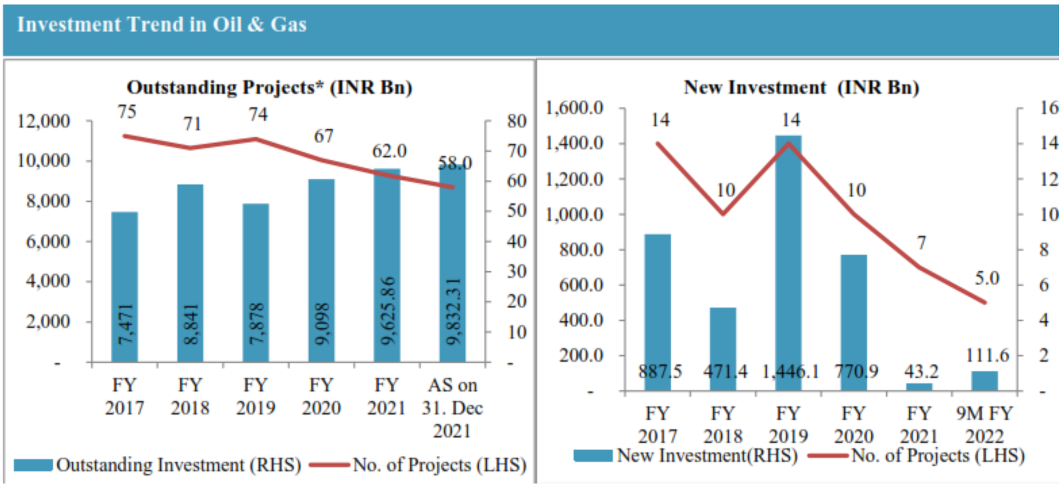
(Source: Ministry Snapshot of India's Oil & Gas data)

*Cumulative Monthly data from Petroleum Planning & Analysis Cell: Snapshot of India's Oil & Gas data, February 2022

India's crude oil import volume observed 8.9% increase during 11M FY 2022 while crude oil import bill surged sharply by USD 105.9 Bn amidst rising oil prices in global market, registering y-o-y growth of 96.8%. Such high import dependency renders the country's economy vulnerable to international crude oil market dynamics. Consequently, to insulate the domestic economy from external shocks and conserve forex reserves, the government is working towards increasing domestic E&P (Exploration & Production), to reduce import gradually. The government envisages to cut India's oil import dependence by 50% by 2030.

Capital Expenditure Scenario in Indian Oil & Gas Sector

Being one of the largest end user industry of steel, capital investment trend in oil & gas industry has a great bearing on steel pipes & tubes demand. Typically, around 10% of the capex in the oil & gas and petrochemical industry is on towards steel pipes.

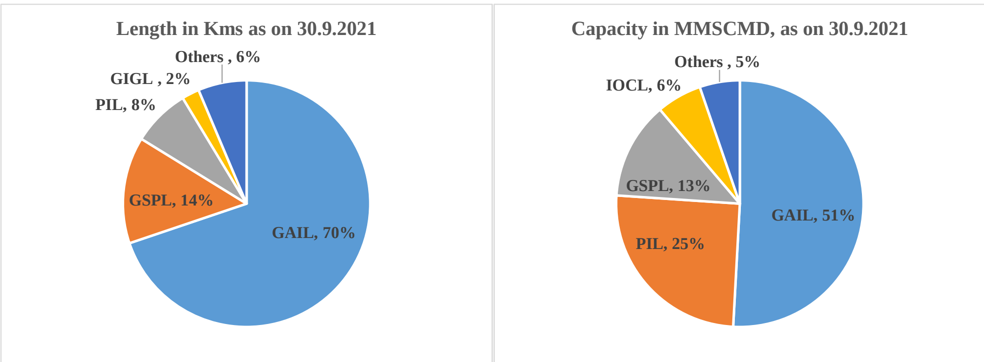


(Source : Center for Monitoring Indian Economy)

Growth Scenario in Natural Gas Infrastructure Development

ERW pipes are finding increasing application in city gas distribution network which is one of the fastest growing end-user segments of natural gas infrastructure. In India, CGD sales were dominated by the CNG (Compressed Natural Gas) segment, owing to stringent environmental regulations and rapidly growing penetration of CNG fitted vehicles in India. It is predominantly used as auto-fuel and is CNG is economical and eco-friendly than conventional liquid auto fuels.

Another area which find its application is Piped Natural Gas (PNG). PNG is used in domestic, commercial, and Industrial segments. Natural Gas termed as PNG when it is supplied through an integrated network of Steel and PE (Poly ethylene) pipeline to end consumers. A phased wise development of CGD networks in different identified cities of the country including the cities approved under SMART Cities program is proposed by a PNGRB, depending on the natural gas pipeline connectivity/natural gas availability.



(Sources: Ministry of Petroleum & Statistic)

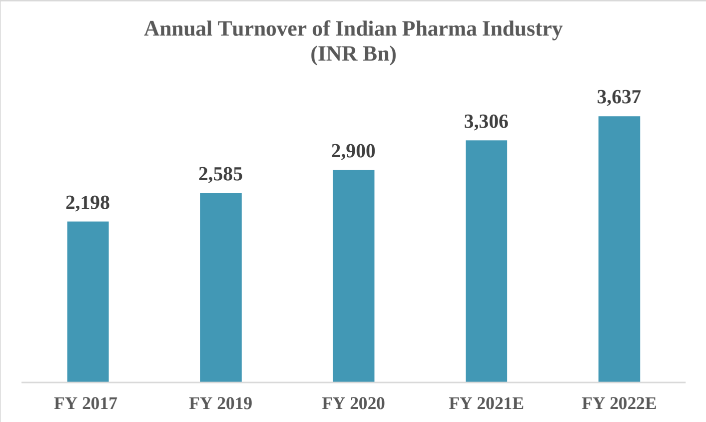
As on 30.9.2021, the Country had about 19,285 Km long Natural Gas pipeline network in operation of which 5,515kms of length was partially operational. The total capacity of completely operational pipeline stood at 337.3 MMSCMD. GAIL, GSPL, and PIL are major developer for Gas pipeline infrastructure in India with GAIL accounting for majority share of 70% in existing pipeline infrastructure. Another 14,225 Km long gas pipeline is under construction phase. This gas grid will help to increase availability of natural gas in various parts of the country. Backed by booming PNG and CNG segments, the country's CGD network is anticipated to which is expected to support ERW in coming times.

Demand from Pharmaceutical Sector

Indian pharmaceutical industry is ranked as the third largest in the world, in terms of volumes of drugs manufactured, and thirteenth largest in terms of value. The country is also the world’s largest supplier of cost-effective generic drugs, and accounts for one-fifth of the global trade in generic drugs. India has achieved an enviable position in global generic drug market on the back of its strength in organic chemical synthesis and process engineering. Indian pharmaceutical industry, which followed process patent structure for close to 30 years till the amendment of Patent Act in 2005 was favorable for generic drug manufacturers. The process patent structure allowed industry to launch low-cost alternatives to innovator drugs if the manufacturing process was different. India with its technically skilled labor force was able to reverse engineer patented drugs, and hence became one of the largest and most developed generic drug markets in the world. The strong generic drug manufacturing infrastructure developed during the process patent regime helped India to become the leading exporter of generic drugs. Additionally, heavy investments in the manufacturing infrastructure which includes the highest number of US FDA (Food & Drug Administration) certified facilities (outside the US), also ensured Indian drug manufacturers to meet the quality standards mandated by regulated drug markets like the US and EU. Today, India accounts for nearly 60% of the global vaccine production. This includes nearly 70% of WHO (World Health Organization) demand for vaccines to combat Diphtheria, Tetanus, Pertussis and BCG vaccine as well as nearly 90% of measles vaccine demand. Nearly 80% of the antiretrovirals drugs used to combat AIDS (Acquired Immune Deficiency Syndrome) used globally is supplied by Indian pharmaceutical companies.

The change in pharmaceutical patent regime has resulted in increased focus on research &development initiatives. Today, in the field of innovator drugs as well as biologics, Indian pharmaceutical industry is considered a leader among the developing economies. Accordingly, the total turnover of Indian pharmaceutical industry is estimated have increased by a CAGR of nearly 12.5% in the past five years (FY 2016-21) to reach INR 3,335 billion.

Accordingly, annual revenue turnover in Indian pharmaceutical industry is estimated to be INR 3,637 Bn in FY 2022, with revenue turnover increasing by a compounded growth rate of 11% during the last five years (FY 2017-22). Led by covid therapy drugs & related products (drugs like remdesivir as well as vitamin / mineral supplements) the sales of pharmaceutical drugs strengthened in FY 2021 and this trend has continued in the succeeding year too. Strong domestic demand – in the wake of spread of the pandemic – has been a key highlight of the industry growth in the past couple of years. Higher domestic consumption together with an increase in product prices has helped the industry in posting strong growth in the last couple of years. Higher price of raw materials (API / KSMs / DIs) forced pharmaceutical companies to hike product prices, after a favorable decision was given by the pricing regulatory body.



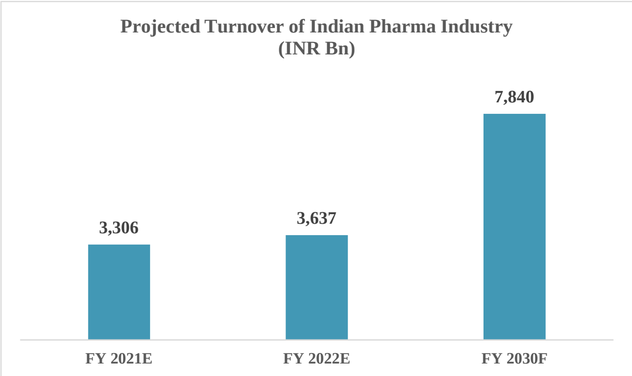
(Source: Department of Pharmaceuticals, Government of India, Dun & Bradstreet Research))

The global dominance of Indian pharmaceutical industry, primarily in generic formulation space is set to continue in the foreseeable future. The patent cliff which lifted the patent protection of numerous blockbuster drugs has been a major enabler in the growth of formulations. Indian firms have been able to capitalize on the patent cliff by the timely launch of generic versions in the US market. Although the recent spike in US FDA adverse comments on the manufacturing facilities of leading Indian pharmaceutical companies has impacted exports, the correction action by companies concerned would help to reverse the impact.

As the acceptance of generic drugs increases in the developed markets, particularly the US, India's position in the global generic market will continue to rise. The move in the US market towards an affordable healthcare framework, aided by supportive Government policies, will augur well for Indian companies already present in the US market. Exports, which has been the mainstay of Indian pharmaceutical space, would be instrumental in driving the future growth.

On the domestic front, the favorable demand created by increasing older population, and rise in incidences of lifestyle diseases would continue to facilitate domestic revenue growth. However, the lifestyle disease segment is largely addressed by patented drugs by innovator pharmaceutical companies, who are primarily multinational players. The presence of India n generic pharmaceutical companies in this segment is low.

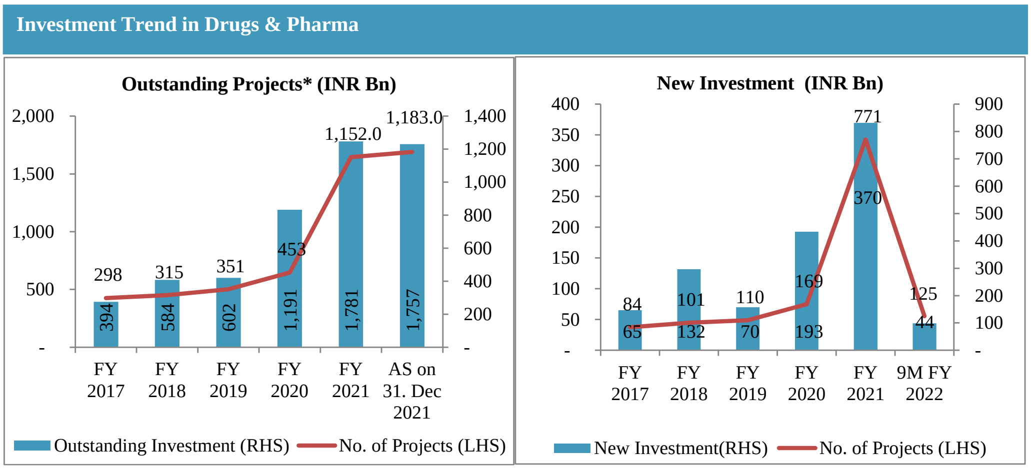
On the back of the above favorable factors, the compounded annual growth rate in the pharmaceutical industry is expected to be higher than the growth rate recorded in the last decade. During FY 2021-30, the annual turnover in Indian pharmaceutical industry is expected to grow by a CAGR of 10%, to reach INR 7,840 billion.



(Dun & Bradstreet Estimate)

Capex Scenario in Pharmaceutical

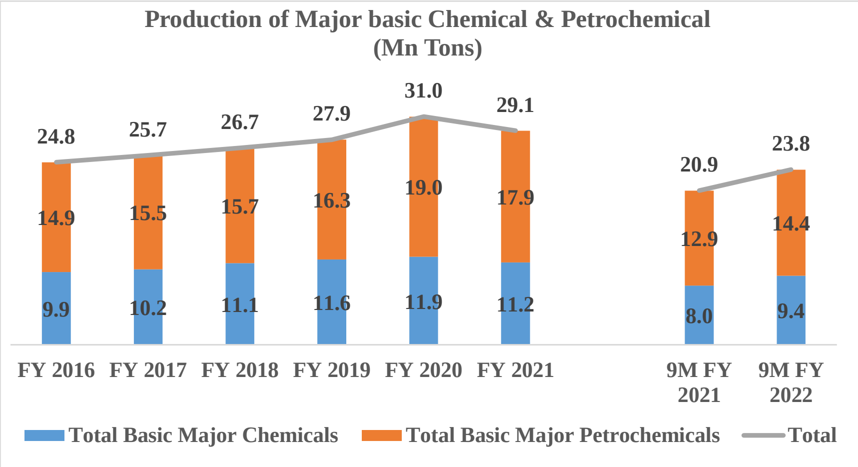
Covid-19 Pandemic has had a significant impact on the domestic pharmaceutical industry. The presence of developed pharma industry remained critical in dealing with the Covid-19 pandemic. Understanding the importance of having strong manufacturing base to ensure smooth supply, new investment saw sharp surge during FY 2021 which is believed to have supported the overall demand for SS pipes and tubes in times when demand scenario from other sectors turned adverse. In FY 2021, investment worth INR 370 billion spread across 771 projects were announced.



(Source: Center for Monitoring Indian Economy)

Demand from Chemical & Petrochemical Industry

Chemical industry forms an integral part of economy, contributing to 13.32% of gross manufacturing value addition and 12.9% of annual export revenue (FY 2021). In terms of annual market turnover, Indian chemical industry is ranked 6th in the world. In terms of annual production, the domestic chemical industry is ranked 3rd globally.



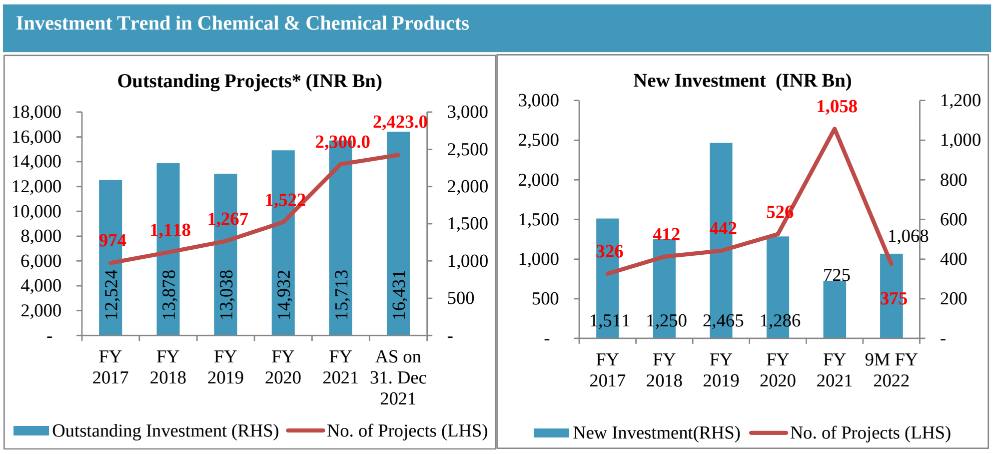
(Source: Department of chemical & Petrochemical)

The highly diversified Indian chemical industry covers nearly 80,000 commercial products and is broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers. Indian chemical industry is capable of manufacturing chemicals of varying complexity, from basic bulk chemical to specialty chemicals like dyes, surfactants, and construction chemicals. Annual production of basic chemicals– organic, inorganic, alkali chemicals, dyes & pigments, and pesticides– is estimated to be 11.2 million tons in FY 2021. Alkali chemicals – consisting of soda ash, caustic soda, and liquid chlorine – accounted for 70% of production volume in FY 2021, followed by inorganic chemicals, and organic chemicals.

On the other hand, annual production of major basic petrochemicals is estimated to 17.9 Million Tons in FY 2021 while the total production of basic major chemicals and basic major petrochemicals reached 29.2 Million Tons. Production volume in both basic major chemical and petrochemical declined by nearly 6% in both the segment in line with overall moderation in end user industry due to depressed market condition. But the cumulative monthly production volume during first 9 month in FY2022, registered 14% y-o-y growth in line with resuming demand scenario. Prior to FY 2021, the production of basic chemicals increased by a CAGR of 4.8% while basic petrochemical production increased by a CAGR of 6.3% during the period and at aggregate level it grew by 5.7% CAGR during FY 2016-20.

In value terms, the size of the industry is currently estimated at USD 178 billion which is expected to grow to USD 300 billion by2025, growing annually by 9% per annum.

Capital Expenditure Scenario in Chemical Industry

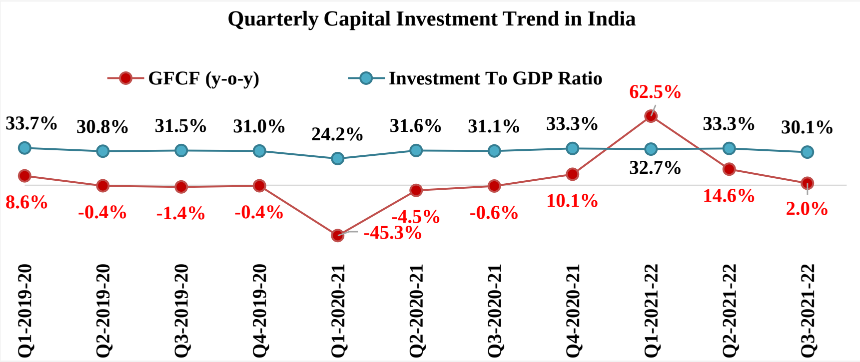


(Source: Centre for Monitoring Indian Economy)

To cater the growing industries demand, substantial investments are planned in chemical and petrochemical sector. As per CMIE data, about 375 new projects were announced in the chemical sector during 9M FY 2022, however value wise, overall investment higher than annual cumulative investment value announced in FY 2021. This implies larger value per project during YTD FY 2022.

Capital Investment Growth Scenario in India

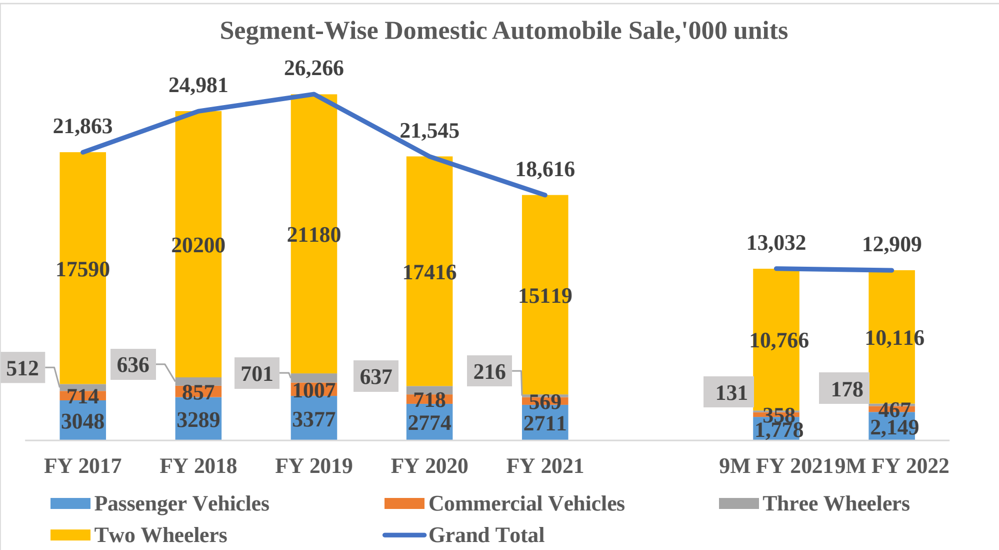
The overall GFCF at constant prices gained strength during Q4 FY 2021 after witnessing a negative to mild growth in the previous three quarter on yearly basis. Improving quarterly data indicated improving demand scenario which turned out to be temporary in nature.



(Source: D&B Report)

Demand from Automobile Sector

The rise in automobile production and sale in India over the last couple of decades have translated into positive demand for SS pipes & tubes in automobiles. Apart from the natural growth in demand due to rise in automobile production, the regulatory changes that are happening across global automobile industry too have a positive implication on increasing usage of stainless steel in the sector. The stringent emission norms and efficiency standards are forcing automobile manufacturers to increase the proportion of special stainless steel used in vehicles. The high strength-to-weight ratio, high durability, tolerance, and good corrosion resistance attributes have also contributed to an increasing usage of stainless steel in automobiles.



(Source: Society of Indian Automobile Manufacturers (SIAM))

Note: Segment wise summation of domestic sales will not add to total as Quadricycle data has not been included for analysis purpose.

The overall domestic production and sales surged to 30.9 million units and 26.2 million units in FY 2019 before plummeting for two consecutive years in FY 2020-21. The COVID-19 pandemic worsened the vehicle demand in FY 2021 as the industry lost two months in FY 2021 because of Government enforced lockdown. During 9M FY 2022, the overall industry sales of ICE-based vehicle was down slightly (0.9%) where the decline was largely in two-wheeler segment while domestic sales in other segments recovered. On contrary, the moderating sales volume in overall ICE based vehicle is compensated by shift towards EV in India. During Jan-Dec 2021, cumulative EV sales in India touched 311,368 units which was 160% higher compared to the corresponding period last year. Aligning with growth industry sales, the auto component industry turnover in India demonstrated a remarkable turn-around by registering 65% y-o-y growth, reaching USD 26.6 Bn (INR 1.96 trillion). The automobile demand got major push from the pent-up demand and accelerating vaccination drive.

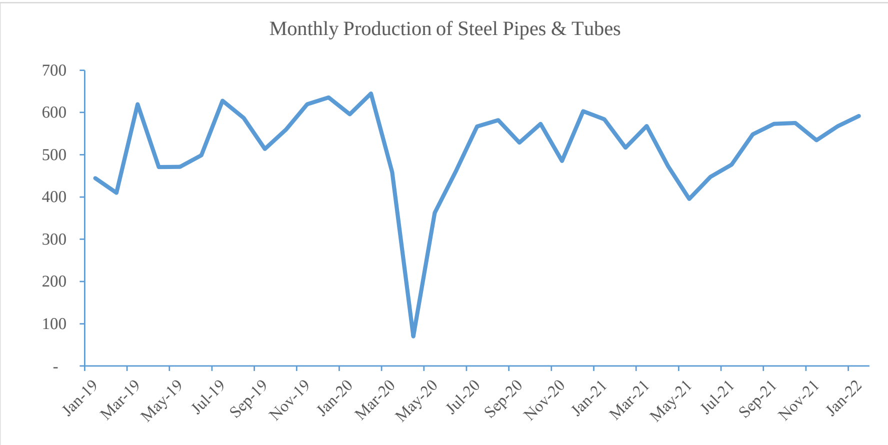
Impact of COVID-19

Impact on Supply of Steel Pipes

1. Decline in Domestic Production

The spread of Covid-19 pandemic, which intensified during the beginning of 2020, and the subsequent steps taken by the Union Government have impacted the economic growth in the country. The most significant impact happed during the first half of 2020, because of the three-month long lockdown that the Union Government imposed, starting from mid-March 2020.

The three-month nationwide lockdown had a debilitating impact on Indian economy which saw economic growth plunge to all time low of 24.3% in Q1 FY 2021. Industrial activity came to standstill as the Government mandated closure of all economic activity (except few essential sectors) during the duration of lockdown. As a result, manufacturing GVA dropped by 38.5% in Q1 FY 2021 compared to previous quarter and Index of Industrial Production (IIP) dropped by 40.3% in the same period.

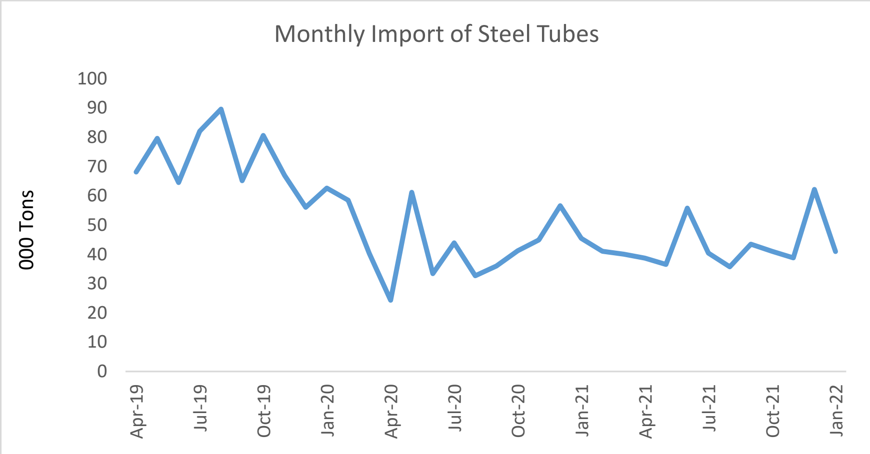


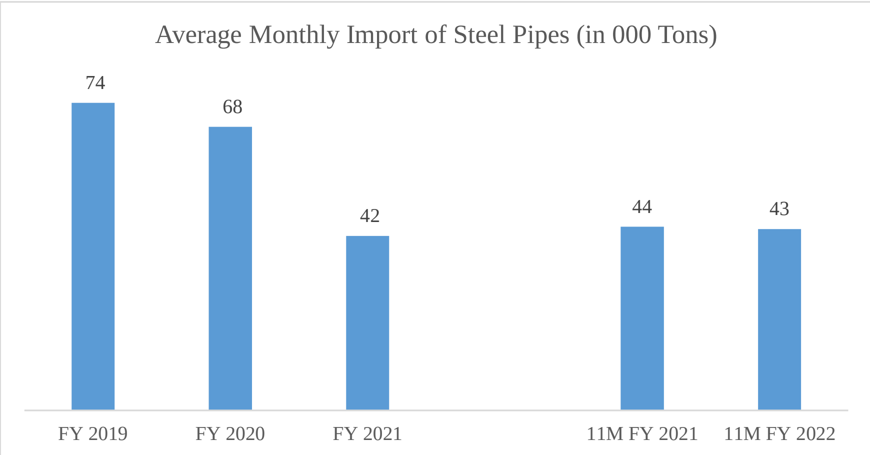
(Source: Centre for Monitoring Indian Economy)

In fact, domestic production of steel pipes & tubes exhibited fluctuating after tepid production during the first quarter of FY 2021 in line with gradually recovery in economic activity which again faced disruption in Q4 FY 2021 on account of second wave of Covid-19 which proved to be deadlier than the first wave. Monthly once again dropped below 470 which was lowest since June 2020 while in subsequent month it observed a steady growth between June 2021-Oct 2021. In Q3 FY 202 while producer again turned cautious during the Q3 FY 2022. Consequently, monthly domestic production dropped to 534.5 thousand tonnes in November 2021 against 575 thousand tonnes. However, given the low severity and mortality rate associated with the omicron variant compared to prior variant, stricter long-lasting lockdowns was not announced during the third wave which contributed production volume returning to closer to pre-Covid 19 level. .

2. Decline in Imports

Monthly import trend visible in import of steel pipe also points towards a lower demand scenario that is prevailing in the Indian economy. Although the volume of imports moderated in FY 2019, it was mainly due to the impact of regulatory polices (including imposing anti-dumping duty as well as other measures to protect the domestic manufacturing segment). However, the volume of imports declined significantly in the months immediately after the lockdown and has remained low since. The average monthly import of steel pipes to India declined to 42,000 Tons in FY 2021, as against 68,000 tons and 74,000 tons in FY 2020 and FY 2019, respectively. For 10M FY 2022, average monthly import of steel pipes & tubes to India hovered at slightly lower level compared to the previous year corresponding period. However, the cumulative monthly sales for Apr-Jan 2022 were 3% higher for the same period previous year.





(Source: Centre for Monitoring Indian Economy)

Impact on Demand for Steel Pipes

The onset of Covid-19 has disrupted the capital expansion plans in the manufacturing sector. The tepid demand scenario that has been prevailing in the Indian economy has forced India to defer its capacity expansion plans. This trend was observed across all major sectors in the manufacturing space. Such a steep decline in capital expenditure pattern across the manufacturing industry has proven to be detrimental to the steel pipe industry. As the demand for steel pipes& tubes is tied to industrial construction, the dip in capital investments translated into lower demand in FY2021.

Capital expenditure pattern in India was already on the wane in FY 2020, as the economic growth slowed down, on account of unfavorable economic factors. The scenario worsened in FY 2021 as the impact of Covid-19 added on to the already pessimistic mood in Indian corporate sector. In FY 2022, the business operation gradually returned to normalcy with gradual relaxation in restriction announced to curb second wave. Furthermore, the government continuing effort to scale up vaccination, strengthen healthcare infrastructure, living with virus attitude and other economic measure to restore the economy back on the growth trajectory supported the growing consumption volume of steel pipes & tubes during YTD FY 2022. During 10M FY 2022, the country's consumption of steel pipes & tubes registered 4% y-o-y growth.

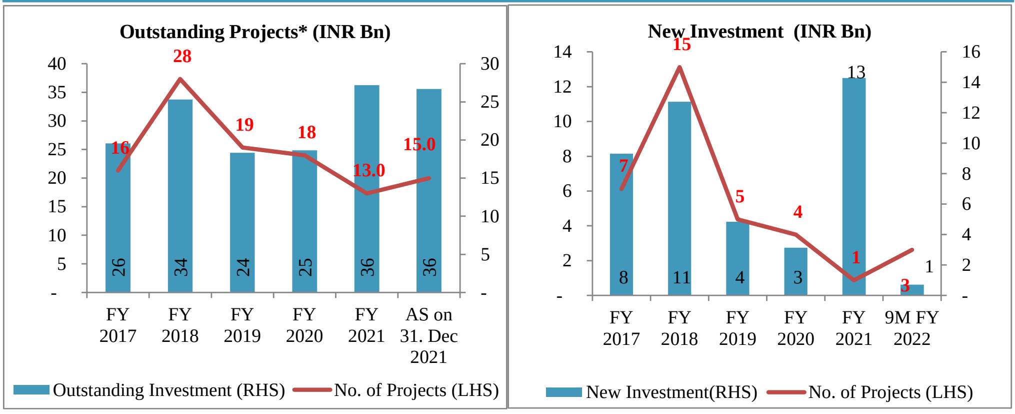
Major Risks and Challenges

Risk of Economic Downturn and Project Delay

Demand for SS pipes is largely dependent on development projects undertaken by government entities or agencies. A major economic downturn, for example, the Covid-19 pandemic, has the potential to disrupt industry demand or cause delay for various projects. Delay in new projects announcement, clearances, required

approval, project implementation and funding issue in industrial and infrastructure projects pose potential risk to pipes demand. The capital investment scenario in Indian industrial sector has been pessimistic in the past couple of years. The mounting NPA (non-performing assets) have forced banks to go slow in offering credit. Furthermore, the drop-in demand scenario is discouraging corporate sector to invest in new plants/capacity expansion. Thus, the demand for industrial equipment and consumables used in setting up industrial infrastructure projects has fallen. Accordingly, capex in overall steel pipes and tubes industry has also observed moderation in the last two years. The number of outstanding and new projects being announced has gradually reduced over the last three years.
(*Source: D&B Report*)

Investment Trend in Steel Pipes & Tubes



(*Sources: CMIE Capex*)

At end of 9M FY 2022, 15 projects worth INR 36 billion were outstanding in the sector while just 3 new project worth INR 1 billion was announced in during 9M FY 2021. Witnessing recovering demand, capex in steel sector strengthen during FY 2022. As per Ministry of Steel Year-end review 2021, the cumulative CAPEX by steel CPSEs for during 8M FY 2022 was INR 57.81 Bn which is 75.7% higher than CAPEX during same period last year and capex during first 8 months of FY 2022 was 43.5% of the BE target.

Demand Generation from Government Initiatives

National Infrastructure Pipeline (NIP)

Good infrastructure is essential to support overall economic growth. As the government targets to make India a USD 5 trillion economy by 2025, infrastructure remains a thrust area for the government. Construction sector that includes infrastructure construction will be critical for boosting economic growth as it is the key growth enabler for several other sectors. Infrastructure development provides impetus to other sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles, financial services, among others. A unit increase in expenditure in construction sector has a multiplier effect on other sectors with a capacity to generate income as high as five times in other sectors.

The government remains committed to creating new and upgrading existing infrastructure to raise the quality of life and ease of living in India to global standards. In December 2019, an investment worth INR 102 trillion was announced by the government on infrastructure projects over the next five years under the National Infrastructure Pipeline (NIP). The task force on NIP increased this amount to INR111 trillion in May 2020 from its initial projections, which translates in a per year spending of around INR 22 trillion. The centre (39%) and state (40%) are expected to have almost equal share in implementing the NIP in India, followed by the private sector (21%). The amount allocated under NIP will be spent on building highways, railway lines, ports, airports and other social and economic infrastructure.

Atmanirbhar Bharat packages

To support economic revival post Covid-19, the government in May 2020 announced the first stimulus package. The first economic stimulus of INR 20 trillion was announced on May 13, 2020 and subsequently, two more Atmanirbhar Bharat packages were announced of INR 730 billion on October 12, 2020 and INR 2.65 trillion on November 12, 2020, bringing the total stimulus package at INR 29.87 trillion. Moreover, the government has decided that global tenders will be disallowed in government procurement tenders up to INR 2 billion which will boost demand for indigenously manufactured product. In addition, PSUs are restricting local traders of foreign pipe manufacturers for participation in their tenders, thereby encouraging the growth of domestic players in Indian market.

Production Linked Incentives (PLI) Scheme

The government has announced INR 1.97 trillion to be spent in the next 5 years for PLI schemes in 13 sectors which include advanced chemistry, cell battery, electronic products, automobiles and auto components, pharma, telecom and networking products, textile, food products, white goods, and specialty steel. The scheme targets to create and nurture manufacturing global champions for an Atmanirbhar Bharat, help manufacturing companies become an integral part of global supply chains, possess core competence and innovative technology, and create employment opportunities.

Various other policy decision such as changing the definition of MSMEs and encouraging the scope for private participation have been introduced as a part of Atmanirbhar Bharat package which will have a favorable impact on domestic manufacturing and SS pipes & tubes.

Sector Specific Schemes by Government

Oil & Gas

Hydrocarbons Exploration Licensing Policy (HELP): In a major policy drive to give a boost to petroleum and hydrocarbon sector, the government unveiled the Hydrocarbon Exploration and Licensing Policy(HELP) in2016 which provides a uniform licensing system to cover all hydrocarbons such as oil, gas, coal bed methane etc. under a single licensing framework. The new Hydrocarbon Exploration and Licensing Policy is based on the new model of Revenue Sharing Contract (RSC) which has replaced the earlier model of Production Sharing Contract (PSC). Under HELP, Open Acreage Licensing Policy (OALP) mechanism has been introduced that enables E&P companies choose the blocks from the designated area by assessing the E&P data available at National Data Repository (NDR) and by submitting an Expression of Interest ("EOI"). NDR, the backbone of HELP, was launched on June 28, 2017, is the centralized data repository on Indian sedimentary basins accessible through an e-platform that E&P Companies uses for bidding in OALP. Under HELP, EOI can be submitted throughout the year without waiting for a formal bid round from the government. These blocks would be subsequently offered through biannual formal bidding process.

The new model would eliminate the areas of disputes related cost recovery, calculation of I.M., cost of unfinished work programmes, rigidities in timelines, procurement issues, delays in implementation of FDP. Key features of HELP:

- Increase in exploration phase- Exploration phase for onshore areas has been increased from 7 years to8 years and for offshore has increased from 8 years to 10 years.
- Continuous exploration permitted during contract period
- Marketing and pricing freedom for the crude oil and natural gas produced.
- Easy to administer revenue sharing model.
- Government audit-limited only to production and revenue
- Reduced royalty rate to incentivize exploration in the offshore areas
- Minimum regulatory burden
- Ease of doing business

Pharmaceutical

Scheme for Development of Pharmaceutical Industry: The objective of the scheme is to ensure drug security in the country, by increasing the competitiveness and efficiency of the domestic pharmaceutical industry. Indian pharmaceutical industry depends on imports for its bulk drug/API needs, bulk of which is sourced from China. The scenario is similar in the case of medical device industry. The scheme intends to reduce the import dependency. Several sub-schemes have been formulated to achieve this objective. These include:

- Assistance to Bulk Drug Industry for Common Facility Center
- Assistance to Medical Device Industry for Common Facility Center
- Pharmaceutical Technology Upgradation Assistance Scheme
- Assistance for Cluster Development
- Pharmaceutical Promotion Development Scheme

Schemes to improve bulk drug production in India

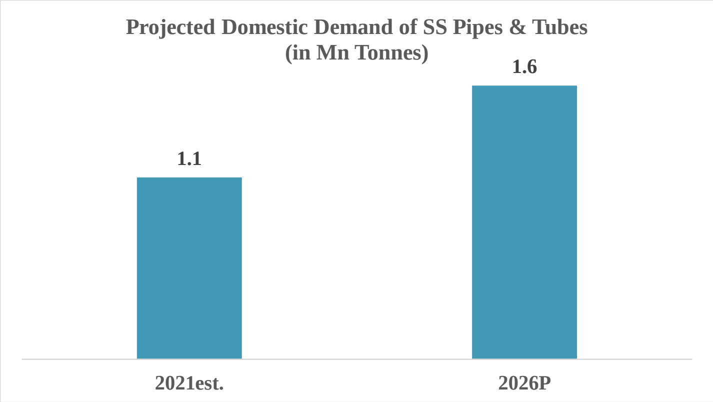
The Government of India has notified a Production Linked Incentive (PLI) scheme for promoting the domestic production of Key Starting Materials (KSM)/Drug Intermediates (DI)/Active Pharmaceutical Ingredients (API). The gazette notification was published on July 21, 2020. The PLI scheme provides incentives on the production of 41 eligible products notified by the Department of Pharmaceuticals. The total incentive outlined by the policy is approximately INR 69.40 Bn while the incentive period is for production happening between FY 2021 and FY 2030.

The policy has outlined committed investment & production capacity for each of the 41 products that is included in the scheme. The investment can include that incurred on setting up manufacturing infrastructure (plant & 57 equipment and associated utilities), R&D infrastructure and buildings. However, there is a cap of 20% of total investment in the case of expense for setting up buildings to house the manufacturing infrastructure. The Government has also mandated that the plant & machinery and other utilities that would be used for manufacturing the eligible products cannot be old / second hand / refurbished. It can be either purchased upfront or leased in the name of the applicant.

Growth Outlook

From demand perspective, India's growth scenario for steel pipes and tube including SS pipes and tubes remains intact on the back of substantial government expenditure planned in major end user industries under National Infrastructure Pipeline and recently announced PM Gati Shakti project. The various initiatives for infrastructure development under the PM Gati Shakti will propel the demand of steel in various sectors thereby enhancing steel usage and growth of the SS pipes & Tubes. We expect domestic SS pipes & tube industry to grow from about 1.1 Mn tonnes currently to 1.6 Mn Tonnes by 2026, growing at CAGR 8.5%.

This couple with supportive policy reform through scheme like Atmanirbhar Bharat, PLI, amended DMISP policy and Make in India will give push to domestic manufacturing and strengthen the supply side dynamics. However, domestic SS face a major downside risk from rising imports, mainly from low-cost destination like China which is creating material harm to the domestic industry. Given the higher input cost and other overheads, domestic manufacturers find it difficult to compete with Chinese imports based on price. Only government level initiatives, to create a level playing field would help in nullifying this challenge. In addition to above, the high probability of RBI moving away from maintaining accommodative monetary policy amidst rising inflationary pressure may further intense the fresh capital investment in the sector.



(Source: D&B Estimates)

Competitive Landscape

Nature of Competition

Compared to carbon steel pipes, SS pipes & tube manufacturing sector is consolidated in nature, with few major players accounting for majority market share. Capital intensive nature of the industry coupled with challenging operating environment has erected steep entry barriers in SS pipes & tube sector, handing incumbents a definite advantage. It is estimated that the capex required to set up a SS pipe & tube manufacturing facility is ~15 times that required to set up a carbon steel pipe manufacturing facility of similar capacity. Such a high capital requirement translates into higher upfront investment, which dampens the interest of smaller players.

SS pipes & tubes are used in harsh environment as well as for specialized application in mature sectors like oil & gas, petroleum refining, chemical, pharmaceutical, and other similar process industries. Compared to carbon steel pipes, the volume requirement is higher while breaking into large consumer segment is challenging and time consuming. Since, SS tubes form an integral part of any new expansion project in the above-mentioned consumer industries, products are subject to rigorous testing for technical competence post which price comes in.

Although this increases the time required for a manufacturer to bag new orders, a successful track-record provides an advantage which can be leveraged in future contracts & requirements. Any new player entering this industry will have to invest considerable time and capital to develop products that meet the customer standards as well as prove their superiority over existing players.

All these attributes have resulted in creating a high entry barrier in the domestic SS pipes & tubes industry, resulting in a consolidated market. This consolidated nature augurs well for incumbent players as they are well placed to exploit the opportunities arising because of capital investment across key end user consumer segments.

Major Players

Ratnamani Metals & Tubes Limited, Jindal SAW, Maharashtra Seamless Limited, Man Industries and Welspun Corp are few of the major players in the Indian steel pipe & tube segment. All these companies have a wide product portfolio, offering SAW, ERW, seamless and stainless steel pipes &tubes. Among these, Ratnamani and Jindal SAW have an established SS pipes & tubes business, placing them as market leaders in this segment.

Notable Players in Indian Steel Pipe & Tube Industry							
Company	By Variety-Type				By Raw Material Type		
	ERW	SAW	Seamless	DI	Carbon Steel	Mild Steel	SS
Ratnamani Metals & Tubes Limited	✓	✓	✓	✗	✓	✗	✓
Jindal SAW Limited	✗	✓	✓	✓	✓	✗	✓
Maharashtra Seamless Limited	✓	✗	✓	✗	✓	✓	✗
Welspun Corp	✓	✓	✗[4]	✗[5]	✗	✓	✗
Man Industries Limited	✗	✓	✗	✗	✓	✓	✗

Dun & Bradstreet Research, Company Websites

(Source: D&B Report)

[4] *Announced the Entry into SS seamless pipe segment in FY 2021.*

[5] *Announced the Entry into DI pipe segment in FY 2021. Greenfield facility coming up at Anjar, Gujarat to be commissioned by April 2022.*

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Restated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 23, 194 and 253, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular fiscal year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for nine months ended December 31, 2021 and fiscal years 2021, 2020 and 2019 included herein is derived from the Restated Financial Statements, included in this Red Herring Prospectus. For further information, see "Restated Financial Statements" on page 194. Additionally, please refer to "Definitions and Abbreviations" on page 1 for certain terms used in this section.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Venus Pipes & Tubes Limited.

*Unless otherwise indicated, industry and market data used in this section have been derived from the Industry Risk Report titled "Stainless Steel Pipes & Tubes" dated April, 2022 (the "**D&B Report**") prepared and released by Dun & Bradstreet on April 4, 2022 and commissioned and paid for by our Company specifically for the purpose of the Issue. Given the scope and extent of the D&B Report, disclosures are limited to certain excerpts and the D&B Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no parts, data or information (which may be relevant for the proposed issue) that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Internal Risks –We have commissioned and paid for a report from Dun & Bradstreet which have been used for industry related data in this Red Herring Prospectus." on page 46. Also see, "Certain Conventions, Use of Financial information and Market Data and Currency of Presentation –Industry and Market Data" on page 13 of this Red Herring Prospectus.*

OVERVIEW

We are one of the growing stainless steel pipes and tubes manufacturer and exporter in India having over six years of experience in manufacturing of stainless steel tubular products in two broad categories: (i) seamless tubes/pipes; and (ii) welded tubes/pipes, under which we are currently manufacturing five product lines, namely, (i) stainless steel high precision & heat exchanger tubes; (ii) stainless steel hydraulic & instrumentation tubes; (iii) stainless steel seamless pipes; (iv) stainless steel welded pipes; and (v) stainless steel box pipes ("**Products**"). Under our brand name "*Venus*", we supply our Products for applications in diverse sectors including (i) chemicals, (ii) engineering; (iii) fertilizers; (iv) pharmaceuticals, (v) power, (vi) food processing; (vii) paper; and (viii) oil and gas.

We have one manufacturing plant which is strategically located at Bhuj-Bhachau highway, Dhaneti (Kutch, Gujarat) ("**Manufacturing Facility**") in close proximity, around 55 kilometers and 75 from the ports of Kandla and Mundra, respectively, that helps us in reducing our logistic costs on procurement of raw materials and imports and export of our Products. Our Manufacturing Facility has separate seamless and welded divisions with latest product-specific equipment and machineries including tube mills, pilger mills, draw benches, swaging machines, pipe straightening machines, TIG/MIG welding systems, plasma welding systems, etc. As of February 28, 2022, our Manufacturing Facility has a total installed capacity of 10,800 MT per annum. Further, we have a storage facility at our Manufacturing Facility for the purposes of holding inventories of raw material as well as finished products, in addition to a warehouse facility located at Ahmedabad, which ensures stability of operations.

Our basic raw material includes SS coils and hollow pipes and we procure our raw materials based on market availability, pricing and quality through three main channels: (i) domestic suppliers such as steel manufacturers, stockists and traders; (ii) international suppliers from China, Indonesia, Malaysia and Singapore; and (iii) high sea purchases. The cost of materials consumed (including purchase of stock in trade and changes in inventory) by us in our operations accounted for 82.09%, 84.53%, 88.29% and 85.58% of our revenue from operations for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively.

We sell our Products both in the domestic as well as the international markets. In the domestic market, we sell our Products to customers as well as traders/stockists while in the international market we supply our Products through traders/stockists and authorized distributors that engage with us on an exclusive basis and certain marketing representatives. We started exporting our Products in the year 2017 and as on February 28, 2022 we have exported to 20 countries including Brazil, UK, Israel and countries in the European Union, etc. In order to increase our share in the international market, we have appointed sole distributors in overseas markets like Italy and Kuwait in addition to appointing marketing representatives for the European market. The revenues from exports aggregated to ₹ 264.06 million, ₹147.95 million, ₹ 60.10 million and ₹ 133.95 million for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively, and as a percentage of our revenue from operations, were 9.54%, 4.78%, 3.38% and 11.28%, respectively.

We are ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, certified by Bureau Veritas and holding accreditation from UK Accreditation Service. Further, our Products sold to the European market are certified under PED 2014/68/EU and ADW/AD 2000 – Merkblatt – W0 from TUV which is a requirement for supply in the European Union countries. Further, we are an IBR certified manufacturer and supplier of stainless steel seamless and welded pipes/tubes.

We have an in-house quality team comprising of 27 dedicated personnel working under the overall supervision of our board of directors. Our quality control team ensures that our raw materials as well as end products are tested on all quality parameters to ensure that we are compliant with the international product standards.

Our Promoters, Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari are first generation entrepreneurs, and have an average experience of approximately eight years in stainless steel welded pipes and tubes industry in addition to expertise in marketing, procurement, finance, accounting and customer relationship management.

Some of our financial details for the nine-month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, are set out below:

Amount (in ₹ million)

Particulars	As of December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total Income	2782.80	3120.31	1793.22	1205.06
EBITDA (excluding other income)	355.12	347.76	116.36	82.94
EBITDA Margin (in %)	12.83	11.24	6.54	6.98
Profit for the year/period ("PAT")	235.95	236.32	41.28	37.50
PAT Margin (in %)	8.48	7.57	2.3	3.11

OUR COMPETITIVE STRENGTHS

International Accreditations and product approvals

We are one of the growing brands in stainless steel pipes/tubes having presence in both seamless pipes and welded pipes/tubes segments. We follow international standard manufacturing practises and our Manufacturing Facility benefits from the quality benchmarking certifications such as (i) ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 from Bureau Veritas, a third-party inspection organization accredited by the United Kingdom Accreditation Service; (ii) certification under the Indian Boiler Regulation ("**IBR**") for manufacturing and supply of stainless steel seamless and welded pipes; and (iii) PED 2014/68/EU and ADW/AD 2000 –Merkblatt W0 from TUV, which is a requirement for supply in the European Union countries. Such practices and accreditations, coupled with our technical capabilities and know-how enable us to manufacture products for both domestic and international customers as per ASTM (US), EN (Europe), JIS (Japan) and DIN (Germany) standards, Our capabilities and accreditations have enabled us to supply our Products to 57 Fortune India 500 companies in the past across sectors, including chemicals, engineering, pharmaceuticals, oil & gas, etc., and as of February 28, 2022, we have orders for supplying our Products to 16 Fortune India 500 companies along with orders with other market players and business entities that follow stringent quality standards. We believe that our certifications and industrial expertise favourably position us in servicing client requirements across all segments of the stainless steel seamless and welded pipes/tubes market.

Specialised production of Stainless Steel Pipes and Tubes

We are a pipes and tubes manufacturer with the sole focus on manufacturing of welded and seamless pipes in a single metal category, i.e., stainless steel. As we have been catering to customers (both domestic and international) in only one metal segment since our inception, over the years we have built expertise in terms of production process, inventory management and marketing of products in the stainless steel pipes and tubes segment. This gives us the benefit of segment expertise thereby placing us in a position of advantage vis-à-vis our competitors in accurately assessing and responding to customer preferences in this segment as there are very few manufacturers in this single metal product segment. We believe that this focus has well positioned us in attracting and retaining customers with requirements for specialised stainless steel pipes and tubes including continued client interest from emerging sectors like chemical, petrochemicals, engineering, oil and gas, fertilizers, food processing, pharmaceuticals, power etc.

Multi-fold demand of our Products

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

i. New projects: We supply our Products for new projects across a diversified range of sectors, including but not limited to, oil and gas, pharmaceuticals, engineering, chemical, etc., on a regular basis throughout the year. We have maintained our presence in these sectors on a consistent basis in the last three financial years and have continued to secure orders both from existing and new customers.

ii. Repair and maintenance: We regularly supply our Products to existing / new customers consequent to normal wear and tear of the products being used by them. The frequency of such orders is dependent on the relevant sector and typically an instruction / order is raised to supply a specific number of pieces in order to rectify the deficiency.

iii. Replacement: Most of our Products are used in the transportation of highly corrosive fluids, requiring production in compliance with applicable quality standards. Due to their application in highly corrosive environment, these Products slowly corrode throughout their calculated design life. After the designed service life of a particular piping bundle of any project is over, it is essential to replace the entire piping with new pipes.

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

Customer Diversification

We sell our Products both in the domestic as well as the international markets. In the domestic market, we sell our Products to the end customers as well as traders/stockists while in the international market we supply our Products through traders/stockists, authorized distributors and through certain marketing representatives in the European Union market. We started exporting our Products in the year 2017 and as on February 28, 2022 we have exported to 20 countries including countries in European Union, Brazil, UK, Israel etc. In order to increase our share in the international market, we have appointed sole distributors in markets like Italy and Kuwait in addition to appointing marketing representatives for the European market.

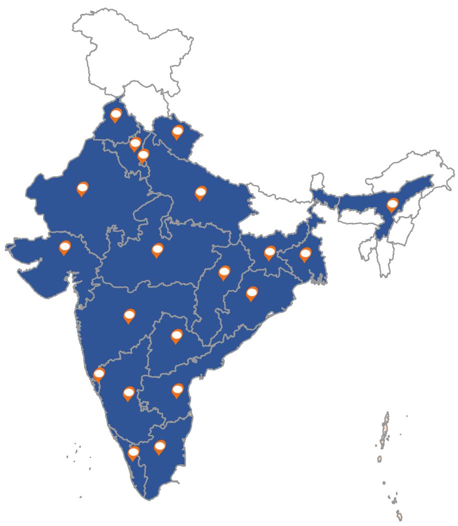
Further, the details of our customer across sectors for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively are as below:

Sector	Nine (9) months period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal2019	
	Revenue (in mn₹)	% of revenue	Revenue (in mn ₹)	% of Revenue	Revenue (in mn ₹)	%of Revenue	Revenue (in mn ₹)	%of Revenue
Chemicals	310.47	11.22	573.75	18.55	320.24	18.01	183.99	15.49
Engineering	734.81	26.55	448.22	14.49	291.49	16.39	247.1	20.81
Fertilizers	13.24	0.48	60.94	1.97	26.02	1.46	3.33	0.28
Pharma	10.62	0.38	33.69	1.09	49.16	2.76	26	2.19
Power	4.30	0.16	17.4	0.56	2.29	0.13	6.9	0.58
Food Processing	41.44	1.50	7.58	0.25	12.54	0.7	8.7	0.73
Paper	20.85	0.75	3.11	0.1	0.98	0.06	1.27	0.11
Oil & Gas	2.13	0.08	0.36	0.01	0.82	0.05	1.01	0.09
Others	26.84	0.97	10.41	0.34	14.16	0.8	24.95	2.1
Export	264.06	9.54	147.95	4.78	60.1	3.38	133.95	11.28
Stockist / Traders	1338.93	48.37	1,789.90	57.86	1,000.28	56.26	550.32	46.34
Grand Total	**2767.69**	**100**	**3,093.31**	**100**	**1,778.08**	**100**	**1,187.52**	**100**

<u>Our Domestic Presence</u>

Domestic Clientele Presence:

- Andhra Pradesh
- Assam
- Chhattisgarh
- Dadra & Nagar Haveli
- Delhi
- Goa
- Gujarat
- Haryana
- Jharkhand
- Karnataka
- Kerala
- Madhya Pradesh
- Maharashtra
- Odisha
- Punjab
- Rajasthan
- Tamil Nadu
- Telangana
- Uttarakhand
- Uttar Pradesh
- West Bengal

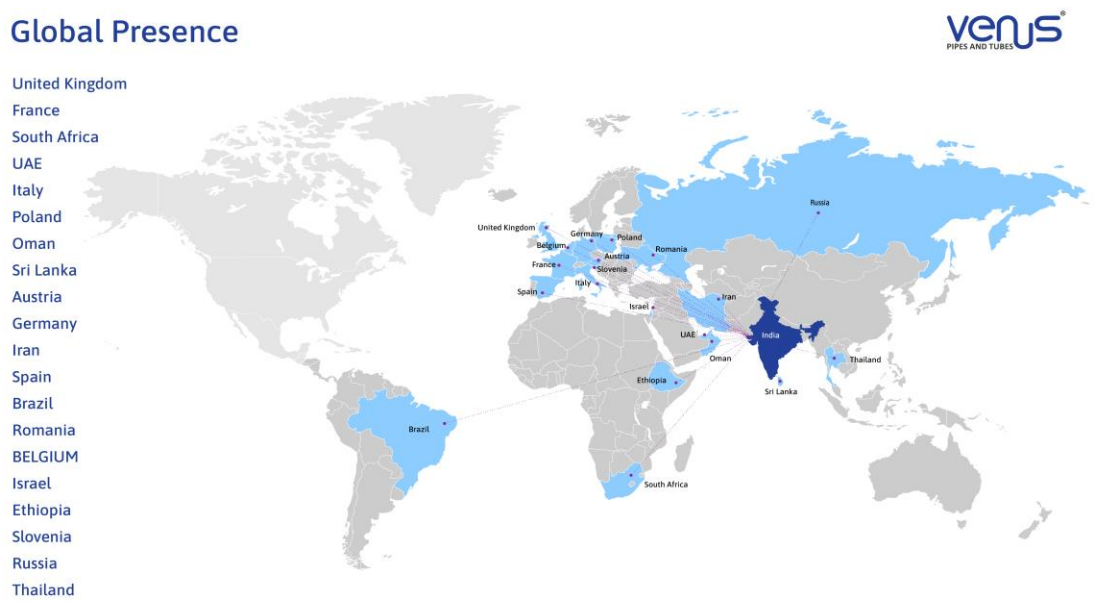


The following is the state-wise segregation of our revenues for the Fiscals 2021, 2020 and 2019, respectively:

Reference State	FY 2021(in ₹ million)	FY 2020(in ₹ million)	FY 2019(in ₹ million)
Major States			
Gujarat	1,964.29	1,196.11	660.79
Maharashtra	573.17	286.49	219.55
Telangana	225.63	156.68	55.30

Reference State	FY 2021(in ₹ million)	FY 2020(in ₹ million)	FY 2019(in ₹ million)
Andhra Pradesh	61.43	5.96	2.71
Tamil Nadu	30.30	16.30	28.77
Karnataka	28.30	5.65	14.28
Odisha	13.38	3.39	6.21
Haryana	12.29	6.08	0.34
Goa	10.83	-	-
Madhya Pradesh	9.83	9.15	11.88
Total	**2,929.45**	**1,685.79**	**999.82**
Other States			
Uttar Pradesh	5.22	7.95	13.19
Delhi	4.36	10.80	8.12
Rajasthan	2.54	0.06	1.87
West Bengal	1.57	8.99	12.27
Jharkhand	0.97	-	2.00
Chhattisgarh	0.72	0.75	1.41
Assam	0.27	0.04	-
Punjab	0.15	2.84	11.55
Kerala	0.10	-	3.35
Dadra and Nagar Haveli, and Daman and Diu	-	0.11	-
Uttarakhand	-	0.65	-
Total	**15.91**	**32.19**	**53.75**
	2,945.36	**1,717.98**	**1,053.57**

Our international presence



Since inception of our business in 2015, we have exported to 20 countries including Brazil, UK, Israel, and countries in the European Union, etc. The revenues from exports aggregated to ₹ 264.06 million, ₹ 147.95

million, ₹ 60.10 million and ₹ 133.95 million for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively.

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

Experienced and Qualified Team

Our Promoters and senior management team is well experienced in this industry both from marketing and distribution of products in this sector. Our Promoters, Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari are first generation entrepreneurs, and have an average experience of approximately 8 years in stainless steel welded/seamless pipes and tubes industry in addition to expertise in marketing, procurement, finance, accounting and customer relationship management.

Our Company believes that it benefits from the vision, leadership, skills, experience, commitment and relationships of our Promoters Arun Axaykumar Kothari, Megharam Sagramji Choudhary, and Dhruv Mahendrakumar Patel. Our Promoters Megharam Sagramji Choudhary and Dhruv Mahendrakumar Patel, in aggregate, have more than 21 years of experience in relation to manufacturing and trading of iron, steel and SS pipe related products, in addition to having expertise in marketing. Further, our Promoter Arun Axaykumar Kothari, is actively involved in managing the day-to-day affairs of our Company, in addition to having expertise in finance and accounting. Our success has been, and will continue to be, dependent on our senior management team. Our senior management team comprises of professionally qualified members with experience and knowledge in the pipe industry and regulatory environment. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future opportunities. A large number of our senior management personnel have worked with us for a significant period of time, resulting in effective operational coordination and continuity of business strategies. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Section titled "*Our Management*" beginning on page 168 of this Red Herring Prospectus.

OUR STRATEGY

Increasing existing capacity

We are currently manufacturing welded pipes/tubes with size 6 mm - 219.3 mm and seamless pipes/tubes with size of 6 mm - 114.3 mm diameters. For details of our aggregate installed capacity, production volumes, and the capacity utilization of each of the products manufactured by our Company, for the last three years, please see "*Our Business –Capacity Utilization*" beginning on page 154 of this Red Herring Prospectus.

We are proposing to expand our existing manufacturing capacity for welded pipes/tubes and seamless pipes/tubes for manufacturing higher diameter welded pipes/tubes (up to 1219.2 mm) and seamless pipes/tubes (up to 168.3 mm). We believe that the additional production capacities will place us in a competitive position to cater to the demands of our existing clients as well as the new customers we intend to acquire in the future. The following is a brief description of the machineries that are proposed to be procured for the purposes of increasing the production capacity of the welded as well as seamless pipes:

S.No.	Plant	Category	Purpose
1.	LSAW(A358) Plant	Welded Pipes	To increase production capacity from 600 MT per month to 1200 MT per month of Welded Pipes by manufacturing higher diameter welded pipes.
2.	Pilger Plant	Seamless Pipes	To increase production capacity from 300 MT per month to 800 MT of higher diameter Seamless Pipes.*

** Certified by the Chartered Engineer's Certificate vide certificate dated March 25, 2022. For further details, please see "Objects of the Issue" beginning on page 90.*

Our Products are largely used in industries like pharmaceuticals, food processing, etc. The Government of India has announced Production Linked Incentive ("**PLI**") schemes for boosting the domestic manufacturing in certain sectors, as highlighted below, which we believe shall have a consequent positive impact on our order book:

S. No	Sector	Date of Notification of PLI Scheme	Objective
1.	Pharmaceuticals	July 21, 2020	Boosting domestic manufacturing of identified key starting material, drug intermediates and active pharmaceutical ingredients by attracting large investments in the sector.
2.	Food Processing	March 31, 2020	Supporting food manufacturing entities with stipulated minimum sales and willing to make minimum stipulated investment for expansion of processing capacity and branding abroad to incentivise emergence of strong Indian brands.
3.	Automobiles	September 23, 2021	Boosting domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain

Moreover, since the Government of India has decided to disallow international/global tenders in government procurement tenders up to the value of ₹ 2 Billion, we firmly believe that such a move shall boost the demand for indigenously manufactured products in our sector. Further, the public sector undertakings restricting local traders of foreign pipe manufacturers for participation in their tenders shall encourage the growth of domestic players in the Indian market. *(Source: D&B Report)*

Further, on May 8, 2017, the Government of India released a Domestically Manufactured Iron and Steel Products Policy ("**DMISP**") to prefer the domestically manufactured iron and steel products in Government procurement. To align with the Government's "Atmanirbhar Bharat" scheme, the Ministry of Steel notified amendments / additions to the DMISP Policy in December, 2020 whereby the amended policy further broadened the scope of the policy to promote domestic manufacturing in the steel sector. It is likely that these policy initiatives would give push to domestic manufacturing and strengthen the supply side dynamics along with supporting a favorable demand scenario from the various end user industries. Besides, a substantial investment worth ₹111 trillion planned under National Infrastructure Pipeline and other sector specific policies reforms is expected to support steel pipes and tubes demand from major end user industries. With government continuing to maintain accommodative monetary policy, it is likely to have a gradual impact on improving capital investment scenario that would have a trickle-down impact on several industries including steel pipes and tubes sector. On the back of gradual improvement in industrial demand, we expect domestic SS pipes and tube industry to grow from about 1.1 million tonnes currently to 1.6 million tonnes by 2026, growing at CAGR 8.5%. *(Source: D&B Report)*

In light of the above, we believe that we are well positioned to strengthen our competitive position by increasing our manufacturing capacities and thereby increase our market share in the segments in which we operate.

Backward integration and cost optimization to improve margins

Our sale of finished goods increased by ₹763.23 million, or 48.05%, to ₹2,351.68 million for Fiscal 2021 from ₹1,588.45 million for Fiscal 2020, which increase was primarily due to an increase of 188.74% in revenue from the sale of goods in the seamless pipes/tubes category. In addition, our sales of welded pipes products increased by ₹ 133.84, million or 10.66% in Fiscal 2021 as compared to Fiscal 2020.Considering the revenue generating potential of this product segment, in the future we intend to further consolidate our production of seamless pipes/tubes. Presently, we procure hollow pipes, the raw material required for manufacturing of seamless pipes/tubes, from the open market (both domestic and international markets) whose cost varies basis the size, quality and quantity. Further, such raw materials require additional processing for bringing them in conformity with applicable standards. We plan to set up a piercing line for manufacturing of hollow pipes with the capacity of 800 MT per month, as our backward integration strategy. With the piercing plant, we will be able to produce hollow pipes from SS round bar, for which we have earmarked fund requirement of ₹ 106.21 million from the Issue Proceeds. For further details please see "*Objects of the Issue*" beginning on page 90.

We believe that the setting-up of the in-house piercing line for manufacturing of hollow pipes shall assist us in achieving seamless backward integration of our processes and shall have a positive impact on improving our manufacturing control over the production of seamless pipes and reduce our dependence on raw material imports. We further believe that this shall have a significant impact on improving our operating margins which shall lead to cost optimization, thereby improving our profitability and results of operations.

Tap new geographies to increase export

We started exporting our Products in the year 2017 and as on February 28, 2022 we have exported to 20 countries including Brazil, UK, Israel and countries in the European Union, etc. In order to increase our share in the international market, in addition to selling our Products through stockists/traders, we have appointed sole distributors in Italy and Kuwait and a marketing representative for servicing the European market. The revenues from exports aggregated to ₹264.06 million, ₹147.95 million, ₹60.10 million and ₹133.95 million for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively, and as a percentage of our revenue from operations, were 9.54%, 4.78%, 3.38% and 11.28%, respectively. Although our Company does not have a long operating history and our revenues from exports have not been significant historically, we have established our credentials in the international market with stockist/traders and sole distributors in a short span of four years and we intend to leverage our existing relationships to further deepen our presence in the international market, particularly in the European Union.

Further, the announcement by the Chinese Government on April 28, 2021 with respect to cancellation of the export rebates on several steel products including welded and seamless steel pipes with effect from May 1, 2021 is expected to benefit domestic pipes and tubes manufacturers in India. The cancellation of export tax rebates would encourage Chinese steel manufacturers to turn to the domestic market and would reduce the domestic production of various steel products for export (*Source: D&B Report*). Due to this development, the demand for seamless pipes in international market is expected to increase and we believe our Company is well-positioned to take the benefit of the aforesaid regulatory announcement by the Chinese Government.

Continue to improve operating efficiencies through technology enhancements

Our production process is completely automated with our Manufacturing Facility, housing latest product-specific equipment and machineries that support us in manufacturing of our Products in accordance with our customer requirements. In line with our proposed expansion plans, we intend to further develop our technology systems in order to increase asset productivity, operating efficiencies and strengthening our competitive position. For further details, please see "*Objects of the Issue*" beginning on page 90.

We believe that our in-house technology capabilities shall continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels.

Acid Regeneration Plant

We are proposing to install an acid regeneration plant ("**ARP**") wherein the consumption of acid in our manufacturing process shall be reduced substantially and we believe that the same shall help us in improving our operating margins.

Function of the ARP: During the manufacturing process, a series of surface treatment processes, known as pickling and passivation, are carried out on the inner and outer surface of the pipes using a combination of acids with a small addition of a corrosion inhibitor or active agent. This is done for the purpose of removing oxides scales and grease from the surface of the pipe by chemical action in order to obtain a clean and shiny metal surface.

We believe that significant environmental and economic advantages shall follow from reduced usage of raw acids and chemicals, used in the neutralization plant along with reduction of sludge production. We also believe that the plant productivity shall increase with the implementation of ARP by fewer stoppages for dumping and reduced down time for cleaning of sludge filled pickling tanks.

Further, we intend to introduce Enterprise Resource Planning ("**ERP**") system for efficient control over our manufacturing process which shall provide us benefits including improved productivity, increased efficiency, reduced cost, and streamlined processes. We believe that such technological enhancements shall improve our competitiveness vis-à-vis our peer group/competitors and place us in a competitive position.

Strengthen our brand value

We are in the business of manufacturing of stainless steel pipes/tubes since approximately six years whereas our peer group industry players/competitors have the benefit of longer operating history in comparison with ours, and therefore, our brand development is at a relatively nascent stage. Considering our current market presence with our customers in diversified sectors and geographies in order to further penetrate the market, we intend to make consistent efforts to strengthen our brand "*Venus*" and enhance our brand visibility for attaining parity with our industry peers. Towards this end, we intend to undertake various marketing initiatives including participation in industrial trade fares, exhibitions, and digital marketing. We believe that such initiatives shall improve our brand positioning, overall brand recall value and support us in our growth strategy.

DESCRIPTION OF OUR BUSINESS

Our Products

We offer a wide range of products under our own "*Venus*" brand including (i) stainless steel high precision and heat exchange tubers; (ii) stainless steel hydraulic and instrumentation tubes; (iii) stainless steel seamless pipes; (iv) stainless steel welded pipes and (v) stainless steel box pipes. A brief description of our Products is provided as under:

Reference Product	Nature of Tubes	Outside Diameter Range	Usage	Standards	Grades	Application
Stainless Steel High Precision and Heat Exchange Tubers	Seamless/ Welded	6 mm to 101.6 mm.	Used in different kind of Heat Exchangers and pressure vessels. The tubes manufactured in this product range are both seamless and welded.	ASTM, ASME, DIN EN (GERMAN), NF (AFNOR), JIS (JAPAN)	304/L/H/LN, 316/L/H/LN/Ti, 309, 310/L/H/S, 317/L/H, 321/H, 347/H, 405, 409/L, 410, 430/Ti, 436, 439, 1.4301, 1.4306, 1.4571, 1.4541, 1.4401, 1.4404 UNS S31500, UNS S31803, UNS S2205, UNS S32750, UNS S32760	The applications for these tubes are in various industries like Heat Exchangers, Pressure Vessels, Chemical and Fertilizer, Marine Equipments, Refinery and Petrochemical, Process Industry, Dairy / Pharmaceutical Industry, Nuclear Power Generation, Automotive, Aerospaceetc.
Stainless Steel Hydraulic & Instrumentation Tubes	Seamless	6 mm to 76 mm.	Used in very high pressure applications. The tubes manufactured in this product range are seamless.	ASTM, ASME, DIN EN (GERMAN), NF (AFNOR), JIS (JAPAN)	304/L/H/LN, 316/L/H/LN/Ti, 309, 310/L/H/S, 317/L/H, 321/H, 347/H, 405, 409/L, 410, 430/Ti, 436, 439, 1.4301, 1.4306, 1.4571, 1.4541, 1.4401, 1.4404, UNS S31500, UNS S31803, UNS S2205, UNS S32750 and UNS S32760	The applications for these tubes are in various industries like Nuclear & Thermal Power generation, Oil and Gas, Process Industries, Chemical and Fertilizer, Nuclear Power, Food & Beverage Processing, Automotive, Aerospace, Medical Pharmaceutical etc.

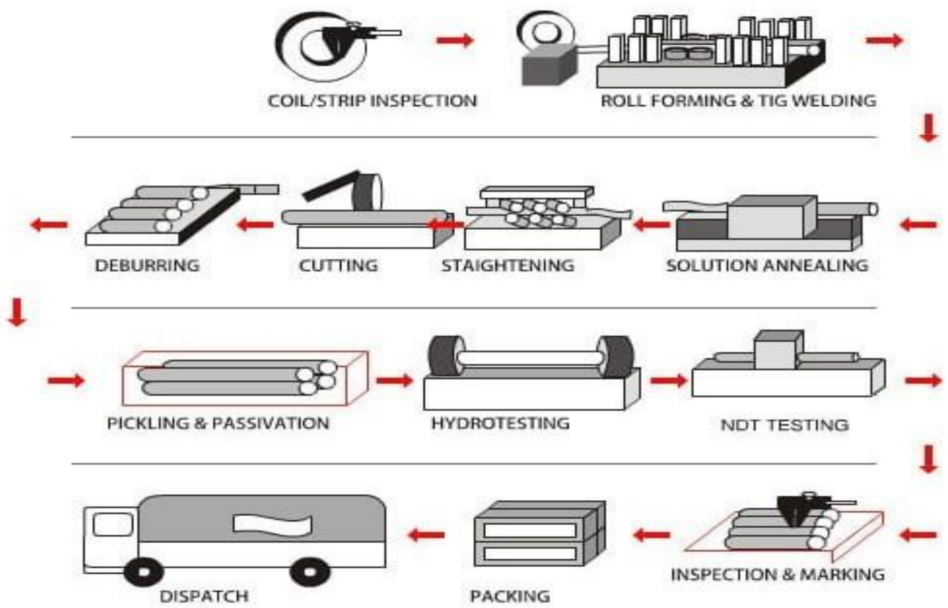
Reference Product	Nature of Tubes	Outside Diameter Range	Usage	Standards	Grades	Application
Stainless Steel Seamless Pipes	Seamless	1/8″ NB to 4″ NB.	Used by industries having high pressure application.	ASTM, ASME, DIN EN (GERMAN), NF (AFNOR), JIS (JAPAN)	304/L/H/LN, 316/L/H/LN/Ti, 309, 310/L/H/S, 317/L/H, 321/H, 347/H, UNS S31500, UNS S31803, UNS S2205, UNS S32750, UNS S32760	The applications for these tubes are in various industries like Onshore and Offshore Oil and Gas Production, Exploration and Transport (OCTG – Oil Country Tubular Goods), Chemical & Petrochemical, Energy and Power Generation, Mechanical and Plant Engineering, Marine Equipment's, Pulp & Paper, Pharmaceutical Industry, etc.
Stainless Steel Welded Pipes	Welded	1/8″ NB to 8″ NB	Used by industries having low pressure applications.	ASTM, ASME, DIN EN (GERMAN), NF (AFNOR), JIS (JAPAN)	304/L/H/LN, 316/L/H/LN/Ti, 309, 310/L/H/S, 317/L/H, 321/H, 347/H, UNS S31500, UNS S31803, UNS S2205, UNS S32750, UNS S32760	The applications for these tubes are in various industries like Chemical & Petrochemical, Gas Industry, Power Generation, Mechanical and Plant Engineering, Marine Equipment's, Pulp & Paper, Pharmaceutical Industry, etc.
Stainless Steel Box Pipes	Welded	15 x15 mm to 100x100 mm	Used mostly in structural applications	ASTM, ASTME, EN	304/L, 316/L	Engineering

Our Manufacturing Operations

The manufacturing processes followed for our (i) Welded Tubes & Pipes and (ii) Seamless Tubes/Pipes is as below:

Welded Tubes/Pipes Manufacturing Process

A flowchart on our manufacturing process for Welded Tubes/Pipes is as depicted below:



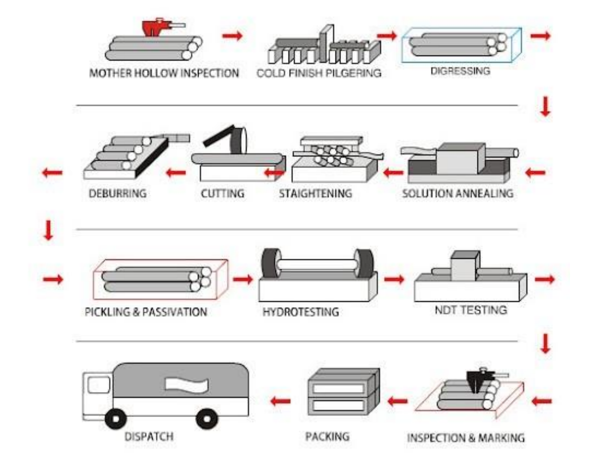
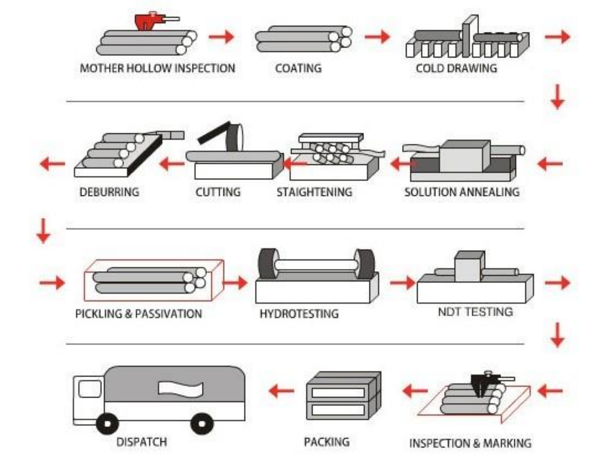
The manufacturing process for Welded Tubes and Pipes is a well calibrated process in line with applicable industry standards in India. A brief description of the step-by-step manufacturing process (as indicated above) is provided below:

Step	Reference	Process Description
Step 1	**Coil/Strip Inspection**	On receipt of the raw material, a sample testing typically called the coil/strip inspection is carried out as per ordered specifications. In case the raw material passes the test the same is segregated basis its quality and standards and thereafter utilized for manufacturing the final product as per customer specification.
Step 2	**Roll Forming and TIG Welding**	Subsequent to the coil/strip inspection, the following two process are carried on the coil/strip:
		Roll Forming: In this process, incremental bending to a continuous fed strip of metal is carried out by using a set of precisely placed rollers (which are mounted in sets on a consecutive stand). The process begins with a large coil of sheet metal that can be from 50 mm to 700 mm wide with a thickness of 1mm to 8 mm.
		TIG Welding: The Tungsten Inert Gas ("**TIG**") is an inert gas welding process used to join metals by creating a weld in a roll formed shape by way of heat being generated by an electric arc between the metals to be joined and an infusible tungsten-based electrode, located in the welding torch. The arc area is shrouded in an inert or reducing gas shield to protect the weld pool and the tungsten electrode. The filler metal as a rod (if required) is applied automatically by the welder into the weld pool and as the rolled form exits the rollers, and before it is cut, it is automatically welded.
Step 3	**Solution Annealing**	Solution annealing, a common heat-treatment process for different families of metals (including stainless steel) is carried out for the purposes of dissolving any precipitates present in the material and transforming the material into a single phase structure. This process is commonly used for the purposes of removing internal stress, restoring ductility, softening the metal for cold working and enhancing electrical conductivity, which can improve machinability and properties of stainless steel.
Step 4	**Cutting and Straightening**	Pipes are cut in desired specifications using a straightening machine/hydraulic press for the purposes of applying pressure points and straightening any unwanted bent areas, including deformations occurring during the heat treatment process.
Step 5	**Deburring**	A secondary process of deburring is undertaken for the purposes of enhancing the final product quality by removing raised edges and unwanted pieces of material, known as burrs, left by the initial machining processes including shearing, bending, cutting, piercing, and compressing materials. The process polishes the edges and the surface of the work piece for achieving a completely smooth finish.
Step 6	**Pickling and Passivation**	*Pickling*: A series of surface treatment processes, known as pickling, are carried out on the inner and outer surface of the pipes using a combination of acids with a small addition of a corrosion inhibitor or active agent, for the purposes of removing oxides scales and grease from the surface of the pipe by chemical action in order to obtain a clean and shiny metal surface.
		Passivation: A non-electrolytic finishing process known as Passivation is carried out for the purposes of improving the corrosion and rust resistance properties of stainless steel manufacturing subsequent to manufacturing. Corrosion resistance is critical for metal used

Step	Reference	Process Description
		in a variety of applications where contamination may have a destructive impact during production or during a product's end use. Though raw stainless steel begins with a high level of corrosion resistance, surface contamination from grease and oil, debris, and chemicals are usually present on parts and components after machining. The Passivation process clears away these contaminants and enhances the corrosion resistance of stainless steel.
Step 7	**Hydrotesting**	A pressure test known as the Hydrostatic (HYDRO) test is carried out for testing the products for their strength and leaks. The procedure involves filling the test product with a liquid (water) and pressurising it to a specified pressure (as per applicable product standards), subsequent to which the pressure is held for a specific amount of time to visually inspect the system for any leaks.
Step 8	**NDT Testing**	A testing/analysis technique, namely Non-destructive testing (NDT) is applied for the purposes of evaluating the properties of the materials, components, structures or systems for identification of characteristic differences/welding defects/discontinuities.
Step 9	**Inspection and Marking**	A physical inspection of the products is carried out and subsequently product markings are applied on each pipe/tube by way of stenciling/inkjet. Further, additional markings are applied as per the customer purchase orders and specifications. Subsequent to the markings, a tag is applied to the lot of tubes/pipes and the materials inspected are hard stamped/electro-etched, as applicable on pipes/tubes or on tag of the bundle.
Step 10	**Packing**	On receipt of the final product from the quality department, the packaging department verifies the tag and matches the same with the size and quantity of the product to be packed. Thereafter, the product is packed in a wooden box/hessian cloth/plastic wrapping based on packaging instructions and a copy of the packing list is kept inside the packaging.
Step 11	**Dispatch**	The details of the products are then entered in the dispatch register as per the applicable delivery schedule and thereafter the products are loaded into transportation for delivery.

<u>Seamless Tubes/Pipes Manufacturing Process</u>

We manufacture seamless tubes/pipes with two methods: (i) cold finish pilgering and (ii) cold drawing. A flowchart on our manufacturing process for both the methods is depicted below:

Method 1 – Cold Finish Pilgering	**Method 2 – Cold Drawing**
	

The manufacturing process for seamless tubes and pipes is a well calibrated process in line with applicable industry standards in India. A brief description of the step-by-step manufacturing process (for both the methods as indicated above) is provided below:

Step	Reference	Applicable Method	Process Description
Step 1	**Mother Hollow Inspection**	A hollow pipe is the raw material used for the production of seamless pipes and tubes. Prior to processing, a basic inspection is done for the purposes of approving the usage of the hollow pipe in the production process, in which the same is inspected for its mechanical and chemical properties. Further, it is also visually checked for any surface defects, and if found acceptable, is sent for further processing.	
Step 2	**Cold Finish Pilgering**	**Method 1**	It is a longitudinal cold-rolling process for reduction of the diameter and wall thickness of metal tube in one process step. Depending on the material, the cold pilger process achieves cross-section

			reductions of more than 90 percent in a single working cycle.
	Coating	**Method 2**	An oxalate coating operation is carried out by dipping the hollow pipe in oxalate at a prescribed temperature/time (as per applicable product standards) This operation is carried out for formation of a lubrication film on the hollow pipe for the purposes of easing the cold drawing process.
Step 3	**Degreasing**	**Method 1**	The pilgered tubes/pipes undergo degreasing and cleaning for the purposes of removing oil, grease and other foreign particles from such tubes/pipes.
	Cold Drawing	**Method 2**	The cold drawing process is carried out for the purposes of reducing the cross-sectional diameter and thickness of the tubes/pipes (as required) and increasing the tensile strength of the product by drawing through successively smaller dies.
Step 4	**Solution Annealing**	Solution annealing, a common heat-treatment process for different families of metals (including stainless steel) is carried out for the purposes of dissolving any precipitates present in the material and transforming the material into a single phase structure. This process is commonly used for the purposes of removing internal stress, restoring ductility, softening the metal for cold working and enhancing electrical conductivity, which can improve machinability and properties of stainless steel.	
Step 5	**Cutting and Straightening**	Pipes are cut in desired specifications using a straightening machine/hydraulic press for the purposes of applying pressure points and straightening any unwanted bent areas, including deformations occurring during the heat treatment process.	
Step 6	**Deburring**	A secondary process of deburring is undertaken for the purposes of enhancing the final product quality by removing raised edges and unwanted pieces of material, known as burrs, left by the initial machining processes including shearing, bending, cutting, piercing, and compressing materials. The process polishes the edges and the surface of the work piece for achieving a completely smooth finish.	
Step 7	**Pickling and Passivation**	*Pickling*: A series of surface treatment processes, known as pickling, are carried out on the inner and outer surface of the pipes using a combination of acids with a small addition of a corrosion inhibitor or active agent, for the purposes of removing oxides scales and grease from the surface of the pipe by chemical action in order to obtain a clean and shiny metal surface.	
		Passivation: A non-electrolytic finishing process known as Passivation is carried out for the purposes of improving the corrosion and rust resistance properties of stainless steel manufacturing subsequent to manufacturing. Corrosion resistance is critical for metal used in a variety of applications where contamination may have a destructive impact during production or during a product's end use. Though raw stainless steel begins with a high level of corrosion resistance, surface contamination from grease and oil, debris, and chemicals are usually present on parts and components after machining. The Passivation process clears away these contaminants and enhances the corrosion resistance of stainless steel.	
Step 8	**Hydrotesting**	A pressure test known as the Hydrostatic (HYDRO) test is carried out for testing the products for their strength and leaks. The procedure involves filling the test product with a liquid (water) and pressurising it to a specified pressure (as per applicable product standards), subsequent to which the pressure is held for a specific amount of time to visually inspect the system for any leaks.	
Step 9	**NDT Testing**	A testing/analysis technique, namely Non-destructive testing (NDT) is applied for the purposes of evaluating the properties of the materials, components, structures or systems for identification of characteristic differences/welding defects/discontinuities.	
Step 10	**Inspection and Marking**	A physical inspection of the products is carried out and subsequently product markings are applied on each pipe/tube by way of stenciling/inkjet. Further, additional markings are applied as per the customer purchase orders and specifications. Subsequent to the markings, a tag is applied to the lot of tubes/pipes and the materials inspected are hard stamped/electro-etched, as applicable on pipes/tubes or on tag of the bundle.	
Step 11	**Packing**	On receipt of the final product from the quality department, the packaging department verifies the tag and matches the same with the size and quantity of the product to be packed. Thereafter, the product is packed in a wooden box/hessian cloth/plastic wrapping based on packaging instructions and a copy of the packing list is kept inside the packaging.	
Step 12	**Dispatch**	The details of the products are then entered in the dispatch register as per the applicable delivery schedule and thereafter the products are loaded into transportation for delivery.	

We started outsourcing our solution annealing process to a third party vendor by entering into an agreement dated December 15, 2021. For further details with respect to the vendor registration and the sales process followed by our sales and marketing team, please see "*Our Business – Sales and Marketing*" beginning on page 156.

Our Trading Operations

We are on an ongoing basis engaged in trading of steel coils, other fittings and scrap, during our ordinary course of business, the brief details of which are as under:

(i) *Steel Coils*: The steel coils, one of the raw materials for manufacturing of welded pipes, are mainly procured from Malaysia and Indonesia. During the ordinary course of business, steel coils are procured in specified quantities matched with the nature of order received by the Company from its customers. However, there are instances, wherein either: (ii) the order is modified; or (ii) cancelled by the end-customer leading to excess availability of steel coils with the Company. The Company, in such instances, trades the residual supply steel coils and sells it to third parties at competitive market rates.

(ii) *Other Fittings*: The Company is not engaged in stand-alone trading of other fittings and trades them basis specific client requirements. These fittings are not manufactured by the Company at its Manufacturing Facility and are procured from third-parties in case a specific order received from its customers requires the Company to supply such fittings along with the Products.

(iii) *Scrap:* The generation of scrap is a continuous process and hence the trading activity in scrap occurs on a rolling-basis without any breaks. The Company, on an ongoing basis during the ordinary course of its business sells the scrap generated as a by-product of the manufacturing processes undertaken at the Manufacturing Facility to third parties.

The detailed breakup of traded goods over Fiscal 2021, Fiscal 2020, Fiscal 2019 and the nine-month period ended December 31, 2021 has been provided below:

Amount (in ₹. Mn)

Particulars	Nine Months Period Ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Steel coils	151.24	155.41	97.37	29.32
Other fittings	69.43	23.81	15.07	8.64
Scrap	16.78	17.92	9.15	10.04
Total	**237.45**	**197.14**	**121.59**	**48.00**

Discontinuation in Trading Operations

As on the date of this Red Herring Prospectus, manufacturing and/or trading of pipes, tubes and steel is the only reportable business for the Company, however, as indicated above, the Company continues to carry on trading activities in steel coils and other fittings. The discontinuation in trading activity w.e.f June 2021 has been specifically with respect to structural steel products including iron ore pellets, which was undertaken as a measure of ensuring business continuity in the background of disturbance in the production cycle of the manufacturing process of the Company on account of the lockdown and other restrictions imposed by the GoI to control the spread of COVID-19. The revenue from the trading activity discontinued w.e.f June 2021 is as under:

Amount (in ₹. Mn)

Particulars	Nine Months Period Ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Structural Steel	66.98	504.34	68.04	-
Iron Ore Pellets	-	40.15	-	-
Total	**66.98**	**544.49**	**68.04**	**-**

Our Proposed Plants

We are proposing to expand our existing manufacturing capacity for welded pipes/tubes and seamless pipe/tubes by manufacturing higher diameter welded pipes (up to 1219.2 mm) and seamless pipes (up to 168.3 m). The following is a brief description of the machineries that are proposed to be procured for the purposes of increasing the production capacity of the welded as well as seamless pipes/tubes:

S.No.	Plant	Category	Purpose
1.	LSAW(A358) Plant	Welded Pipes/Tubes	To increase production capacity from 600 MT per month to 1200 MT per month of welded pipes by manufacturing higher diameter welded pipes.
2.	Pilger Plant	Seamless Pipes/Tubes	To increase production capacity from 300 MT per month to 800 MT of higher diameter seamless pipes.

Further, we also plan to set up a piercing line for manufacturing of hollow pipes with the capacity of 800 MT per month, as our backward integration strategy. With the piercing plant, we will be able to produce hollow pipes from SS round bar for which we have earmarked fund requirement of ₹ 106.21 million from issue proceeds. For further details please see "*Objects of the Issue*" beginning on page 90.

Utilities

Raw Material and Component Sourcing

Our basic raw material includes SS Coils and hollow pipes and we procure our raw materials based on market availability, pricing and quality through three main channels: (i) domestic suppliers such as steel manufacturers, stockists and traders; (ii) international suppliers from China, Indonesia, Malaysia and Singapore; and (iii) high sea sales. The break-up of raw material procurement percentage from the aforesaid channels for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively is provided below:

Channel	December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Domestic	82.86%	74.48%	88.37%	77.60%
International	12.98%	14.33%	5.48%	12.94%
High Seas	4.16%	11.19%	6.15%	9.46%

Our quality control team ensures that our raw materials as well as end products are tested on all quality parameters to ensure that we are compliant with the required market standards. The raw material pricing is dependent on multiple factors including, *inter-alia*, global demand supply scenario, exchange rate fluctuations and import-export regulations. Presently, we have not entered into any long-term supply agreements for sourcing any of our raw materials, and we source our raw materials by entering into short-term supply agreements / purchase orders with our suppliers.

Our Machineries

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

S.No.	Description	Nos.	Sizes/Capacity	Function
1.	Tube Mills	7	OD-15.87 to 63.5mm, THK-0.8 to 3.6mm, OD- 50.80 to 105.0 mm, THK- 1.4 to 5.5 mm, OD-15.87 to 63.5mm, THK-0.8 to 3.6mm, OD- 101.40 to 219.10 mm, THK- 2.5 to 12.7mm	The function of Tube mill is to convert Stainless Steel strips/coils into pipe/tube. We have 7 Tube mills for manufacturing of welded pipes/tubes of different sizes.
2.	TIG/MIG Welding System	5	600 Amp./03 Phase	These welding machines are used to weld stainless steel strips/coils on tube mills
3.	Plasma Welding	1	600 Amp./03 Phase	These welding machines are used to

	System			weld stainless steel strips/coils on tube mills
4.	Arc Welding System	2	450 Amp./02 Phase	These welding machines are used to weld stainless steel strips/coils on tube mills
5.	TIG/MIG Welding System	1	600 Amp./03 Phase	These welding machines are used to weld stainless steel strips/coils on tube mills
6.	Pilger Mill	3	OD- 15.88 to 48.30 mm, THK- 1.0 to 6.0mm, OD- 15.88 to 33.40mm THK- 1.0 to 6.0mm	Pilger mill is used to reduce diameter and wall thickness of hollow pipes in the manufacturing process of seamless pipes/tubes
7.	Draw bench	2	OD- 6.0 to 60.30mm,Thk- 0.5 to 5.5mm, OD- 60.30 to 168.30mm,Thk- 2.5 to 7.0mm	Draw bench is used to reduce diameter and wall thickness of hollow pipes in the manufacturing process of seamless pipes/tubes
8.	Pipe Straightening Machine	3	OD-15.87 to 88.90mm, OD-101.2 to 219.10mm, OD 6 .00 TO 50.8 MM	Straightening machines used for straightening of pipes/tubes bent during heat treatment process.

Water

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

Power

Our Manufacturing Facility and registered office have adequate power supply position from the public supply utilities. For the Manufacturing Facility, we have a connected load of 475 KVA from Paschim Gujarat Vij Company Limited. Further, we have a 24*7 power backup at our Manufacturing Facility through a DG set with a capacity of 200 KVA supporting our critical manufacturing operations.

Capacity Utilization

As on February 28, 2022, the total installed capacity of our Manufacturing Facility is 10,800 MT per annum along with 12 production lines. The details of capacity utilisation for the nine-month period ended December 2021 and the last three financial years are as follows:

Particulars	Seamless Pipe (in MT)	Welded Pipe (in MT)
For the period beginning on April 1, 2021 till December 31, 2021		
Annual Installed Capacity	3600	7200
Actual Production	2438	5015
Capacity Utilization (in %)	90.30%	92.88%
For Fiscal 2021		
Annual Installed Capacity	3600	7200
Actual Production	3311	6590
Capacity Utilization (in %)	91.97%	91.53%
For Fiscal 2020		
Annual Installed Capacity	2100	7200

Actual Production	1250	6436
Capacity Utilization (in %)	59.52%	89.39%
For Fiscal 2019		
Annual Installed Capacity	2100	4800
Actual Production	903	3283
Capacity Utilization (in %)	43.00%	68.40%

For further details, see "*Risk Factors – Internal Risks – Information relating to the historical capacity of our manufacturing unit located in Kutch, Gujarat included in this Red Herring Prospectus is based on various assumptions and estimates by the chartered engineer verifying such information and future production and capacity utilisation may vary*." at Page 52 of this Red Herring Prospectus.

Dispatch

We have an in-house dispatch department that works with our sales team to coordinate the delivery of our Products on both ex-work/free-on-road ("**FOR**")/free-on-board ("**FOB**")/cost, insurance and freight ("**CIF**") basis. Further, we have storage facility of 4,500 square meters at our Manufacturing Facility for the purposes of holding inventories of raw material as well as finished products, in addition to a warehouse facility located at 83/2, Gujarat Vyapar Mahamandal, Odhav Ahmedabad, Gujarat – 382 440 which ensures stability of operations. Further, for the purposes of procuring our raw material supplies, we rely on road/sea transport.

Environmental, Health and Safety matters

We have obtained a CCA on December 17, 2021 from the Gujarat Pollution Control Board for our Manufacturing Facility for operating our Manufacturing Facility, under the Water Act, Air Act and authorization under Hazardous Management Rules. For further details, see "*Government and Other Approvals*" beginning on page 293 of this Red Herring Prospectus and "*Risk Factors - We are required to obtain consents under certain environmental laws, which are critical for operating our Manufacturing Facility. We have in the past been non-compliant with the requirements under environmental law for our operations and there is no assurance that in the future we would be able to obtain such consent in a timely manner or at all.*" on page 27 of this Red Herring Prospectus.

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

Information Technology

Our IT systems are vital to our business and we have installed Fortinet Network Firewall to protect our data from any potential malware or data breach. We have also installed Network Attached Storage (NAS) of 4 TB capacity for the purposes of in-house storage and backing-up our data. We are not dependent on any third-party storage facility to protect the confidentiality of our business data.

Intellectual Property

As of the date of this Red Herring Prospectus, we have registered the following mark with the Trade Mark Registry:

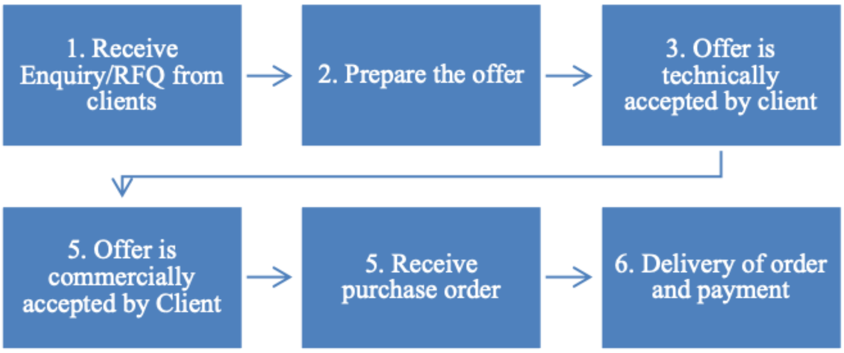
Particulars of Mark	Class	Trade Mark Number	Validity
for "Manufacturer of Stainless Steel and Carbon Steel Pipes and Fittings"	6	3477797	Valid till February 8, 2027.

SALES AND MARKETING

We have our in-house marketing and sales team comprising of 13 dedicated personnel working under the overall supervision of our Board of Directors and have a vast experience in deal origination and negotiation. The team follows a customer-centric approach and focuses on providing dedicated support for understanding customer requirements and manufacturing products. Our marketing and sales team regularly participates in various trade exhibitions in India and abroad such as the Tube India International (India), Stainless Steels World (Netherlands), Tube Dusseldorf (Germany), and Chemtech World Expo (India) to streamline and expand our marketing reach.

Sales Life-Cycle

Our sales team engages with the potential clients for their requirements and typically follows the following process:



On receipt of the purchase order and prior to the delivery of order, the following indicative steps are taken by the production team:

S. No.	*Details*
1.	Once the purchase order is received by the client, and if found technically and commercially compliant, a work order is prepared and sent to the planning department for further processing.
2.	The planning department checks the availability of finished goods stock and allocates stock material to the relevant work order.
3.	In case the finished goods stock is not available, the required raw material is checked from the raw material stock and issued to production department for production.
4.	In case the raw material stock is also unavailable for a particular order, a raw material indent is created for requisition of raw material and subsequently the raw material is issued to the production department for production.
5.	Production is completed by different processes like rolling, finishing, pickling etc.
6.	Stringent quality control is followed during the production process by the quality control department by checking in process products at various manufacturing stages and conducting various testing.
7.	Final inspection of pipes and tubes is done by the quality control department which comprises of various non-destructive and destructive tests which are generally conducted in the presence of client-nominated third-party inspection agencies.
8.	After clearing quality control, all pipes and tubes are sent to dispatch department for packaging and further dispatched to various client delivery locations.

Export Obligations

Our Company has export obligations amounting to ₹ 844.19 million as on February 28, 2022.

Quality Assurance

We are an ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified by Bureau Veritas and holding accreditation from UK Accreditation Service, PED 2014/68/EU and ADW/AD 2000 – Merkblatt – W0 from TUV which is a requirement for supply in the European Union countries. Further, we are an IBR certified manufacturer and supplier of stainless steel seamless & welded pipes. We have checks and testing systems in place, from the procurement of raw material to the manufactured product, for ensuring the quality of our Products.

Insurance

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

In this regard, our Company has maintained various insurance policies, in amounts that we believe are commercially appropriate, including insurance policies for employees compensation, common law (which includes accidental insurance), occupational diseases, contractors employees, medical expenses, standard fire and special perils, industrial, commercial vehicles package, and export marine policy. We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. As on December 31, 2021, our insurance policies cover 106.23% of our property, plant and equipment, and 116.14% of our stock. For further information, please see "*Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have an adverse effect on our business*" on page 45.

Human Resources

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

As of February 28, 2022, our Company has a total of 362 employees, with 203 as permanent employees and 159 working on a contractual basis. The breakup of permanent employees is detailed below:

S. No.	Function	Number of permanent employees
1.	Manufacturing	100
2.	Sales and marketing	13
3.	Quality control	27
4.	Finance, human resources and admin	22
5.	Marketing Export	1
6.	Material (purchase, stores, dispatch)	16
7.	Project, engineering and maintenance	24
	Total	**203**

We have entered into job work contracts with various third-party independent contractors for the purposes of securing (i) dispatch and production; (ii) housekeeping services; (iii) security; (iv) canteen labour, and (v) hygiene maintenance. Most of the agreements with the independent contractors are based on memoranda of understanding, which stipulate the terms and conditions of service, quantity of labour, and payment. The contractors are required to provide the requisite number of workers for which we agree to pay them the rate specified by the government under the Minimum Wages Act, 1948, per individual person engaged/employed by the contractor in connection with the job assigned to him by us. For further information, please see "*Risk Factors A slowdown or shutdown in our manufacturing operations could have an adverse effect on our business, results of operations, financial condition and cash flows.*" on page 36.

Competition

We compete against domestic companies operating in our industry. Some of our competitors have (i) greater financial and other resources and better access to capital than we do, which may enable them to compete more effectively; and (ii) better geographical reach which gives them the ability to quote competitively as the transportation costs are limited. Ratnamani Metals & Tubes Limited, Jindal SAW, Maharashtra Seamless Limited, Man Industries and Welspun Corp are few of the major players in Indian steel pipe & tube segment. All these companies have a wide product portfolio, offering SAW, welded, seamless and stainless-steel pipes and tubes. Among these, Ratnamani and Jindal SAW have an established stainless steel pipes and tubes business, placing them as market leaders in this segment. (*Source: D&B Report*) However, depending on various factors, and the extent of our presence in the relevant geographical region, we are able to leverage our experience and established relationships. For details, see "*Industry Overview*" beginning on page 114.

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy and constituted a CSR committee on May 08, 2020 in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government and amendments thereto. Our CSR activities are primarily focused on initiatives relating to education, skill development, socio-economic development, healthcare and the environment, particularly in the geographical areas near our manufacturing facilities.

Our CSR activities are monitored by the CSR Committee of our Board. For details of the terms of reference of our CSR Committee, see "*Our Management*" on page 168. For the Fiscal 2021, we had spent an amount of ₹ 0.94 million in CSR activities. For further details, see section "*Financial Information*" beginning on page 194.

Material Properties

S. No.	Reference	Property Description	Area (In Sq. Mtrs.)	Term
1.	Corporate Office (Leave and License)	Tripada Complex, Plot No 275, Sector 1/A, Near Mamlatdar office, Office No 1, Ground Floor Gandhidham, Kutch – 370 201	74.32	Period of 22 months beginning on September 10, 2021 till July 9, 2023
2.	Mumbai Marketing Office (Leave and License)	Shop No. 11, Ground Floor, Salsar Commercial Center, C.T.S No. 1, Phatak Road, Opposite Dham Kata Bhayander East - 401105	57.14	Period of 11 months commencing from March 16, 2022 and ending on February 15, 2023.
3.	Factory Premises (Lease)	Revenue Survey No. 233/2, Dhaneti, Bhuj (Kutch), Gujarat – 370 020	18,919	Period of 10 years commencing from June 15, 2015 and ending on June 14, 2025.
4.	Factory Premises (Own)	Revenue Survey No. 234/1, Industrial Plot No. 1 to 12 Dhaneti, Bhuj (Kutch), Gujarat– 370 020	15,075	On Ownership Basis
5.	Godown (Ahmedabad) (Lease)	Property No. 83/2, Gujarat VeparMahamandal, Odhav, Vatva, Ahmedabad – 382 440	334.45	Period of 11 months and 29 days commencing from July 26, 2021 to July 24, 2022.
6.	Guest House	Plot No 319, Ward 8A Subhash Nagar Gandhidham, Gujarat – 370 201	170	Period of 11 months commencing from March 10, 2022 and ending on February 9, 2023
7.	Factory Premises (Own)	Revenue Survey No. 232, village of Dhaneti of District Kutch, Sub-District Bhuj (Gujarat), – 370 020	23,979	On Ownership Basis

KEY REGULATIONS AND POLICIES

The following is an overview of certain sector-specific relevant laws and regulations, which are applicable to the operations of our Company. The information detailed in this section has been obtained from publications available in public domain. The description of laws and regulations set out below is not exhaustive but indicative, and is only intended to provide general information to investors. The information in section is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on the current provisions of Indian law, and judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, quasi-judicial or judicial decisions.

I. Key Industry Regulations

1. *Bureau of Indian Standards Act, 2016("BIS Act")*

The BIS Act provides for the establishment of the Bureau of Indian Standards ("**BIS**") for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

2. *The Consumer Protection Act, 2019*

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, ("**Consumer Protection Act**") was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to Rs. 1,000,000.

The Consumer Protection Act also provides for the establishment of a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers and to promote, protect and enforce the rights of consumers as a class. In addition, it also provides for settlement of disputes by way of mediation in case there is a possibility of settlement at the stage of admission of complaint or at any later stage, if acceptable to both parties. A mediation cell will be attached to each district, state and National Commission and its regional benches for quick resolution.

3. *The Legal Metrology Act, 2009 ("Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011*

The Legal Metrology Act was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. It repealed and replaced the Standard of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. Making use of any numeration not in accordance with the standards of weights and measures prescribed under the Legal Metrology Act may be punished by a fine which may extend to ₹25,000 and for the second or subsequent offense, with imprisonment for a term not exceeding six months and also with fine. Any transaction, deal or contract in contravention of the standards of weights and measures prescribed by the government may be punished with fine which may extend to ₹ 10,000 and for the second or subsequent offence, with imprisonment for a term which may extend to one year, or with fine, or both. The Legal Metrology Act permits the central government to make rules thereunder to carry out provisions of the Act. Further, states may, after consultation with the central government, frame state specific rules under this Act to provide for the time limits for verification of weights and measures, maintenance of registers and records, manner of notifying government authorities, fees for compounding of offences etc.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export of packaged commodities and also provide for registration of manufacturers, packers and importers. Also, the Legal Metrology (Government Approved Test Centre) Rules, 2013 have laid down specifications about verification of weights and measures specified therein by government approved test centre.

II. Environmental Laws and Legislations

1. *Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")*

The Air Act requires any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions, apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. The state pollution control board is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

2. *Environment* Protection Act, 1986 ("Environment Act")

The Environment Act is an umbrella legislation designed to provide a framework for the Central Government to coordinate activities of various state and central authorities established under previous environmental laws. The Environment Act specifies that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environment pollutants in excess of such standards as may be prescribed. The Environment Act empowers the Central Government to make rules for various purposes viz., to prescribe:

(i) the standards of quality of air, water or soil for various areas;
(ii) the maximum allowable limits of concentration of various environmental pollutants for different areas;
(iii) the procedures and safeguards for the prevention of accidents which may cause environmental pollution and remedial measures for such accidents.

3. *Environment (Protection) Rules, 1986 ("Environment Rules")*

In exercise of powers conferred under the Environment Act, the Central Government notified the Environment Rules. The Environment Rules prescribe standards for emission or discharge of environmental pollutants that an industry must comply with. It grants power to the central government to prohibit or restrict the location of industries in different areas. Pursuant to Environment Rules, every person who carries on an industry, operation or process requiring consent under Water (Prevention and Control of Pollution) Act, 1974 or Air (Prevention and Control of Pollution) Act, 1981 or shall submit to the concerned State Pollution Control Board ("SPCB") an environmental statement for that financial year in the prescribed form.

4. *Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")*

Hazardous Waste Rules place an obligation on an 'Occupier' to be responsible for the safe and environmentally sound management of hazardous wastes. An Occupier has been defined in relation to any factory or premises, means a person who has, control over the affairs of the factory or the premises and includes in relation to any hazardous and other wastes, the person in possession of the hazardous or other waste. Occupiers must similarly obtain a range of consents from the state pollution control board.

The Hazardous Waste Rules also place rigorous procedures for the import and export of hazardous waste including electronic waste and scraps. The occupier, importer or exporter and operator of the disposal facility shall be liable for all damages caused to the environment or a third party due to improper handling and management of the hazardous waste and may have to pay financial penalties as levied for any violation of the provisions under these rules by the state pollution control board with the prior approval of the central pollution control board.

5. ***The Environment Impact Assessment Notification S.O. 1533(E), 2006 (the "EIA Notification")***

The EIA Notification issued under the Environment Act and the Environment Rules, as amended, provides that the prior approval of the Ministry of Environment, Forest and Climate Change, Government of India, or State Environment Impact Assessment Authority, as the case may be, is required for the establishment of any new project and for the expansion or modernisation of existing projects specified in the EIA Notification. The EIA Notification prescribes a four-stage approval process for obtaining environmental clearance, i.e., screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the Draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final Environment Impact Assessment Report. The prior environmental clearance granted for a project or activity is valid for a period of ten years in the case of river valley projects, project life as estimated by expert appraisal committee or state level expert appraisal committee subject to a maximum of 30 years for mining projects and seven years in the case of all other projects and activities.

The Ministry of Environment, Forest and Climate Change has published the draft Environment Impact Assessment Notification, 2020 ("**EIA Notification, 2020")**, replacing the existing EIA Notification. The EIA Notification, 2020 has divided the projects into three categories namely A, B1 and B2 on the basis of social, economic and geographical impact. The EIA Notification, 2020 envisages two kinds of approval depending on the category of projects i.e. (i) prior environment clearance with the approval of expert committees; and (ii) environmental permission or provision without the approval of expert committees. The EIA Notification, 2020 exempts 40 different kinds of projects including digging of foundation of buildings and manufacturing of products from polymer granules or manmade fibers from granules or flakes or chips, from prior environment clearance or prior environment permission. Under the EIA Notification, 2020, several projects such as all B2 projects, building construction and area development, elevated roads and flyovers, highways or expressways are exempted from public consultation.

6. ***Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

The Water Act aims at prevention and control of water pollution as well as restoration of water quality through the establishment of a central pollution control board and state pollution control boards. Under the provisions of the Water Act, any individual, industry or institution discharging industrial or domestic wastewater or establishing any treatment or disposal system or the using of any new or altered outlet for the discharge of sewage is required to obtain the consent of the applicable state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. The consent to operate is granted for a specific period after which the conditions stipulated at the time of granting consent are reviewed by the state pollution control board. Even before the expiry of the consent period, the state pollution control board is authorized to carry out random checks on any industry to verify if the standards prescribed are being complied with by the industry. In the event of non-compliance, the state pollution control board after serving notice to the concerned industry may close the mine or withdraw water supply to the industry or cause magistrates to pass injunctions to restrain such polluters.

III. Foreign Trade Regulations

1. ***The Foreign Trade (Development & Regulation) Act, 1992***

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the Act, the Government:- (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time , by notification in Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import("EXIM") Policy. FTA read with the Indian Foreign Trade policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

IV. Laws relating to Intellectual Property

1. *The Trademarks Act, 1999* ("*Trademark Act*")

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made on an individual or joint basis by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either the use or the intention to use the trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 allows Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries.

V. Laws relating to employment

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

(i) Employees' Provident Funds and Miscellaneous Provisions Act, 1952
(ii) Employees' State Insurance Act, 1948
(iii) Minimum Wages Act, 1948
(iv) Payment of Bonus Act, 1965
(v) Payment of Gratuity Act, 1972
(vi) Payment of Wages Act, 1936
(vii) Maternity Benefit Act, 1961
(viii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
(ix) Employees' Compensation Act, 1923
(x) Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996
(xi) The Code on Wages, 2019*
(xii) The Occupational Safety, Health and Working Conditions Code, 2020**
(xiii) The Industrial Relations Code, 2020***
(xiv) The Code on Social Security, 2020****

**The GoI enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

***The GoI enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

****The GoI enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

*****The GoI enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Unorganised Workers’ Social Security Act, 2008.*

VI. Law governing competition

1. *Competition Act, 2002 (the “Competition Act”)*

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The act deals with prohibition of:

(i) certain agreements such as anti-competitive agreements and;
(ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India (“Commission”) is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interests of consumers and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may exceed to ₹100,000 for each day during such failure subject to maximum of ₹10,000,000, as the Commission may determine.

VII. Laws relating to taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(i) Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;
(ii) Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017, each as amended, and various state-wise legislations made thereunder;
(iii) The Integrated Goods and Service Tax Act, 2017;
(iv) Professional Tax state-wise legislations; and
(v) Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, The Indian Contract Act, 1872, different state legislations and any other law that may be applicable on our Company from time to time.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated on February 17, 2015 as Venus Pipes & Tubes Private Limited as a private limited company, under the Companies Act, 2013 and was granted a certificate of incorporation by the RoC. The name of our Company was changed to Venus Pipes & Tubes Limited upon conversion to a public limited company, and consequently a fresh certificate of incorporation was issued by the RoC, on September 16, 2021, recording the change of our Company's name to 'Venus Pipes & Tubes Limited'.

Change in the Registered Office

Our Company was originally incorporated with its registered office at Office No. S-4, Plot No. 231, Ward 12/B, Ratnakala Commercial Cooperative Society Limited, Gandhidham - 370201, Gujarat, India. Presently, our registered office is situated at Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India. Details of changes in the registered office of our Company are as set out below:

Effective date	Details of change	Reason for change
December 19, 2019	Plot No.- 13 Ward No. 10-A Gandhidham Kachchh 370201, Gujarat, India	Administrative and operational convenience
August 16, 2021	Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India	Administrative and operational convenience

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

To carry on in India or elsewhere the business to manufacture, produce, process, convert, commercialize, design, develop, display, discover, mold, remold, blow, extrude, draw, dye, equip, fit up, fabricate, manipulate, prepare, promote, remodel, service, supervise, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessionaries, consultant, collaborator, consignor, job worker, export house or otherwise to deal in all shape, sizes, varieties, colors, capacities, modalities, specifications, descriptions of plastic pipes and tubes, steel pipes and tubes, metallic pipes and tubes and all other kinds of pipes and tubes and to deal in all the kinds of plastic tubes.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on.

Amendments to our Memorandum of Association in the last 10 years

Since incorporation, the following amendments have been made to our Memorandum of Association:

Date of Shareholders' resolution	Details of the amendments
October 30, 2015	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 100,000 divided into 10,000 Equity Shares of ₹ 10 each to ₹10,000,000 consisting of 1,000,000 Equity Shares of ₹10 each.
March 8, 2016	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 10,000,000 divided into 1,000,000 Equity Shares of ₹ 10 each to ₹ 35,000,000 consisting of 3,500,000 Equity Shares of ₹10 each.
August 22, 2016	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 35,000,000 divided into 3,500,000 Equity Shares of ₹ 10 each to ₹ 50,000,000 consisting of 5,000,000 Equity Shares of ₹10 each.
March 24, 2017	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 50,000,000 divided into 5,000,000 Equity Shares of ₹ 10 each to ₹ 60,000,000 consisting of 6,000,000 Equity Shares of ₹10 each.
March 30, 2018	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 60,000,000 divided into 6,000,000 Equity Shares of ₹ 10 each to ₹ 100,000,000 consisting of 10,000,000 Equity Shares of ₹10 each.
August 16, 2021	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share

Date of Shareholders' resolution	Details of the amendments
	capital from ₹ 100,000,000 divided into 10,000,000 Equity Shares of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each.
October 19, 2021	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 200,000,000 divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 250,000,000 divided into 25,000,000 Equity Shares of ₹ 10 each.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see the chapter titled "*Our Business*", "*Our Management*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Government and Other Approvals*" beginning on pages 139, 168, 253, and 293, respectively.

Total number of shareholders of our Company

As on date of this Red Herring Prospectus, our Company has 60 Shareholders. For details, see "*Capital Structure - Shareholding Pattern of our Company*" beginning on page 86.

Awards, accreditations and recognition

The table below sets forth key awards and accreditations received by our Company:

Calendar Year	Awards and accreditations
2016	Our manufacturing facilities at Dhaneti have been accredited with management system standards certificate for compliance with ISO 9001: 2015, ISO 14001:2015 requirements
2017	Our Company has been verified and recognized as material manufacturer according to AD 2000 - Merkblatt W0 by The TÜV NORD Systems GmbH & Co. KG.
2017	Our Company has been certified as quality-assurance system related to the material by The TÜV NORD Systems GmbH & Co. KG.
2018	Our Company has received approval for manufacturing of Carbon Steel, Alloy Steel, Stainless Steel Welded & Seamless Pipes up to 400 mm NB / Tubes up to 101.60 mm O.D. & U-Tubes under inspection of Indian Boiler Regulations – 1950 from the Office of the Director of Boiler, Gujarat.
2018	Our manufacturing facilities at Dhaneti have been accredited with management system standards certificate for compliance with ISO 45001: 2018

Major events and milestones

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Details
2015	Incorporation of our Company
2015	Established manufacturing plant at Dhaneti, Bhuj-Bhachau highway, close to Mundar and Kandla Ports.
2015	Commenced the production of stainless steel welded pipes, stainless steel high precision & heat exchanger tubes, stainless steel hydraulic & instrumentation tubes and stainless steel box pipes at our manufacturing plant located at Dhaneti, Kutch, Gujarat.
2017	Addition of stainless steel seamless pipes to production line.
2017	Started exporting stainless steel welded and stainless steel seamless pipes to countries in the European Union, Brazil, UK, Israel etc.
2017	Registered our trademark under Class 6 of Trademarks Act in respect of "manufacturer of stainless steel and carbon steel pipes and fittings" which is valid till 2027.
2021	Conversion from a private limited company to public limited company.

Time/cost overrun

We have not experienced any instances of time/cost overrun in the setting up of any projects of our Company.

Launch of key products or services, entry in new geographies or exit from existing markets, capacity/facility creation or location of plants

For details of launch of key products or services, entry in new geographies or exit from existing markets, capacity/facility creation or location of our manufacturing facilities, see "*Our Business*" beginning on page 139.

Significant strategic or financial partnerships

Our Company does not have any significant strategic or financial partners.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last ten years

Our Company has not undertaken any material acquisitions or divestments of any business or undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets, since incorporation.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There are no defaults or rescheduling/restructuring of borrowings availed by our Company from financial institutions or banks.

Material Subsisting Agreements

As on the date of this Red Herring Prospectus, our Company does not have any material subsisting agreement.

Shareholders' Agreements

As on the date of this Red Herring Prospectus, our Company does not have any shareholders' agreement.

Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries, associate and joint ventures of our Company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary, associate or joint venture.

Agreements with Key Managerial Personnel, Director, Promoter or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Guarantees given by the Promoters

As on the date of this Red Herring Prospectus, our Promoters have provided the guarantees listed below to third parties. These guarantees are in the nature of personal guarantees and have been issued towards contractual obligations in respect of loans availed by our Company:

S.No.	Lender	Type of Loan	Loan Amount Sanctioned (in ₹ million)	Applicable Rate of Interest	Guarantors
1.	State Bank of India	Cash Credit	450.00	2.75% over 6 months MCLR Rate (Presently at 9.70 % p.a.)	1. Megharam Sagramji Choudhary 2. Jayantiram Motiram Choudhary, 3. Dhruv Mahendrakumar Patel 4. Arun Axaykumar Kothari
2.	State Bank of India	Letter of Credit	70.00	Applicable Commission	
3.	State Bank of India	Term Loan – I	8.53	4.00% over 6 months MCLR Rate (Present at 10.95% p.a)	
4.	State Bank of India	Term Loan – II	13.02	4.00% over 6 months MCLR Rate (Present at 10.95% p.a)	
5.	State Bank of India	Term Loan – III	21.22	4.00% over 6 months MCLR Rate (Present at 10.95% p.a)	
6.	State Bank of India	Term Loan (GECL)	39.83	100 bps over 6 months MCLR Rate (Presently at 7.95% p.a.)	
7.	State Bank of India	Term Loan (GECL Extension)	15.10	100 bps over 6 months MCLR Rate (Presently at 7.95% p.a.)	
8.	Tata Capital Financial Services Limited	Supplier Financing	50.00	10.25% i.e. STLR less 7.80%	

The aforementioned guarantees are effective for a period till the underlying facilities are repaid by our Company. In the event of any default by our Company towards payment of the aforementioned facilities, the Promoters shall be liable for payment of the outstanding amount, including expenses, incurred by the bank and any loss suffered by reason of such default.

OUR MANAGEMENT

As on date of this Red Herring Prospectus, our Company currently has eight Directors on its Board, comprising of four (4) Independent Directors including a woman Director. For details on the strength of our Board, as permitted and required under the Articles of Association, see "*Main Provisions of Articles of Association*" on page 330.

Our Board

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

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Jayantiram Motiram Choudhary *DIN*: 02617118 *Designation*: Chairman and Non-Executive Director *Term*: Liable to retire by rotation *Period of Directorship*: Director since February 17, 2015 Address: Duplex-1, Plot No. 119/120, Ward D-7/A, Gurukul Gandhidham-370201, Gujarat *Occupation*: Business *Nationality:* Indian *Date of Birth*: May 20, 1983	38 years	• Accuracy Shipping Limited
Arun Axaykumar Kothari *DIN*: 00926613 *Designation*: Managing Director Term: For a period of five (5) years with effect from September 14, 2021 and is liable to retire by rotation *Period of Directorship*: Director since September 14, 2021 *Address*: Plot no 364, Lilashah Nagar, Gandhidham 370201, Gujarat *Occupation*: Business *Nationality:* Indian *Date of Birth*: August 29, 1977	44 years	• A P Procon Private Limited • Arman Housing Finance Private Limited
Megharam Sagramji Choudhary *DIN*: 02617107 *Designation*: Whole Time Director *Term*: For a period of five (5) years with effect from September 14, 2021 and is liable to retire by rotation	39 years	Nil

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Period of Directorship: Director since February 17, 2015 *Address*: Plot No. 121, 122 Sector 8, Gandhidham-370201, Gujarat *Occupation*: Business *Nationality*: Indian *Date of Birth*: July 20, 1982		
Dhruv Mahendrakumar Patel *DIN*: 07098080 *Designation*: Whole Time Director *Term*: For a period of five (5) years with effect from September 14, 2021 and is liable to retire by rotation *Period of Directorship*: Director since June 16, 2015 *Address*: C/o Mahendra Patel, Naathibaa Park, Neelkanth Nagar, Near Bharat Nagar School, Unjha, Mehesana, Gujarat - 384170 *Occupation*: Business *Nationality*: Indian *Date of Birth*: February 6, 1986	36 years	• Sovox Renewables Private Limited
Kailash Nath Bhandari *DIN*: 00026078 *Designation*: Independent Director *Term*: For a period of five (5) years with effect from October 19, 2021 and is not liable to retire by rotation *Period of Directorship*: Director since October 19, 2021 *Address*: House No. 5, opposite Indira Gandhi Park, New Power House Road, Shastri Nagar, Jodhpur, Rajasthan – 342003 *Occupation*: Professional *Nationality*: Indian *Date of Birth*: March 01, 1942	80 years	• Hindalco Industries Limited • Gujarat Sidhee Cement Limited • Magma HDI General Insurance Company Limited • Hindalco-Almex Aerospace Limited • Saurashtra Cement Limited • Agriculture Insurance Company of India Limited • Shristi Infrastructure Development Corporation Limited • Suvas Holdings Limited • Jaiprakash Associates Limited
Pranay Ashok Surana *DIN*: 05192392 *Designation*: Independent Director *Term*: For a period of five (5) years with effect from October 19, 2021 and is not liable to retire by rotation	31 years	• Omapal Technologies Private Limited

Name, Designation, Date of Birth, Address, Occupation, Nationality, Period of Directorship, Term and DIN	Age (years)	Other directorships
Period of Directorship: Director since October 19, 2021 *Address:* Plot No. 35, Survey No. 777/2, Karmyogi nagar, Trimurti Chowk Nashik, Maharashtra – 422008 *Occupation*: Professional *Nationality*: Indian *Date of Birth*: August 17, 1990		
Komal Lokesh Khadaria *DIN*: 07805112 *Designation*: Independent Director *Term*: For a period of five (5) years with effect from October 19, 2021 and is not liable to retire by rotation *Period of Directorship*: Director since October 19, 2021 *Address*: 3D-Golden Avenue, near State bank of India, Svr College, Chorasia Surat, Gujarat 395007 *Occupation*: Professional *Nationality*: Indian *Date of Birth*: November 04, 1978	43 Years	• Plenary Advisors Private Limited
Shyam Agrawal *DIN*: 03516372 *Designation*: Independent Director *Term*: For a period of five (5) years with effect from October 19, 2021 and is not liable to retire by rotation *Period of Directorship*: Director since October 19, 2021 *Address*: Tara Sadan, Mahamandir Bagh, Ram Lila Maidan, Sikar, Rajasthan, 332001 *Occupation*: Professional *Nationality*: Indian *Date of Birth*: September 05, 1979	42 years	• Mayur Uniquoters Limited • ICMAI Registered Valuers Organisation • South Eastern Coal Fields Limited

Brief profiles of our Directors

Jayantiram Motiram Choudhary, aged 38 years is the chairman, non-executive Director and one of the Promoters of our Company. He has been associated with our Company since its incorporation as a Director. He does not have any formal education degree. He has over ten (10) years of experience in the steel industry and over four (4) experience as a director of Accuracy Shipping Limited.

Arun Axaykumar Kothari, aged 44 years is the Promoter, managing Director and CFO of our Company. He has been associated with our Company since September 14, 2021 as a Director. He holds a bachelor's degree in commerce from Rajasthan University and has been a qualified chartered accountant since 1998. He looks after and manages the entire accounting and financial operations of our Company and is responsible for setting processes, systems and procedures in place to control and streamline the financial and commercial transactions of the Company.

Megharam Sagramji Choudhary, aged 39 years is the Promoter and whole time Director of our Company. Being our Promoter, he has been associated with our Company since its incorporation. He has no formal education degree. He has over 15 years of experience in the stainless steel welded pipes and tubes industry. He is responsible for sales and marketing, customer relationship management and procurement and also looks after the HR activities of our Company.

Dhruv Mahendrakumar Patel, aged 36 years is the whole time Director and a Promoter of our Company. Being our Promoter, he has been associated with our Company since 2015. He holds a bachelor's degree in engineering from University of Pune and a master's degree in technology from CEPT University. He looks after production activities, streamlining of processes and procedures to facilitate smooth production process and enhanced productivity in the manufacturing process. He has over six (6) years of experience in the steel industry. He manages the entire production and also looks after the export of our Company.

Kailash Nath Bhandari, aged 80 years is a non-executive, Independent Director of our Company. He has been associated with our Company since October 19, 2021. He holds a bachelor's degree in law from Jodhpur University. He has over 18 years of experience in the insurance sector. He is also on the Board of Hindalco Industries Limited as an independent director among others.

Pranay Ashok Surana, aged 31 years is a non-executive, Independent Director of our Company. He has been associated with our Company since October 19, 2021. He holds a bachelor's in technology and master's in technology degree in mechanical engineering from the Indian Institute of Technology, Bombay. He has over five years of experience in the technology sector. He was the founder of Flyrobe (Bloomberg top 50 global start-ups 2017) and analyst at Deutsche Bank. He has also been featured on the coveted Forbes 30 under 30 in the Asia list (2017) and in the India list (2019).

Komal Lokesh Khadaria, aged 43 years is a non-executive Independent Director of our Company and is a member of Institute of Companies Secretaries of India ("**ICSI**") and holds a bachelor's degree in commerce. She has been associated with our Company since October 19, 2021. She has over nine (9) years of experience as a qualified company secretary. She is a member of ICSI and she has held the position of chairperson of Surat Chapter of ICSI She has also worked as vice chairperson and member of various committees of Surat Chapter and Western India Regional Council ("**WIRC**") of ICSI in the past years.

Shyam Agrawal, aged 42 years is a non-executive, Independent Director of our Company. He has been associated with our Company since October 19, 2021.He also holds a doctorate in law from University of Rajasthan. He was the national president of the ICSI, New Delhi in the year 2017 and International Secretary of Corporate Secretaries International Association ("**CSIA**"), Hong Kong for the year 2017–18. He has over fifteen (15) years of experience as a practicing company secretary. He was a member of the appellate authority of the ICSI, New Delhi and is presently (i) a member of the quality review board of the ICAI, New Delhi; and (ii) the chairman and independent director of ICMAI Registered Valuers Organization, New Delhi.

Relationship between our Directors

None of our Directors are related to each other or to the KMPs.

Remuneration details of our Directors

The details of gross remuneration accrued/paid to our Directors in Fiscal 2022 is as follows:

Name of Director	**Designation**	**Gross Remuneration for Fiscal 2022 (*₹ in million*)***
Jayantiram Motiram Choudhary	Chairman & Non-executive Director	0.13
Arun Axaykumar Kothari	Managing Director & CFO	1.77
Megharam Sagramji Choudhary	Whole Time Director	1.44
Dhruv Mahendrakumar Patel	Whole Time Director	1.44

Kailash Nath Bhandari	Independent Director	0.13
Pranay Ashok Surana	Independent Director	0.14
Komal Lokesh Khadaria	Independent Director	0.14
Shyam Agrawal	Independent Director	0.13

Remuneration includes sitting fees and excludes benefits in kind i.e. car for use of Company's business purposes.

Confirmations

None of our Directors have been identified as Wilful Defaulter or a Fraudulent Borrower.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Service contracts with Directors

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, none of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Terms of appointment of Directors

1. Whole time Directors and Managing Director:

Arun Axaykumar Kothari was appointed as the Managing Director and CFO of our Company pursuant to a resolution passed by our Board on September 14, 2021 and our Shareholders' resolution dated September 21, 2021 for a period of five years with effect from September 14, 2021. He receives remuneration from our Company in accordance with the Board resolution dated September 14, 2021 and the resolution of our shareholders approved in their general meeting held on September 21, 2021. The details of the remuneration that Arun Axaykumar Kothari is entitled to and the other terms of his employment are enumerated below:

S No.	Category	Remuneration
1	Salary	₹0.25 million per month.
2	Allowance and Reimbursement	As per the policies adopted by the Company for this purpose from time to time.
3	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

Megharam Sagramji Choudhary was appointed as the Whole Time Director of our Company pursuant to a resolution passed by our Board on September 14, 2021 and our Shareholders' resolution dated September 21, 2021 for a period of five years with effect from September 14, 2021. He receives remuneration from our Company in accordance with the Board resolution dated September 14, 2021 and the resolution of our shareholders approved in their general meeting held on September 21, 2021. The details of the remuneration that Megharam Sagramji Choudhary is entitled to and the other terms of his employment are enumerated below:

S No.	Category	Remuneration
1	Salary	₹0.2 million per month
2	Allowance and Reimbursement	As per the policies adopted by the Company for this purpose from time to time.
3	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

Dhruv Mahendrakumar Patel was appointed as the Whole Time Director of our Company pursuant to a resolution passed by our Board on September 14, 2021 and our Shareholders' resolution dated September 21, 2021, for a period of five years with effect from September 14, 2021. He receives remuneration from our Company in accordance with the Board resolution dated September 14, 2021 and the resolution of our shareholders approved in their general meeting held on September 21, 2021. The details of the remuneration that Dhruv Mahendrakumar Patel is entitled to and the other terms of his employment are enumerated below:

S No.	Category	Remuneration
1	Salary	₹0.2 million per month
2	Allowance and Reimbursement	As per the policies adopted by the Company for this purpose from time to time
3	Statutory Payments	As per applicable law, including contributions to provident fund and gratuity payments.

2. Non-executive Directors and Independent Directors:

Pursuant to the resolution dated March 24, 2022 each Director is entitled to receive sitting fees of ₹ 25,000 per meeting for attending meetings of the Board, and ₹ 15,000 for attending meetings of all committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Apart from the fees mentioned herein, our non-executive Director and Independent Directors do not receive any remuneration.

Bonus or profit sharing plan for the Directors

Our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

Shareholding of our Directors in our Company

Our Articles do not require the Directors to hold any qualification shares. For details of shareholding of the Directors in our Company as on the date of filing of this Red Herring Prospectus, see "*Capital Structure - Details of Equity Shares held by our Directors and Key Managerial Personnel"* on page 87.

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, bonus and reimbursement of expenses, if any, payable to them.

Certain of our Directors may also be regarded as interested in the Equity Shares held by them. Further, certain Directors may also be deemed to be interested in Equity Shares that may, pursuant to this Issue, be subscribed by or Allotted to them, their relatives, or to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters.Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm/proprietorship firm in which they are partners/proprietor as declared in their respective capacity.

Our Directors, Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel, Arun Axaykumar Kothari have extended personal guarantees for securing the repayment of bank loans obtained by our Company from our lenders, and may deemed to be interested to that extent.

Interest in promotion or formation of our Company

Except Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel, Arun Axaykumar Kothari, who are Promoters of our Company, our Directors have no interest in the promotion of our Company as of the date of this Red Herring Prospectus.

Interest in property

Our Directors have no interest in any property acquired or proposed to be acquired by or of our Company.

Business interest

Except as stated in "*Restated Financial Statements*" on page 194, and as disclosed in this section, our Directors do not have any other interest in our business.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are as follows:

Name of Director	Date of appointment or cessation	Reasons
Mahesh Himatlal Puj	October, 1, 2021	Resigned as Director
Hemant Rajnikant Shah	October, 1, 2021	Resigned as Director
Manojsingh Jadoun	October, 1, 2021	Resigned as Director
Arun Axaykumar Kothari	September 14, 2021	Appointed as Managing Director
Kailash Nath Bhandari	October 19, 2021	Appointed as Non-Executive Independent Director
Pranay Ashok Surana	October 19, 2021	Appointed as Non-Executive Independent Director
Komal Lokesh Khadaria	October 19, 2021	Appointed as Non-Executive Independent Director
Shyam Agrawal	October 19, 2021	Appointed as Non-Executive Independent Director

Borrowing Powers

Pursuant to a resolution dated September 21, 2021 passed by our Shareholders, our Board has been authorised to borrow any sum or sums of moneys from time to time notwithstanding that the moneys to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up Equity Share capital and our free reserves (reserves not set apart for any specific purposes), provided that, the total amount so borrowed together with the money already borrowed shall not exceed ₹ 5,000 million.

Corporate Governance

In addition to the Companies Act, 2013, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Our Company currently has eight (8) Directors, of which, three (3) are Whole-time Directors, one (1) is a Non-executive Director, and four (4) are Independent Directors. We also have a woman director on our Board. Our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations and the Companies Act, 2013, particularly, in relation to composition of our Board of Directors and constitution of board level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit committee;
(b) Nomination, Remuneration and Compensation committee;
(c) Stakeholders' Relationship committee;
(d) Corporate Social Responsibility committee; and

Additionally, we have also constituted an IPO Committee for the purposes of this Issue.

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

The Audit Committee currently consists of:

Name	**Position in the committee**	**Designation**
Komal Lokesh Khadaria	Chairperson	Non-Executive Independent Director
Pranay Ashok Surana	Member	Non-Executive Independent Director
Arun Axaykumar Kothari	Member	Managing Director

The Audit Committee was constituted vide a resolution by the Board of Directors dated October 21, 2021. The role of the Audit Committee shall include the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgment by management;
   (d) significant adjustments made in the financial statements arising out of audit findings;
   (e) compliance with listing and other legal requirements relating to financial statements;
   (f) disclosure of any related party transactions; and
   (g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval; reviewing, 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 Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
6. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. approval or any subsequent modification of transactions of the Company with related parties;
8. scrutiny of inter-corporate loans and investments;
9. valuation of undertakings or assets of the Company, wherever it is necessary;
10. evaluation of internal financial controls and risk management systems;
11. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. 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;
13. discussion with internal auditors of any significant findings and follow up there on;
14. 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;
15. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. to review the functioning of the whistle blower mechanism;
18. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the audit committee; and
20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
21. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:
1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and
   (b) annual statement of funds utilized for purposes other than those stated in the Issue document/prospectus/notice in terms of Regulation 32(7).

The powers of the Audit Committee shall include the following:
(a) to investigate any activity within its terms of reference;
(b) to seek information from any employee of the Company;
(c) to obtain outside legal or other professional advice; and
(d) to secure attendance of outsiders with relevant expertise, if it considers necessary."
The Company Secretary and Compliance Officer shall act as Secretary to the Audit Committee. Any Director of the Company and Pavan Kumar Jain, Company Secretary be and are hereby severally authorised to do all such acts, things and deeds on behalf of the Company to effectively implement this resolution."

Nomination and Remuneration Committee

The Nomination and Remuneration Committee currently consists of:

Name	Position in the committee	Designation
Komal Lokesh Khadaria	Chairperson	Non-Executive Independent Director
Kailash Nath Bhandari	Member	Non-Executive Independent Director
Jayantiram Motiram Choudhary	Member	Non-Executive non-Independent Director

Our Nomination and Remuneration Committee was constituted by a resolution of our Board dated October 21, 2021. The terms of reference of the Nomination and Remuneration Committee include the following:

The role of the Nomination and Remuneration Committee shall be as follows:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees:
2. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate

directors of the quality required to run our Company successfully;
  b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;
2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommending to the board, all remuneration, in whatever form, payable to senior management;
7. Administering, monitoring and formulating detailed terms and conditions of the Employees Stock Option Scheme of the Company;
8. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
   a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
   b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
9. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
10. Performing such other functions as may be necessary or appropriate for the performance of its duties; and
11. Perform such functions as are required to be performed by the Nomination and Remuneration Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended, including the following:
    - Formulating detailed terms and conditions of (the "Plan"), which includes the provision as specified by the Board in this regard; and
    - Administration and superintendence of the Plan.

The chairman of the Nomination and Remuneration Committee shall be present at general meetings of the Company, or in the absence of the chairman, any other member of the Nomination and Remuneration Committee authorised by the chairman in this behalf. At annual general meetings, the chairman shall be present to answer the shareholders' queries, provided however, that it would be up to the chairman to decide who should answer the queries."

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee currently comprises of:

Name	**Position in the committee**	**Designation**
Pranay Ashok Surana	Chairperson	Non-Executive Independent Director
Shyam Agrawal	Member	Non-Executive Independent Director
Jayantiram Motiram Choudhary	Member	Non-Executive non-Independent Director

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated October 21, 2021.

The powers of the Stakeholders Relationship Committee shall be as follows:

1. Considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
2. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;

3. Review of measures taken for effective exercise of voting rights by shareholders;
4. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and share transfer agent; and
5. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Corporate Social Responsibility ("CSR") Committee

The CSR Committee currently comprises of:

Name	Position in the committee	Designation
Shyam Agrawal	Chairperson	Non-Executive Independent Director
Megharam Sagramji Choudhary	Member	Whole Time Director
Dhruv Mahendrakumar Patel	Member	Whole Time Director

The CSR Committee was re-constituted by a resolution of our Board dated October 21, 2021. The terms of reference of the CSR Committee include the following:

1. To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
2. To review and recommend the amount of expenditure to be incurred on the activities referred to in (i);
3. To monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time;
4. To do such other acts, deeds and things as may be required to comply with the applicable laws; and
5. To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

IPO Committee

In addition to above committees, our Board has also constituted an IPO Committee pursuant to a resolution dated October 21, 2021, which currently comprises of:

Name	Position in the committee	Designation
Arun Axaykumar Kothari	Chairman	Managing Director
Dhruv Mahendrakumar Patel	Member	Whole Time Director
Megharam Sagramji Choudhary	Member	Whole Time Director

The terms of reference of the IPO Committee of our Company include the following:

1. To decide, negotiate and finalize, in consultation with the BRLM appointed in relation to the Issue all matters regarding the Pre-IPO Placement, if any, out of the fresh issue of Equity Shares by the Company in the Issue, decided by the Board, including entering into discussions and execution of all relevant documents with Investors;

2. To decide on other matters in connection with or incidental to the Issue, including the pre-IPO placement, timing, pricing and terms of the Equity Shares, the Issue price, the price band, the size and all other terms and conditions of the Issue including the number of Equity Shares to be offered and transferred in the Issue, the bid / Issue opening and bid/Issue closing date, discount (if any), reservation, determining the anchor investor portion, issue price for anchor investors and allocating such number of Equity Shares to anchor investors in consultation with the BRLM and in accordance with the SEBI ICDR Regulations and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including to make any amendments, modifications, variations or alterations in relation to the Issue and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;

3. To make applications, seek clarifications, obtain approvals and seek exemptions from, where necessary, SEBI, the RoC and any other governmental or statutory authorities as may be required in connection with the Issue and accept on behalf of the Company such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, the RHP and the Prospectus as applicable;

4. To finalize, settle, approve, adopt and file in consultation with the BRLM where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments (including dating of such documents), supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

5. To appoint and enter into and terminate arrangements with the BRLM, and appoint and enter into and terminate arrangement in consultation with the BRLM with underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrars, public offer account bankers to the Issue, sponsor bank, legal advisors, auditors, independent chartered accountants, advertising agency, registrar to the Issue, and any other agencies or persons or intermediaries whose appointment is required in relation to the Issue including any successors or replacements thereof, and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLM and negotiation, finalization, execution and, if required, amendment or termination of the Issue agreement with the BRLM;

6. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

7. To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, Issue agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, ad agency agreement, agreements with the registrar to the issue and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), BRLM and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto as may be required or desirable in relation to the Issue;

8. To authorise the maintenance of a register of holders of the Equity Shares;

9. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, suppliers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Issue or any actions connected therewith;

10. To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

11. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

12. To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

13. To accept and appropriate the proceeds of the Issue in accordance with the Applicable Laws;

14. To approve code of conduct as may be considered necessary or as required under Applicable Laws, regulations or guidelines for the Board, officers of the Company and other employees of the Company;

15. To implement any corporate governance requirements that may be considered necessary by the Board or the any other committee or as may be required under the Applicable Laws, including the SEBI Listing

Regulations and listing agreements to be entered into by the Company with the relevant stock exchanges, to the extent allowed under law;

16. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges, with power to authorize one or more officers of the Company or the Registrar to the Issue to sign all or any of the aforestated documents;

17. To authorize and approve notices, advertisements in relation to the Issue, in accordance with the SEBI ICDR Regulations and other Applicable Laws, in consultation with the relevant intermediaries appointed for the Issue;

18. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLM;

19. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

20. To make applications for listing of the Equity Shares in one or more stock exchanges for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchanges in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

21. To settle all questions, difficulties or doubts that may arise in regard to the Issue, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may deem fit;

22. To submit undertaking/certificates or provide clarifications to the SEBI, the RoC and the relevant stock exchanges where the Equity Shares are to be listed;

23. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the Board any other committee thereof may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board or any other committee thereof shall be conclusive evidence of their authority in so doing;

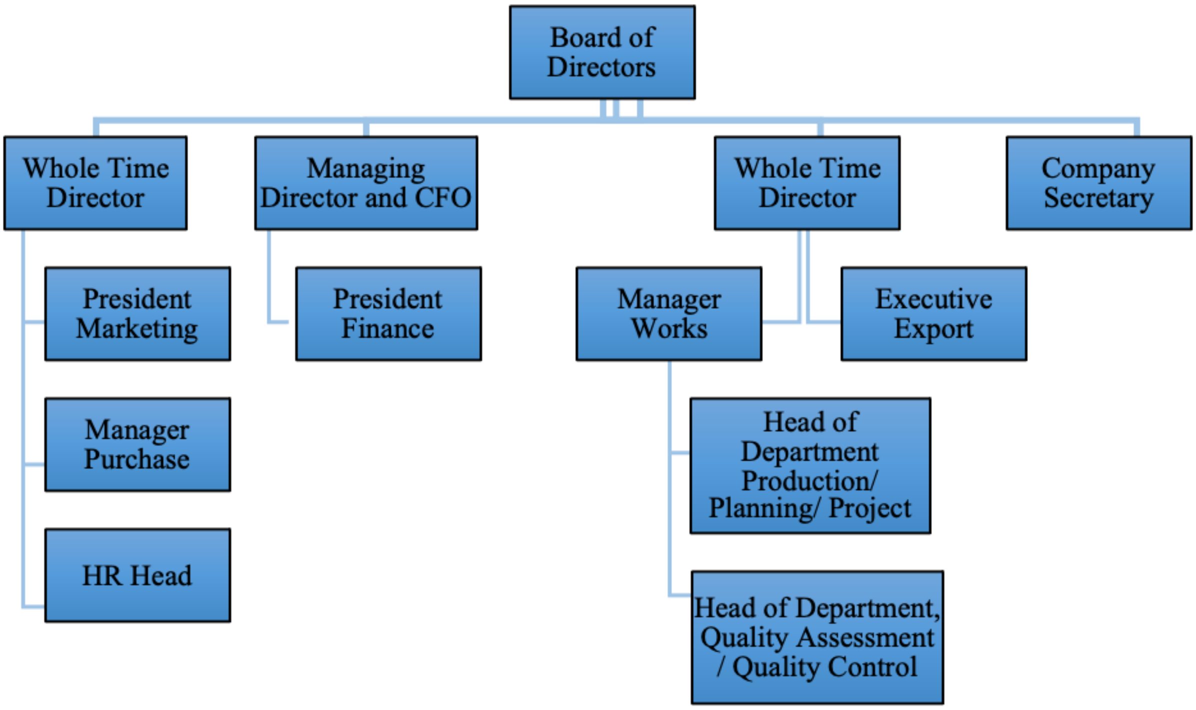
24. To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

25. To approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

26. To withdraw the DRHP or the RHP or to decide to not proceed with the Issue at any stage in accordance with Applicable Laws and in consultation with the BRLM; and

27. To delegate any of its powers set out under (a) to (x) hereinabove, as may be deemed necessary and permissible under Applicable Laws to the officials of the Company.

Management Organisation Structure



Key Management Personnel and Senior Management Personnel

In addition to Arun Axaykumar Kothari, Managing Director and CFO, Megharam Sagramji Choudhary, and Dhruv Mahendrakumar Patel our whole time Directors whose details are provided in "*Brief Profiles of our Directors*" above, the details of our other Key Managerial Personnel and Senior Management as on the date of this Red Herring Prospectus are set forth below.

Pavan Kumar Jain, aged 33 years, is our Company Secretary and compliance officer. He has been appointed as a Company Secretary in our Company and compliance officer since September 14, 2021. He has also been associated with our Company as manager (finance and accounts) since August 18, 2020. He is a qualified company secretary and has around three (3) years of experience in finance, accounting and secretarial work. He is responsible for coordination of meetings of the board and shareholders of our Company and secretarial work. As a key management and senior management personnel, he received a gross remuneration of ₹ 0.25 million in the Fiscal Year 2021-22.

Kumar Shishir C Sinha, aged 55 years, has been appointed as president (marketing) of our Company. He has been associated with our Company since March 01, 2021. He holds a degree of bachelors in arts from Magadh University. He has over 30 years of experience in the stainless steel pipes and tubes He has previously worked as a senior vice president in marketing for Prakash Steelage Limited. He received a gross remuneration of ₹ 1.11 million in the Fiscal Year 2021-22.

Kunal Bubna, aged 41 years, has been appointed as president (finance and accounts) of our Company. He has been associated with our Company since July 01, 2021. He is a fellow member of the Institute of Chartered Accountants of India and the ICSI. He has over fourteen (14) years of experience in accounting and secretarial work. He received a gross remuneration of ₹ 2.70 million in the Fiscal Year 2021-22.

Bharat Kumar Prajapati, aged 42 years, is the production head of our Company. He has been associated with our Company since September 02, 2020. He has a diploma in mechanical engineering from the Technical Examination Board, Gujarat. He has over twenty (20) years of experience in pipe industry. He has previously worked with Tubacex Prakash India Private Limited. He received a gross remuneration of ₹ 0.91 million during the Fiscal Year 2021-22.

Om Prakash Mishra, aged 47 years, is the vice-president (operations) of our Company. He has been associated with our Company since December 13, 2021. He holds a degree of bachelors in engineering from University of North Bengal. He has over 23 years of experience in manufacturing industry. He has previously worked as a head (operation) in Apollo Tricoat Tubes Limited. He received a gross remuneration of ₹ 0.76 million during the Fiscal Year 2021-22.

Note: All the Key Management Personnel and Senior Management are permanent employees of our Company.

Bonus or profit-sharing plan for the Key Management Personnel and Senior Management Personnel

There is no profit-sharing plan for the Key Management Personnel of our Company. Our Company, on a discretionary basis, makes bonus/incentive payments to the Key Management Personnel at the end of every Fiscal Year.

Shareholding of Key Management Personnel and Senior Management Personnel

For details of shareholding of the Key Managerial Personnel and Senior Management in our Company as on the date of filing of this Red Herring Prospectus, please refer to "*Capital Structure – Details of Equity Shares held by our Directors and Key Managerial Personnel"* on page 87.

Service Contracts with Key Management Personnel and Senior Management Personnel

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Directors or Key Management Personnel and Senior Management, is entitled to any benefit upon termination of employment or superannuation.

Interest of Key Management Personnel and Senior Management Personnel

None of our Key Management Personnel and Senior Management have any interest in our Company except to the extent of their shareholding in our Company, its Group Companies, remuneration from our Company, its Group Companies, and benefits and reimbursement of expenses incurred by them in the ordinary course of business.

No loans have been availed from our Company by our Key Management Personnel and Senior Management.

Contingent and deferred compensation payable to Key Management Personnel

There is no contingent or deferred compensation payable to our Key Management Personnel and Senior Management.

Changes in Key Management Personnel during the last three years

Changes in our Key Management Personnel and Senior Management during the three years immediately preceding the date of this Red Herring Prospectus are set forth below:

Name	Designation	Date of Appointment / change	Reason
Pavan Kumar Jain	Company Secretary	September 14, 2021	Appointment
Arun Axaykumar Kothari	Managing Director and CFO	September 14, 2021	Appointment
Megharam Sagramji Choudhary	Whole Time Director	September 14, 2021	Appointment
Dhruv Mahendrakumar Patel	Whole Time Director	September 14, 2021	Appointment
Bharat Kumar Prajapati	Production head	September 02, 2020	Appointment

Name	Designation	Date of Appointment / change	Reason
Kumar Shishir C Sinha	President (marketing)	March 01, 2021	Appointment
Kunal Bubna	President (finance and accounts)	July 01, 2021	Appointment
Om Prakash Mishra	Vice-President (Operations)	December 13, 2021	Appointment

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officers of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Directors or Key Management Personnel and Senior Management have been appointed or selected as a Director or a member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option and stock purchase schemes

Our Company does not have any subsistent Employee stock option and stock purchase schemes.

Details of the companies in which the directors of the Company are/were directors, which have been struck-off or undergoing the process of being struck off by the **RoC/MCA.**

The details of the companies in which the directors of the Company are/were directors, which have been struck-off or undergoing the process of being struck off by the RoC/MCA are as under:

S.No.	Company Name	Name of the Director	SRN No.	Date of Application	Date of Striking-Off	Remarks
1.	Force Steel Private Limited	Jayantiram Motiram Choudhary	C60513835	August 5, 2015	December 2, 2015	Voluntary Strike-Off
2.	Spartan Salt and Storage Private Limited	Arun Axaykumar Kothari	C33341850	November 18, 2014	May 18, 2015	Voluntary Strike-Off
3.	Unimex Holdings Private Ltd	Arun Axaykumar Kothari	C20242947	September 14, 2014	March 17, 2015	Voluntary Strike-Off
4.	Akshat Free Trade and Warehousing Zone Private Limited	Arun Axaykumar Kothari	B78303104	June 29, 2013	July 1, 2013	Voluntary Strike-Off
5.	Royal Conpro and Multimetals Private Limited	Jayantiram Motiram Choudhary and Megharam Sagramji Choudhary	G41832866	April 25, 2017	-	Voluntary Strike-Off (Under Process)

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Megharam Sagramji Choudhary
2. Jayantiram Motiram Choudhary
3. Dhruv Mahendrakumar Patel
4. Arun Axaykumar Kothari

None of our Promoters are related to each other.

As on the date of this Red Herring Prospectus, the Promoters, in aggregate, hold 84,69,759 Equity Shares in our Company, representing 55.64 % of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 78.

Details of our Promoters

1. Megharam Sagramji Choudhary 	Megharam Sagramji Choudhary, aged 39 years, is a citizen of India. He is the Promoter & Whole Time Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements, see "*Our Management*" on page 171. His driving license number is GJ12 20060517073. His PAN is AEVPC8683A and his aadhar card number is 741341707226.
2. Dhruv Mahendrakumar Patel 	Dhruv Mahendrakumar Patel, aged 36 years, is a citizen of India. He is the Promoter & Whole Time Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements, see "*Our Management*" on page 171. His driving license number is GJ05 20080108682. His PAN is ALXPP1501F and his aadhar card number is 671884303307.
3. Jayantiram Motiram Choudhary 	Jayantiram Motiram Choudhary, aged 38 years, is a citizen of India. He is the Promoter & Non-Executive Director of our Company. For details in respect of his date of birth, personal address, educational qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements, see "*Our Management*" on page 170. His driving license number is GJ12 20140008926. His PAN is AFUPC4823N and his aadhar card number is 831138957380.
4. Arun Axaykumar Kothari	Arun Axaykumar Kothari, aged 44 years, is a citizen of India. He is the Promoter, Managing Director & CFO of our Company. For details in respect of his date of birth, personal address, educational

	qualifications, experience in the business or employment, positions and posts held in the pasts, other directorships and special achievements, see "*Our Management*" on page 170. His driving license number is GJ12 20170015388. His PAN is AFAPK5287N and his aadhar card number is 899237678202.

We confirm that the details of the PAN, bank account number(s) and passport numbers of our Promoters have been submitted with the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Business and financial activities of our Promoters

Except as disclosed below, our Promoters are not involved with any other business and financial activities:

Except Megharam Sagramji Choudhary who is engaged in the business of trading of steel products and Dhruv Mahendrakumar Patel, who is engaged in the business of trading of steel product, construction & infrastructure development, no other promoters have any other business interest.

Other ventures of our Promoters

Except for the details of the other ventures as mentioned in "*Our Promoters and Promoter Group*" on page 184 of this Red Herring Prospectus, our promoters have no other ventures.

Changes in control of our Company

Except Arun Axaykumar Kothari, who was identified as a Promoter on October 21, 2021 by a resolution of the Board, all other Promoters are the original promoters of our Company and there has been no other change in the control or management of the Company in the three years immediately preceding the date of this Red Herring Prospectus.

For details in relation to the shareholding of our Promoter and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Red Herring Prospectus, see "*Capital Structure*" on page 78.

Interest of Promoters

Interest of Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company; to the extent of their respective shareholdings in our Company, directly or indirectly and the shareholdings of their relatives in our Company; in any other distributions in respect of the Equity Shares held by them; to the extent of being Directors on the board of our Company and the remuneration payable by our Company to them. Our Promoters are also interested to the extent of providing personal guarantees for some of the loans taken by our Company.

Certain of our promoters may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm/proprietorship firm in which they are partners/proprietor as declared in their respective capacity. For further details, see *"Capital Structure", "History and Certain Corporate Matters"* and *"Our Management"* on pages 78, 164 and 168, respectively.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest of Promoters in the property of our Company

Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery etc.

Interest of Promoters in our Company other than as Promoters

Except as stated in the sections titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management*" and *"Restated Financial Statements"* on pages 139, 164, 168 and 194, respectively, our Promoters do not have any interest in our Company other than as promoters.

Payment of amounts or benefits to our Promoters or Promoter Group during the last two years

Except as stated in "*Restated Financial Statements*" and "*Our Management*" on pages 194 and 168 respectively, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group or intended to be given in the two years preceding the date of this Red Herring Prospectus.

Material guarantees given by our Promoters

There are no material guarantees given by our Promoters to third parties with respect to the Equity Shares of the Company.

For details of the guarantees given by our Promoters in relation to certain borrowings of our Company as on the date of this Red Herring Prospectus, see *"History and Certain Corporate Matters"* on page 164.

Disassociation by Promoters in the Last Three Years

Name of the Company/Firm	Name of the Promoter/Director	Date Cessation	Reason of Cessation
K. M. Ferrometals Private Limited	Megharam Sagramji Choudhary & Jayantiram Motiram Choudhary	February 15, 2021	Resignation as Director
Rajeshwar Steel (Gujarat) Private Limited	Megharam Sagramji Choudhary & Jayantiram Motiram Choudhary	May 25, 2021	Resignation as Director

Promoter Group

(a) Natural Persons

(i) Mr. Jayantiram M Choudhary

The following natural persons form part of the Promoter Group as relatives of Mr. Jayantiram Motiram Choudhary:

Relationship	Name
Father	Motiram Choudhary
Mother	Leharidevi Choudhary
Spouse	Leeladevi Choudhary
Brother(s)	Prabhuram Choudhary
Brother(s)	Vachanaram Choudhary
Brother(s)	Govaram Choudhary
Sister(s)	Okhidevi Choudhary
Sister(s)	Parudevi Choudhary
Son	Nishant Choudhary
Daughter	Divyanshi Choudhary
Spouse's Father	Bhuraram Choudhary
Spouse's Mother	Keshidevi Choudhary
Spouse's Brother(s)	Natharam Choudhary
Spouse's Brother(s)	Sanwalaram Choudhary
Spouse's Brother(s)	Rameshkumar Choudhary
Spouse's Sister(s)	Gomtidevi Choudhary

Spouse's Sister(s)	Navidevi Choudhary
Spouse's Sister(s)	Amartidevi Choudhary

(ii) Mr. Arun A Kothari

The following natural persons form part of the Promoter Group as relatives of Mr. Arun A Kothari:

Relationship	Name
Father	Axay Kothari
Mother	Pushpa Kothari
Spouse	Payal Kothari
Sister(s)	Jyoti Lahoti
Sister(s)	Punita Pungaliya
Son(s)	Akshat Kothari
Son(s)	Atharva Kothari
Spouse's Father	Vimal Jhanwar
Spouse's Mother	Mangladevi Jhanwar
Spouse's Brother	Vishwajit Jhanwar

(iii) Mr. Megharam S Choudhary

The following natural persons form part of the Promoter Group as relatives of Mr. Megharam S Choudhary:

Relationship	Name
Father	Late Sagramji Choudhary
Mother	Late Rajadevi Choudhary
Spouse	Rambhadevi Choudhary
Brother(s)	Jetharam Choudhary
Brother(s)	Ganesharam Choudhary
Brother(s)	Ranaram Choudhary
Brother(s)	Parkharam Choudhary
Brother(s)	Hiraram Choudhary
Brother(s)	Tulsaram Choudhary
Sister	Lachhidevi Choudhary
Son(s)	Kalpesh Choudhary
Son(s)	Kamlesh Choudhary
Daughter	Deepika Choudhary
Spouse's Father	Ranaram Choudhary
Spouse's Mother	Konkudevi Choudhary
Spouse's Brother	Lalaram Choudhary
Spouse's Sister(s)	Parvati Choudhary
Spouse's Sister(s)	Sukhi Choudhary
Spouse's Sister(s)	Hanju Choudhary
Spouse's Sister(s)	Pintu Choudhary

(iv) Mr. Dhruv M Patel

The following natural persons form part of the Promoter Group as relatives of Mr. Dhruv M Patel:

Relationship	Name
Father	Mahendrakumar S Patel
Mother	Sudhaben M Patel
Spouse	Pooja Dhruv Patel
Sister	Ekta Deepak Savani
Son	Reyaansh D Patel
Spouse's Father	Bharat V Patel
Spouse's Mother	Hasumati B Patel
Spouse's Brother	Manoj B Patel

(b) Body corporates, HUFs, or Firm forming part of the Promoter Group

The entities that form part of our Promoter Group are as follows:

Sr. No.	Name of the Entity	Nature of Entity	Name of the Promoter and names of each of the respective immediate relatives which hold such shares in the entity	Position held by Promoter and immediate relatives in the Entity
Jayantiram Motiram Choudhary				
1	Kamlesh Tubes & Metals LLP	LLP	Leeladevi Choudhary (Wife of Mr. Jayantiram Choudhary)	Leeladevi Choudhary – Partner
2	Ganesh Metals	Partnership Firm	Ramesh Patel (Brother-in-law of Mr. Jayantiram Choudhary)	Ramesh Patel – Partner
3	Godavari Metal Corporation	Partnership Firm	Amartidevi Choudhary (Sister-in-law of Mr. Jayantiram Choudhary)	Amartidevi Choudhary – Partner
Arun Axaykumar Kothari				
4	A P Procon Private Limited	Body Corporate	Arun Axaykumar Kothari	Arun Axaykumar Kothari – Director
			Payal Kothari (Wife of Arun Axaykumar Kothari)	Payal Kothari – Director
5	Arman Housing Finance Private Limited	Body Corporate	Arun Axaykumar Kothari	Arun Axaykumar Kothari – Director
6	Kandla Cargo Handlers Private Limited	Body Corporate	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Nil
7	Sovox Renewables Pte. Ltd.	Body Corporate	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Nil
8	Copperstone Comtrade Private Limited	Body Corporate	Jyoti Lahoti (Sister of Mr. Arun Axaykumar Kothari)	Nil
9	Wealthstreet Finserve Private Limited	Body Corporate	Jyoti Lahoti (Sister of Mr. Arun Axaykumar Kothari)	Nil
10	Silverstone Infraspace Private Limited	Body Corporate	Jyoti Lahoti (Sister of Mr. Arun Axaykumar Kothari)	Nil
11	Vaastu Mable & Granite Private Limited	Body Corporate	Purnita Pungaliya (Sister of Mr. Arun Axaykumar Kothari)	Purnita Pungaliya – Director
12	P K Enterprise	Proprietorship	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Proprietor
13	Purnita Trading Co.	Proprietorship	Purnita Punglia (Sister of Mr. Arun Axaykumar Kothari)	Purnita Punglia – Proprietor
14	Arun Axaykumar Kothari HUF	HUF	Arun Axaykumar Kothari	Arun Axaykumar Kothari - Karta
15	Rudra Commodities LLP	LLP	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
16	Alps Tradelink LLP	LLP	Jyoti Lahoti (Sister of Mr. Arun Axaykumar Kothari)	Jyoti Lahoti – Partner
17	Clearsky Tradelink	LLP	Jyoti Lahoti (Sister of Mr. Arun Axaykumar Kothari)	Jyoti Lahoti – Partner
18	Turba International LLP	LLP	Jyoti Lahoti (Sister of Mr. Arun Axaykumar Kothari)	Jyoti Lahoti – Partner
19	Ambaji Developers	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
20	Arham Spinners	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
21	Mahesh Oil Industries	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
22	Radiant Pack	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner

Sr. No.	Name of the Entity	Nature of Entity	Name of the Promoter and names of each of the respective immediate relatives which hold such shares in the entity	Position held by Promoter and immediate relatives in the Entity
23	Sanghvi Industries	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
24	Varun Industries	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
25	Venus Enterprises	Partnership Firm	Payal Kothari (Wife of Mr. Arun Axaykumar Kothari)	Payal Kothari – Partner
26	Acumen Renewable Energy	Partnership Firm	Axay Kothari (Father of Mr. Arun Axaykumar Kothari)	Axay Kothari – Partner
27	Vimalkumar Sureshchandra	Partnership Firm	Vimalkumar Jhanwar (Father-in-law of Mr. Arun Axaykumar Kothari)	Vimalkumar Jhanwar – Partner
Megharam Sagramji Choudhary				
28	Asian Metal Industries-(PAN No AEVPC8683A)	Proprietorship	Megharam Choudhary	Megharam Choudhary - Proprietor
29	Venus Dairy Enterprise	Proprietorship	Megharam Choudhary	Megharam Choudhary - Proprietor
30	Asian Metal Industries –(PAN No ADXPC8742M)	Proprietorship	Tulsaram Choudhary (Brother of Mr. Megharam Choudhary)	Tulsaram Choudhary - Proprietor
31	Venus Pipe & Tube	Proprietorship	Ranaram Choudhary (Brother of Mr. Megharam Choudhary)	Ranaram Choudhary - Proprietor
32	Metal Industrial Corporation	Proprietorship	Parkharam Choudhary (Brother of Mr. Megharam Choudhary)	Parkharam Choudhary - Proprietor
33	Dwarka Metal Corporation	HUF	Ranaram Choudhary (Brother of Mr. Megharam Choudhary)	Ranaram Choudhary - Karta
34	Kamlesh Tubes & Metals LLP	LLP	Rambhadevi Choudhary (Wife of Mr. Megharam Choudhary)	Rambhadevi Choudhary – Partner
35	Syndicate Enterprise LLP	LLP	Megharam Choudhary	Megharam Choudhary – Partner
36	Sunshine Enterprise	Partnership Firm	Megharam Choudhary	Megharam Choudhary – Partner
37	Ganesh Metal Industries	Partnership Firm	Parkharam Choudhary (Brother of Mr. Megharam Choudhary)	Parkharam Choudhary – Partner
38	Venus Metal Corporation	Partnership Firm	Parkharam Choudhary (Brother of Mr. Megharam Choudhary)	Parkharam Choudhary – Partner
39	Jai Bajrang Tractor Agency	Partnership Firm	Megharam Choudhary	Megharam Choudhary – Partner
Dhruv Mahendrakumar Patel				
40	Sovox Renewables Pte. Ltd.	Body Corporate	Dhruv Patel	Nil
41	Anushri Paper Pack Private Limited	Body Corporate	Bharat V Patel (Father-in-law of Mr. Dhruv Patel)	Bharat V Patel – Director
42	Flotek Engineering	Proprietorship	Dhruv Patel	Dhruv Patel – Proprietor
43	Ambaji Infra	Proprietorship	Dhruv Patel	Dhruv Patel – Proprietor
44	Mahendrakumar Patel HUF	HUF	Mahendrakumar Patel (Father of Mr. Dhruv Patel)	Mahendrakumar Patel - Karta
45	Arham Portbizz LLP	LLP	Dhruv Patel	Dhruv Patel – Partner
46	Arham Logistics	Partnership Firm	Dhruv Patel	Dhruv Patel – Partner
47	Emerald Developers	Partnership Firm	Dhruv Patel	Dhruv Patel – Partner
48	Nirman Realities	Partnership Firm	Dhruv Patel	Dhruv Patel – Partner
49	Sunshine Enterprise	Partnership Firm	Dhruv Patel	Dhruv Patel – Partner
50	Agrim Packers	Partnership Firm	Pooja Patel (Wife of Mr. Dhruv Patel)	Pooja Patel – Partner

Sr. No.	Name of the Entity	Nature of Entity	Name of the Promoter and names of each of the respective immediate relatives which hold such shares in the entity	Position held by Promoter and immediate relatives in the Entity
			Hasumati Patel (Mother-in-law of Mr. Dhruv Patel)	Hasumati Patel – Partner
			Bharat Patel (Father-in-law of Mr. Dhruv Patel)	Bharat Patel – Partner
51	DN Star Group INC	Partnership Firm	Ekta Savani (Sister of Mr. Dhruv Patel)	Ekta Savani – Partner
52	Mahesh Oil Refinery	Partnership Firm	Ekta Savani (Sister of Mr. Dhruv Patel)	Ekta Savani – Partner
Others				
53	Sovox Renewables Pvt. Ltd.	Body Corporate	Sovox Renewables Pte. Ltd.	Dhruv Patel – Director
				Payal Kothari – Director
54	Ambaji Import Private Limited	Body Corporate	Combination of person holding more than 20% in Venus Pipes & Tubes Ltd also hold 20% or more in other entity in combination.	Nil

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "Group Company" includes such companies with which there were related party transactions as disclosed in the Restated Financial Statements, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to a resolution dated October 21, 2021, our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Red Herring Prospectus, group companies of our Company shall include (i) the companies with which there were related party transactions as disclosed in the Restated Financial Statements; or (ii) such other company as deemed material by our Board. For the purposes of (ii) above, in terms of the materiality policy, a company shall be considered material and disclosed as a group company if it is a member of the Promoter Group and with which there were transactions in the most recent financial year for which restated audited financial statements are included in the Issue Documents, which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the latest restated annual financial statements.

As per the policy adopted by our Board for determining group companies, our Board has identified the following as Group Companies:

1. Ambaji Infracon Private Limited (Upto 30.09.2021)
2. KM Ferrometals Private Limited (Upto 15.02.2021)
3. Sovox Renewables Private Limited
4. Ambaji Import Private Limited (Upto 30.09.2021)
5. Sunshine Liquid Storage Private Limited (Upto 30.09.2021)
6. Rajeshwar Steel Gujarat P Limited (Upto 25.05.2021)

Details of our Group Companies

1. Ambaji Infracon Private Limited

The registered office of Ambaji Infracon Private Limited is situated at Akshat House, Plot No. 220, Sector 1/A, Gandhidham, Gujarat – 370201.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Ambaji Infracon Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://ambajiinfracon.in/.

2. KM Ferrometals Private Limited

The registered office of KM Ferrometals Private Limited is situated at Office No. S-4, Plot No. 231, Ward 12/B, Ratnakala Commercial Co-operative Society Limited, Gandhidham-Kutch, Gujarat -370201.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of KM Ferrometals Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://kmferrometals.in/.

3. Sovox Renewables Private Limited

The registered office of Sovox Renewables Private Limited is situated at Level 4, Augusta Point, DLF Golf Course Road, Sector 53, Gurgaon, Haryana – 122002 and corporate offices at (i) Punjab – Mehandipur (Katghar), Balachour, Tehsil Nawanshaha, Dist: Shahid Bhagath Singh Nagar, Balachaur, Punjab – 144522; and (ii) Rajasthan – Dugar, tehsil Shergarh, District Jodhpur, Rajasthan – 342025.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Sovox Renewables Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://sovox.in/.

4. Ambaji Import Private Limited

The registered office of Ambaji Import Private Limited is situated Akshat House, Plot No. 220, Sector 1/A, Gandhidham, Gujarat – 370201 & Corporate Office at Office No. 107, Varunisha Crossway Building, Plot No. 589, Ward No. 12/C, Gandhidham, Kutch, Gujarat – 370201.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Ambaji Import Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://ambajiimport.in/.

5. Sunshine Liquid Storage Private Limited

The registered office of Sunshine Liquid Storage Private Limited is situated at 403, Matharu Arcade, Subhash Road Near Gaeware House, Vile Parle (East) Mumbai, Maharashtra - 400057 and corporate office at 701, Aakash – 3, Kolekalyan Village, Yashwant Nagar Vakola, Santacruz (East), Mumbai, Maharashtra – 400055.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Sunshine Liquid Storage Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://sunshineliquid.in/.

6. Rajeshwar Steel Gujarat Private Limited

The registered office of Rajeshwar Steel Gujarat P Ltd is situated at Plot No. 14, Ward 10/A, Gandhidham-Kutch, Gujarat – 370201.

The details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and net asset value per share derived from the audited financial statements of Rajeshwar Steel Gujarat Private Limited for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 in terms of the SEBI ICDR Regulations are available on its website at https://rajeshwarsteel.in/.

7. Interest of Group Companies in our Company

(a) ***In the promotion or business interests of our Company***
Our Group Companies do not have any interest in the promotion or business interests of our Company.

(b) ***In the properties acquired by our Company or proposed to be acquired by our Company in the preceding three years before filing this Red Herring Prospectus***
Our Group Companies do not have any interest in any property acquired by our Company or proposed to be acquired by the Company in the preceding three years before filing of this Red Herring Prospectus.

(c) ***In transactions for acquisition of land, construction of building and supply of machinery***
Our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

8. Common Pursuits between our Group Companies and our Company

Our Group Companies are not in the same line of business as our Company and there are no common pursuits between our Group Companies and our Company.

9. Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Restated Financial Statements*" on page 194, there are no other related business transactions with the Group Companies and our Company.

10. Litigation
Our Group Companies are not a party to any pending litigation which will have a material impact on our Company.

DIVIDEND POLICY

Our Company has approved a formal dividend policy on October 21, 2021 ("**Dividend Policy**"). The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, the Dividend Policy and other applicable law, including the Companies Act.

As per the Dividend Policy, the final dividend can be paid once for the financial year after the annual accounts are prepared. The Board of Directors of our Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of our Company. The interim dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, in line with the Policy and subject to the provisions of the Companies Act, 2013, the rules thereunder and any other applicable regulations or stipulations, as the case may be. While recommending any payment of dividend by our Company, the Board shall consider, amongst other things, financial parameters such as profits for the current year, future outlook for our Company, working capital needs, operating cash flow, dividend pay-out ratio, investment plans and related cash utilisation and any other relevant factors that the Board may deem fit.

The quantum of dividend, if any, and our ability to pay dividend will depend on a number of factors, including, but not limited to, our Company's profits, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business. Our Company has not declared any dividend on the Equity Shares of our Company in Fiscal 2019, Fiscal 2020 and Fiscal 2021 and until the date of this Red Herring Prospectus. However, this is not necessarily indicative of any dividend declaration or the quantum of our Company's dividend, in the future. Please see, "*Risk Factors – Our ability to pay dividends in the future may depend upon our future revenues, profits, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements*" on page 44.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

[*Remainder of this page has intentionally been left blank*]

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION IN CONNECTION WITH THE PROPOSED INITIAL PUBLIC ISSUE OF VENUS PIPES & TUBES LIMITED (FORMERLY KNOWN AS VENUS PIPES & TUBES PRIVATE LIMITED)

The Board of Directors,
Venus Pipes & Tubes Limited,
(Formerly known as Venus Pipes & Tubes Private Limited)
Survey No. 233/2,234/1
Village-Dhaneti,
Bhuj-Bhachau Highway,
Kutch-370020
Gujarat

Dear Sirs,

1) We have examined, the attached Restated Financial Information, expressed in INR Millions of Venus Pipes & Tubes Limited (formerly Venus Pipes & Tubes Private Limited) (the "**Company**" or the "**Issuer**") comprising the Restated Balance Sheet as at December 31, 2021, March 31, 2021, March 31, 2020, and March 31, 2019, the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the nine months period ended December 31, 2021 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, a summary of Significant Accounting policies, and other explanatory information (Collectively referred to as, the "Restated Financial Information"), prepared by the Management of the Company and as approved by the Board of Directors of the Company at their meeting held on March 21, 2022 for the purpose of inclusion in the Red Herring Prospectus / Prospectus (hereinafter to be referred as "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "**Ac**t");

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and

(c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

Management's Responsibility for the Restated Financial Information

2) The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange

Board of India ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed i.e. BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE the "**Stock Exchanges**") and the Registrar of Companies, Gujarat, at Ahmedabad ("**RoC**"), in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note 1.1 of Annexure V to the Restated Financial Information.

The Board of Directors of the Company responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. Board of Directors of the Company are also responsible for identifying and ensuring that complies with the Act, the ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3) We have examined such Restated Financial Information taking into consideration:

   (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 03 January, 2022 in connection with the proposed IPO of equity shares of the Company;

   (b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

   (d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4) The Restated Financial Information have been compiled by the Company's management from:

   (a) Audited special purpose interim financial statements of the Company as at and for the nine months' period ended December 31, 2021 prepared in accordance with Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles accepted in India ("Special Purpose Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on March 21, 2022; and

   (b) Audited financial statements of the Company as at and for years ended March 31, 2021, prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 30, 2021.

   (c) Re-Audited Special purpose financial statements of the Company as at and for years ended March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on November 22, 2021.

5) We have re-audited the special purpose financial information of the Company for the year ended March 31, 2020 & March 31, 2019 prepared by the Company in accordance with the Indian Accounting Standard ("Ind AS") for the limited purpose of complying with the requirement of getting its financial statements audited and certified by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to proposed IPO. We have issued our report dated November 22, 2021 on this special purpose financial information to the Board of Directors who have approved these Special Purpose financial information in their meeting held on November 22, 2021.

6) For the purpose of our examination, we have relied on:

(a) Auditors' Report issued by us dated March 21, 2022 on the Special Purpose Interim Financial Statements of the Company as at and for the Nine months' period ended December 31, 2021 as referred in Para 4(a) above;

(b) Auditors' reports issued by us dated August 30, 2021 on the audited financial statements as at and for the year ended March 31, 2021 as referred in Paragraph 4 (b) above

(c) Auditors' reports issued by us dated November 22, 2021 on the re-audited financial statements as at and for the year ended March 31, 2020 and March 31, 2019 as referred in Paragraph 4 (c) above;

(d) The auditor's report on the Audited Financial Statements as at and year ended March 31, 2021 includes the following Emphasis of Matter paragraph:

"*We draw attention to Note 33.6 to the accompanying financial statements, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations and other related matters*."

Our Opinion is not modified in respect of this matter.

Opinion

7) Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

I. have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended December 31, 2021.;

II. does not contain any qualifications requiring adjustments.

III. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

8) The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.

9) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock exchanges and RoC in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Maheshwari & Co.
Chartered Accountants
FRN: 105834W

Ramesh Totla
Partner
Membership No.416169
UDIN: 22416169AGJFRP7660

Place: Surat
Date: March 21, 2022

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
CIN NO U74140GJ2015PLC082306
Restated Financial Information

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
CIN NO. U74140GJ2015PLC082306
ANNEXURE - I
RESTATED STATEMENT OF ASSETS & LIABILITIES

(` in Million)

Particulars	Note No	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
I ASSETS					
1 Non-current assets					
(a) Property, Plant and Equipment & Intangible Assets					
(i) Property, Plant and Equipment	2	212.08	195.26	122.14	97.69
(ii) Intangible Assets	2	1.12	0.70	0.62	-
(iii) Capital Work in Progress	2	46.79	-	32.05	-
(b) Financial Assets					
(i) Other Non Current Financial Assets	3	16.39	13.18	20.46	2.55
		276.38	**209.14**	**175.27**	**100.24**
2 Current assets					
(a) Inventories	4	861.02	441.80	442.76	361.67
(b) Financial assets					
(i) Trade Receivables	5	742.13	450.69	307.46	216.29
(ii) Cash and Cash Equivalents	6	0.39	0.69	3.50	2.84
(iii) Bank balances other than (ii) above	7	72.85	43.86	50.04	15.19
(iv) Other Current Financial Assets	8	7.12	25.57	0.12	10.88
(c) Other Current Assets	9	502.87	203.64	92.76	84.12
		2,186.38	**1,166.25**	**896.64**	**690.99**
Total Assets		**2,462.76**	**1,375.39**	**1,071.91**	**791.23**
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	10	152.22	87.33	87.33	87.33
(b) Other Equity	11	1,052.60	311.99	75.43	34.41
		1,204.82	**399.31**	**162.76**	**121.74**
Liabilities					
1 Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	12	163.16	184.89	185.85	144.01
(ii) Lease Liabilities	13	2.55	3.17	3.90	-
(b) Provisions	14	2.85	2.17	1.60	0.71
(c) Deferred Tax Liabilities (Net)	15	6.61	4.29	9.27	1.64
		175.17	**194.50**	**200.62**	**146.36**
2 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	16	336.90	190.13	240.26	150.18
(ii) Lease Liabilities	13	0.81	0.74	0.65	-
(iii) Trade payables					
- Total outstanding dues to Micro Enterprise & Small Enterprise	17	8.89	-	-	-
- Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprise	17	515.05	424.22	413.00	324.56
(iv) Other Financial Liabilities	18	0.57	1.36	0.32	0.52
(b) Provisions	14	0.07	0.04	0.02	0.01
(c) Current-Tax Liabilities (Net)	19	155.30	102.75	23.76	18.87
(d) Other current liabilities	20	65.18	62.34	30.52	28.99
		1,082.77	**781.57**	**708.53**	**523.13**
Total Equity and Liabilities		**2,462.76**	**1,375.39**	**1,071.91**	**791.23**
Significant Accounting Policies	1				
Notes forming part of the financial statements	2 to 35				

As per our report of even date

For Maheshwari & Co
Chartered Accountants
Firm Reg. No.: 105834W

For and on behalf of the Board of Directors of
Venus Pipes & Tubes Limited

Ramesh Totla
Partner
Membership No. : 416169
Place: Surat
Date: 21.03.2022

Mr. Megharam S Choudhary
Director
Din: 02617107

Mr. Dhruv M Patel
Director
Din: 07098080

Mr. Arun Kothari
(MD & CFO)
Din: 00926613
Place: Gandhidham
Date: 21.03.2022

Mr. Pavan Jain
(Company Secretary)
Membership No: A66752
Place: Gandhidham
Date: 21.03.2022

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
CIN NO. U74140GJ2015PLC082306
ANNEXURE - II
RESTATED STATEMENT OF PROFIT AND LOSS

(` in Million)

	Particulars	Note No.	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
1	**Revenue from operations**	21	2,767.69	3,093.31	1,778.08	1,187.52
2	**Other Income**	22	15.11	27.00	15.14	17.54
3	**Total Income (1+2)**		**2,782.80**	**3,120.31**	**1,793.22**	**1,205.06**
4	**Expenses**					
	(a) Cost of materials consumed	23(a)	2,574.70	2,107.38	1,587.91	1,053.57
	(b) Purchase of Stock in Trade		64.55	524.67	66.10	-
	(c) Changes in inventories of finished goods & work-in- progress	23(b)	(367.38)	(17.27)	(84.15)	(37.26)
	(d) Employee benefits expense	24	42.17	32.00	26.69	25.34
	(e) Finance Cost	25	42.61	55.61	45.54	31.09
	(f) Depreciation and amortization expense	2(c)	10.58	9.65	21.10	19.93
	(g) Other expenses	26	98.53	98.76	65.17	62.94
	Total expenses		**2,465.76**	**2,810.80**	**1,728.35**	**1,155.61**
5	**Profit \ (Loss) before exceptional items and tax (3-4)**		**317.04**	**309.51**	**64.86**	**49.46**
6	**Exceptional items**		-	-	-	-
7	**Profit \ (Loss) before tax (5-6)**		**317.04**	**309.51**	**64.86**	**49.46**
8	**Tax expense:**					
	(a) Current tax expense	31	78.81	78.25	15.30	12.92
	(b) Deferred tax	31	2.28	(6.46)	7.71	(0.96)
	(c) Earlier Year Tax Adjustments	31	-	1.39	0.57	-
9	**Profit \ (Loss) for the period (7-8)**		**235.95**	**236.32**	**41.28**	**37.50**
10	**Other comprehensive income**					
	(i) Items that will not be reclassified to Profit / (Loss)					
	- Actuarial Gain / (Loss) on defined benefit Plan		0.16	0.31	(0.34)	-
	- Deferred Tax on above		(0.04)	(0.08)	0.09	-
11	**Total Comprehensive income for the period (9+10)**		**236.07**	**236.56**	**41.02**	**37.50**
12	**Earnings per share (Face Value of ` 10/- each):**	27				
	Before Bonus Issue					
	(a) Basic (in `)		15.50	27.06	4.73	4.29
	(b) Diluted (in `)		15.50	27.06	4.73	4.29
	Post Bonus Issue	27.1				
	(a) Basic (in `)		15.50	18.04	3.15	2.86
	(b) Diluted (in `)		15.50	18.04	3.15	2.86
	Significant Accounting Policies	1				
	Notes forming part of the financial statements	2 to 35				

As per our report of even date

For Maheshwari & Co
Chartered Accountants
Firm Reg. No.: 105834W

For and on behalf of the Board of Directors of
Venus Pipes & Tubes Limited

Ramesh Totla
Partner
Membership No. : 416169
Place: Surat
Date: 21.03.2022

Mr. Megharam S Choudhary
Director
Din: 02617107

Mr. Dhruv M Patel
Director
Din: 07098080

Mr. Arun Kothari
(MD & CFO)
Din: 00926613
Place: Gandhidham
Date: 21.03.2022

Mr. Pavan Jain
(Company Secretary)
Membership No: A66752
Place: Gandhidham
Date: 21.03.2022

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
CIN NO. U74140GJ2015PLC082306
ANNEXURE - III
RESTATED STATEMENT OF CASH FLOWS

(` in Million)

	Particulars	April'21 to December'21		2020 - 2021		2019 - 2020		2018 - 2019	
A	**CASH FLOW FROM OPERATING ACTIVITIES**								
	Net Profit/(Loss) before tax & exceptional items	317.04		309.51		64.86		49.46	
	- Depreciation	10.58		9.65		21.10		19.93	
	- Provision for doubtful debts(ECL)/advances	(7.49)		4.92		(8.20)		(6.60)	
	- Interest Expense	30.10		49.08		31.77		23.13	
	- Interest Income	(3.55)		(12.48)		(3.40)		(10.30)	
	Changes in Working Capital:-								
	Adjustment for (Increase) / Decrease in Operating Assets								
	- Trade Receivables	(283.95)		(148.16)		(82.98)		(158.44)	
	- Inventory	(419.22)		0.96		(81.08)		(180.41)	
	- Other Non Current Financial Assets	(0.48)		(0.27)		0.01		-	
	- Other Current Financial Assets	(0.08)		(25.46)		10.77		(27.87)	
	- Other Current Assets	(299.23)		(110.47)		(8.53)		-	
	Adjustment for Increase / (Decrease) in Operating Liabilities								
	- Non Current Liabilities	0.83		0.88		0.55		-	
	- Other Current & Non-Current Financial Liabilities	(0.54)		(0.65)		0.25		-	
	- Trade Payables	99.72		11.22		88.44		208.37	
	- Other Current Liabilities	2.86		31.84		1.54		29.06	
	Cash generated from Operations		**(553.41)**		**120.57**		**35.10**		**(53.67)**
	Direct taxes paid		(26.22)		(7.30)		(10.98)		(12.92)
	Cash flow before extraordinary items		**(579.63)**		**113.26**		**24.12**		**(66.58)**
	Prior Period Adjustments (Other than Taxation)		-		-		-		-
	Net cash from Operating Activities (A)		**(579.63)**		**113.26**		**24.12**		**(66.58)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**								
	Issue of Equity Shares		569.43		-		-		-
	Purchase of Fixed Assets and CWIP		(75.17)		(50.39)		(74.24)		(20.88)
	Withdrawal / (Investment) in Fixed Deposits		(13.20)		13.74		(52.77)		(3.29)
	Interest Received		3.55		12.48		3.40		10.30
	Net Cash used in Investing Activities (B)		**484.61**		**(24.17)**		**(123.61)**		**(13.87)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**								
	Proceeds / (Repayment) from / (of) Borrowings (Net)		125.04		(51.09)		131.93		100.29
	Interest Paid		(30.32)		(40.81)		(31.77)		(23.13)
	Net cash used Financing Activities (C)		**94.72**		**(91.91)**		**100.15**		**77.16**
	Net increase in cash and cash equivalents (A+B+C)		**(0.30)**		**(2.82)**		**0.66**		**(3.30)**
	Cash and cash equivalents at the beginning of the period		**0.69**		**3.50**		**2.84**		**6.14**
	Cash and cash equivalents at the end of the period		**0.39**		**0.69**		**3.50**		**2.84**
	Components of Cash & Cash Equivalents								
	Cash on Hand		**0.39**		**0.61**		**3.39**		**2.78**
	Balances with banks:								
	a) In current account		**-**		**0.07**		**0.12**		**0.07**
	Total Cash and Bank Equivalents (As per Note 6)		**0.39**		**0.69**		**3.50**		**2.84**

***Note :** The above Cash Flow Statement has been prepared under the indirect method set out in IND AS - 07 "Statement of Cash Flow" issued by the Central Government under Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (Companies Indian Accounting Standard Rules, 2015)*

Significant Accounting Policies and Notes on Financial Statements.	1
Notes forming part of the financial statements	2 to 35

The Notes referred to above form an Integral part of this statement
As per our attached report of even date

For Maheshwari & Co
Chartered Accountants
Firm Reg. No.: 105834W

For and on behalf of the Board of Directors of
Venus Pipes & Tubes Limited

Ramesh Totla
Partner
Membership No. : 416169
Place: Surat
Date: 21.03.2022

Mr. Megharam S Choudhary
Director
Din: 02617107

Mr. Dhruv M Patel
Director
Din: 07098080

Mr. Arun Kothari
(MD & CFO)
Din: 00926613
Place: Gandhidham
Date: 21.03.2022

Mr. Pavan Jain
(Company Secretary)
Membership No: A66752
Place: Gandhidham
Date: 21.03.2022

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
CIN NO. U74140GJ2015PLC082306
ANNEXURE - IV
RESTATED STATEMENT OF CHANGE IN EQUITY

(` in Million)

Particulars	Share capital	Retained Earning	Security Premium	Total Equity
As at April 1, 2018	**87.33**	**22.72**	**-**	**110.05**
Ind As Transition Adjustments	-	(25.81)	-	(25.81)
Net Profit/ (Loss) for FY 18-19	-	37.50	-	37.50
Actuarial gain/(loss) in respect of defined benefit plan	-	-	-	-
As at March 31,2019	**87.33**	**34.41**	**-**	**121.74**
Net Profit/ (Loss) for FY 19-20	-	41.28	-	41.28
Actuarial gain/(loss) in respect of defined benefit plan	-	(0.25)	-	(0.25)
As at March 31,2020	**87.33**	**75.43**	**-**	**162.76**
Net Profit/ (Loss) for FY 20-21	-	236.32	-	236.32
Actuarial gain/(loss) in respect of defined benefit plan	-	0.23	-	0.23
As at March 31, 2021	**87.33**	**311.99**	**-**	**399.31**
Net Profit/ (Loss) for the period Apr'21 to Dec'21	-	235.95	-	235.95
Bonus Shares Issued during the period	43.66	(43.66)	-	-
Equity Shares Issued during the period	21.23	-	548.20	569.43
Actuarial gain/(loss) in respect of defined benefit plan	-	0.12	-	0.12
As at December 31, 2021	**152.22**	**504.40**	**548.20**	**1,204.82**

See accompanying notes forming part of the financial statements

For Maheshwari & Co
Chartered Accountants
Firm Reg. No.: 105834W

For and on behalf of the Board of Directors of
Venus Pipes & Tubes Limited

Ramesh Totla
Partner
Membership No. : 416169
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Mr. Pavan Jain
(Company Secretary)
Membership No: A66752
Place: Gandhidham
Date: 21.03.2022

BACKGROUND AND OPERATIONS

Venus Pipes & Tubes Limited (Formerly known as Venus Pipes & Tubes Private Limited) ("the Company") having its registered office at Survey No 233/2 & 234/1 Dhaneti , Bhuj, Kutch, Gujarat 370020 was incorporated on 17th February'2015 and subsequently on 16th September'2021 the company converted into Public Ltd company vide current Company Registration No. U74140GJ2015PLC082306 .

The company is engaged in activities of manufacturing of all kinds of stainless steel pipes & tubes and to deal in all the kinds of steel, pipes & tubes.

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation

(i) Statement of Compliance and basis of preparation

The Restated Statement of Assets and Liabilities of the Company as at 31st December 2021, 31 March 2021, 2020 and 2019 and the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the nine months period ended 31st December 2021 & for the year ended 31 March 2021, 2020, and 2019, and other explanatory information are together referred as "Restated Financial Information".

These "Restated Financial Information" are approved for issue by the Board of Directors on March 21, 2022.

The Restated Financial Information has been compiled by the Company for the nine months period ended 31st December 2021 in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") & for the year ended 31 March 2021 from the Audited Financial Statements of the Company prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") and for the years ended 31 March 2020 and 31 March 2019 have been compiled based on Re-Audited Financial Statement as required by the ICDR regulation prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended and other accounting principles generally accepted in India (referred to as "Ind AS") .

These Restated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Red Herring Prospectus ('RHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering ("IPO") of its equity shares.

The Restated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time; and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

The Company has decided to voluntarily adopt Ind AS for the financial year ended 31 March 2021 and prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended 31 March 2021 with the transition date as 1 April 2019. Further, the Company has prepared Ind AS financial statements for the year ended 31 March 2019 ("financial information"). This financial information have been prepared by making Ind AS adjustments to the audited Previous GAAP financial statements as at and for the year ended 31 March 2019. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's Restated Financial Information is set out in Note 34 of Annexure - V.

The Restated Financial Information have been extracted by the Management from the Audited Financial Statements and :

a) there were no audit qualifications on these financial statements;
b) there were no changes in accounting policies during the period/years of these financial statements;
c) material amounts relating to adjustments for previous years in arriving at profit/loss of the period/years to which they relate, have been appropriately adjusted;
d) adjustments have been made for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2021 prepared under Ind AS and the requirements of the SEBI Regulation; and
e) the resultant tax impact, if any, on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

(ii) Historical cost convention

The Restated Financial Information have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Ind AS notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, to the extent applicable.

1.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

1.3 Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Cash flow statement

Cash flows are reported using indirect method, whereby Profit before tax reported under statement of profit/ (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

1.5 Property, plant and equipment

All the items of property, plant and equipment are stated at historical cost net off cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

1.6 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in business combinations are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortization. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Amortization of Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Useful lives of intangible assets

Intangible assets are amortized over their estimated useful life on straight line method as follows:

a. Computer Software 5 Years

1.7 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

1.8 Inventories

Inventories of finished goods, raw materials and work in progress are carried at lower of cost and net realizable value. Fuel and stores & spare parts are carried at cost after providing for obsolescence and other losses. Cost for raw materials, fuel , stores & spare parts are ascertained on weighted average basis. Cost of Inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing to their respective present location and condition. Scrap Inventory is valued at NRV.Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

1.9 Revenue Recognition

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recoverability.

Revenue from sale of goods is recognized when substantial risk and rewards of ownership are transferred to the buyer under the terms of the contract.

Sales value is net of discount but does not include other recoveries such as handling charges, transport, octroi, etc.

Revenue from service contracts are recognized when service are rendered and related costs are incurred.

1.10 Other Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.11 Foreign Currency Transactions

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is INR.

a) In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

b) The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are taken into Statement of Profit and Loss.

1.12 Employees Benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

<u>Short-term and other long-term employee benefits</u>

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.13 Accounting for Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year/period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.14 Leases

Transition

Effective April 01, 2019, the company adopted Ind As 116 "leases" and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognized on the date of initial application. Accordingly, company has not restated comparative information and recognized right of use assets at an amount equal to lease liability.

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

1.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year/period adjusted for bonus elements, if any, issued during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.16 Segment Reporting

Identification of segments:
Segments are identified in line with Ind AS-108 "segment Reporting", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

Based on the Company's business model, manufacturing and/or trading of pipes, tubes & steel have been considered as the only reportable business and geographical segment.

Segment Policies:
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.18 Fair value measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

1.19 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.20 Current and non Current classification :

i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset as current when it is:
1 Expected to be realized or intended to be sold or consumed in normal operating cycle
2 Held primarily for the purpose of trading
3 Expected to be realized within twelve months after the reporting period, or
4 Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non - current.
ii A liability is current when:
1. Expected to be settled in normal operating cycle
2. Held primarily for the purpose of trading
3. Due to be settled within twelve months after the reporting period, or
4. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are treated as non - current.
Deferred tax assets and liabilities are classified as non - current assets and liabilities.

Note- 1.21 Critical and significant accounting judgements, estimates and assumptions

(i) Critical estimates and judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets:

Management reviews the useful lives of depreciable assets at each reporting. As at December 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for expected credit losses:
The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix.

Income taxes:
Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(ii) Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

Determination of lease term & discount rate:
Ind AS 116 leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the company considers factor such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the company's operations taking into account the location of the underlying asset and availability of the suitable alternatives. The lease term in future period is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes
Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Provision and contingent liability
On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

VENUS PIPES & TUBES LIMITED

(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)

Annexure - V Notes to the Restated Financial Statements

2. Property, Plant and Equipments

2a. Property, Plant and Equipments (` in Million)

	GROSS BLOCK (AT COST)				DEPRECIATION & AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2021**	**Additions during the period**	**Deductions during the period**	**As at 31st December, 2021**	**As at 1st April, 2021**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st December, 2021**	**As at 31st December, 2021**	**As at 31st March, 2021**
1	2	3	4	5	6	7	8	9	10	11	12	13
Land	6.50	5.83	-	12.33	-	-	-	-	-	-	12.33	6.50
Computers	0.63	0.68	-	1.31	0.33	0.15	-	-	-	0.48	0.83	0.30
Buildings	37.54	8.77	-	46.31	2.30	0.98	-	-	-	3.28	43.03	35.24
Electrical Installation	0.97	-	-	0.97	0.60	0.14	-	-	-	0.74	0.23	0.37
Plant & Machinery	190.37	10.96	-	201.33	44.31	8.07	-	-	-	52.38	148.95	146.06
Furniture & Fixtures	0.10	0.63	-	0.73	0.02	0.01	-	-	-	0.03	0.70	0.08
Vehicles	2.42	0.07	-	2.49	0.14	0.22	-	-	-	0.36	2.13	2.28
Office Equipments	2.14	0.27	-	2.41	1.18	0.22	-	-	-	1.40	1.01	0.96
Right of Use Assets (Factory Land)	5.12	-	-	5.12	1.64	0.61	-	-	-	2.25	2.87	3.48
Total Tangible Assets	**245.79**	**27.21**	**-**	**273.00**	**50.52**	**10.40**	**-**	**-**	**-**	**60.92**	**212.08**	**195.27**
Previous Year	**163.15**	**82.64**	**-**	**245.79**	**41.00**	**9.52**	**-**	**-**	**-**	**50.53**	**195.26**	**122.14**
Capital Work in Progress *											**46.79**	**-**

*Refer Note 2.1 for CWIP Ageing Schedule

** Title Deed of Immovable property : The company has been converted from private ltd to public limited w.e.f September 16, 2021 ,accordingly the deed are still in the name of Venus Pipes & Tubes P Ltd.

2b. Intangible Assets (other than internally generated) (` in Million)

	GROSS BLOCK (AT COST)				AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2021**	**Additions during the period**	**Deductions during the period**	**As at 31st December, 2021**	**As at 1st April, 2021**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st December, 2021**	**As at 31st December, 2021**	**As at 31st March, 2021**
1	2	3	4	5	6	7	8	9	10	11	12	13
Computer Software	0.85	0.60	-	1.45	0.15	0.18	-	-	-	0.33	1.12	0.70
Total Intangible Assets	**0.85**	**0.60**	**-**	**1.45**	**0.15**	**0.18**	**-**	**-**	**-**	**0.33**	**1.12**	**0.70**
Previous Year	**0.65**	**0.20**	**-**	**0.85**	**0.03**	**0.12**	**-**	**-**	**-**	**0.15**	**0.70**	**0.62**
Intangible Assets under Development											**-**	**-**

2c. Depreciation and Amortization for the period (` in Million)

Particulars	**April'21 to December'21**	**2020-21**
Depreciation and amortization for the period on tangible assets as per Note 2 A	10.40	9.52
Amortization for the period on intangible assets as per Note 2 B	0.18	0.12
Total	**10.58**	**9.65**

VENUS PIPES & TUBES LIMITED

(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)

Annexure - V Notes to the Restated Financial Statements

2. Property, Plant and Equipments

2a. Property, Plant and Equipments (` in Million)

	GROSS BLOCK (AT COST)				DEPRECIATION & AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2020**	**Additions during the period**	**Deductions during the period**	**As at 31st March 2021**	**As at 1st April, 2020**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st March 2021**	**As at 31st March 2021**	**As at 31st March, 2020**
1	2	3	4	5	6	7	8	9	10	11	12	13
Land	6.50	-	-	6.50	-	-	-	-	-	-	6.50	6.50
Computers	0.41	0.21	-	0.63	0.25	0.09	-	-	-	0.33	0.29	0.17
Buildings	14.43	23.11	-	37.54	1.62	0.68	-	-	-	2.30	35.24	12.81
Electrical Installation	0.97	-	-	0.97	0.42	0.18	-	-	-	0.60	0.37	0.55
Plant & Machinery	133.45	56.93	-	190.37	36.87	7.43	-	-	-	44.31	146.06	96.57
Furniture & Fixtures	0.10	-	-	0.10	0.01	0.01	-	-	-	0.02	0.08	0.09
Vehicles	0.57	1.85	-	2.42	0.02	0.12	-	-	-	0.14	2.28	0.55
Office Equipments	1.60	0.54	-	2.14	0.99	0.19	-	-	-	1.18	0.96	0.61
Right of Use Assets (Factory Land)	5.12	-	-	5.12	0.82	0.82	-	-	-	1.64	3.48	4.30
Total Tangible Assets	**163.15**	**82.64**	**-**	**245.79**	**41.00**	**9.52**	**-**	**-**	**-**	**50.53**	**195.26**	**122.14**
Previous Year	**117.62**	**45.52**	**-**	**163.15**	**19.93**	**21.07**	**-**	**-**	**-**	**41.00**	**122.14**	**97.69**
Capital Work in Progress											**-**	**32.05**

2b. Intangible Assets (other than internally generated) (` in Million)

	GROSS BLOCK (AT COST)				AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2020**	**Additions during the period**	**Deductions during the period**	**As at 31st March 2021**	**As at 1st April, 2020**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st March 2021**	**As at 31st March 2021**	**As at 31st March, 2020**
1	2	3	4	5	6	7	8	9	10	11	12	13
Computer Software	0.65	0.20	-	0.85	0.03	0.12	-	-	-	0.15	0.70	0.62
Total Intangible Assets	**0.65**	**0.20**	**-**	**0.85**	**0.03**	**0.12**	**-**	**-**	**-**	**0.15**	**0.70**	**0.62**
Previous Year	**-**	**0.65**	**-**	**0.65**	**-**	**0.03**	**-**	**-**	**-**	**0.03**	**0.62**	**-**
Intangible Assets under Development											**-**	**-**

2c. Depreciation and Amortization for the period (` in Million)

Particulars	**2020-21**	**2019-20**
Depreciation and amortization for the period on tangible assets as per Note 2 A	9.52	21.07
Amortization for the period on intangible assets as per Note 2 B	0.12	0.03
Total	**9.65**	**21.10**

Note: Till FY20 , the company was following Written Down Value (WDV) depreciation method. Based on evaluation during the year , company considered to change the depreciation method from WDV to Straight line method (SLM) and has given effect from 01.04.2020. Due to change in depreciation method, there is reduction in depreciation and amortization. Deprecation for FY 21 is **` 9.65 Million** as against **` 22.97 Million.**

VENUS PIPES & TUBES LIMITED

(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)

Annexure - V Notes to the Restated Financial Statements

2. Property, Plant and Equipments

2a. Property, Plant and Equipments (` in Million)

	GROSS BLOCK (AT COST)				DEPRECIATION & AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2019**	**Additions during the period**	**Deductions during the period**	**As at 31st March 2020**	**As at 1st April, 2019**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st March 2020**	**As at 31st March 2020**	**As at 31st March, 2019**
1	2	3	4	5	6	7	8	9	10	11	12	13
Land	6.50	-	-	6.50	-	-	-	-	-	-	6.50	6.50
Computers	0.25	0.16	-	0.41	0.12	0.12	-	-	-	0.25	0.17	0.13
Buildings	8.98	5.44	-	14.43	0.65	0.97	-	-	-	1.62	12.81	8.34
Electrical Installation	0.94	0.03	-	0.97	0.24	0.18	-	-	-	0.42	0.55	0.70
Plant & Machinery	99.38	34.07	-	133.45	18.44	18.43	-	-	-	36.87	96.57	80.93
Furniture & Fixtures	-	0.10	-	0.10	-	0.01	-	-	-	0.01	0.09	-
Vehicles	-	0.57	-	0.57	-	0.02	-	-	-	0.02	0.55	-
Office Equipments	1.57	0.03	-	1.60	0.47	0.52	-	-	-	0.99	0.61	1.10
Right of Use Assets	-	5.12	-	5.12	-	0.82	-	-	-	0.82	4.30	-
Total Tangible Assets	**117.62**	**45.52**	**-**	**163.15**	**19.93**	**21.07**	**-**	**-**	**-**	**41.00**	**122.14**	**97.69**
Previous Year	**96.74**	**20.88**	**-**	**117.62**	**-**	**19.93**	**-**	**-**	**-**	**19.93**	**97.69**	**96.74**
Capital Work in Progress											**32.05**	**-**

2b. Intangible Assets (other than internally generated) (` in Million)

	GROSS BLOCK (AT COST)				AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2019**	**Additions during the period**	**Deductions during the period**	**As at 31st March 2020**	**As at 1st April, 2019**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st March 2020**	**As at 31st March 2020**	**As at 31st March, 2019**
1	2	3	4	5	6	7	8	9	10	11	12	13
Computer Software	-	0.65	-	0.65	-	0.03	-	-	-	0.03	0.62	-
Total Intangible Assets	**-**	**0.65**	**-**	**0.65**	**-**	**0.03**	**-**	**-**	**-**	**0.03**	**0.62**	**-**
Previous Year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2c. Depreciation and Amortization for the period (` in Million)

Particulars	**2019-20**	**2018-19**
Depreciation and amortization for the period on tangible assets as per Note 2 A	21.07	19.93
Amortization for the period on intangible assets as per Note 2 B	0.03	-
Total	**21.10**	**19.93**

VENUS PIPES & TUBES LIMITED

(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)

Annexure - V Notes to the Restated Financial Statements

2. Property, Plant and Equipments

2a. Property, Plant and Equipments **(` in Million)**

	GROSS BLOCK (AT COST)				DEPRECIATION & AMORTISATION						NET BLOCK	
Particulars	**As at 1st April, 2018**	**Additions during the period**	**Deductions during the period**	**As at 31st March 2019**	**As at 1st April, 2018**	**For the period**	**Transition Adjustment**	**Impairment Loss**	**Deductions during the period**	**As at 31st March 2019**	**As at 31st March 2019**	**As at 31st March, 2018**
1	2	3	4	5	6	7	8	9	10	11	12	13
Land	6.50	-	-	6.50	-	-	-	-	-	-	6.50	6.50
Computers	0.15	0.10	-	0.25	-	0.12	-	-	-	0.12	0.13	0.15
Buildings	5.07	3.92	-	8.98	-	0.65	-	-	-	0.65	8.34	5.07
Electrical Installation	0.94	-	-	0.94	-	0.24	-	-	-	0.24	0.70	0.94
Plant & Machinery	83.73	15.65	-	99.38	-	18.44	-	-	-	18.44	80.93	83.73
Furniture & Fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipments	0.36	1.21	-	1.57	-	0.47	-	-	-	0.47	1.10	0.36
Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Tangible Assets	**96.74**	**20.88**	**-**	**117.62**	**-**	**19.93**	**-**	**-**	**-**	**19.93**	**97.69**	**96.74**
Previous Year	**58.94**	**68.48**	**-**	**127.43**	**11.73**	**18.95**	**-**	**-**	**-**	**30.68**	**96.74**	**104.73**
Capital Work in Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2b. Depreciation and Amortization for the period **(` in Million)**

Particulars	**2018-19**	**2017-18**
Depreciation and amortization for the period on tangible assets as per Note 2 A	19.93	18.95
Total	**19.93**	**18.95**

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

Note 2.1 Capital Work in Progress ageing schedule

(` in Million)

Particulars	As at 31st December'21				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	46.79	-	-	-	46.79
(ii) Projects Temporarily Suspended	-	-	-	-	-
Total	**46.79**	**-**	**-**	**-**	**46.79**

Note:- All the projects under CWIP are in-line with Original estimated Cost & Timeline. None of the projects are overdue as on 31st December'2021.

(` in Million)

Particulars	As at 31st March'20				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	32.05	-	-	-	32.05
(ii) Projects Temporarily Suspended	-	-	-	-	-
Total	**32.05**	**-**	**-**	**-**	**32.05**

Note:- All the projects under CWIP are in-line with Original estimated Cost & Timeline. None of the projects are overdue as on 31st March'2020.

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

(` in Million)

Note 3 Other Non Current Financial Assets

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Security deposits & Earnest money deposits	3.18	2.70	2.43	2.44
(b) Fixed Deposit with Bank	13.21	0.27	17.53	0.11
(c) Margin Money*	-	10.21	0.50	-
Total	**16.39**	**13.18**	**20.46**	**2.55**

** against LC

Note 4 Inventories (At lower of cost and net realizable value)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Raw Material	267.07	216.64	235.04	238.75
Work in Progress	105.75	21.95	22.26	22.17
Finished Goods	485.54	201.96	184.38	100.32
Stores & Spares	2.66	1.25	1.07	0.43
Total	**861.02**	**441.80**	**442.76**	**361.67**

Note 5 Trade receivables

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Unsecured Considered good	745.62	461.67	313.52	230.54
(b) Unsecured Considered doubtful	-	-	-	-
Less:- Allowance for doubtful debts (Including Expected credit loss allowance)	(3.49)	(10.98)	(6.06)	(14.25)
Total	**742.13**	**450.69**	**307.46**	**216.29**

Refer Note 5.1 for Trade Receivable Ageing Schedule

Note 6 Cash and Cash Equivalents

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents				
(a) Cash on hand	0.39	0.61	3.39	2.78
(b) Balances with Banks	-	0.07	0.12	0.07
Total	**0.39**	**0.69**	**3.50**	**2.84**

Note 7 Other Bank Balances

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Fixed Deposit (Original Maturity more than three months)	16.85	-	-	15.19
Margin Money**	56.00	43.86	50.04	-
Total	**72.85**	**43.86**	**50.04**	**15.19**

** against LC

Note 8 Other Current Financial Assets

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Interest Accrued but not due on fixed deposit	0.06	0.09	0.12	0.11
(b) TDS Recoverable from NBFCs	0.40	0.30	-	-
(c) Fixed Deposits with Bank	6.56	25.19	-	10.77
(d) Margin Money **	0.10	-	-	-
Total	**7.12**	**25.57**	**0.12**	**10.88**

** against LC

Note 9 Other current assets (Unsecured, considered goods)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Capital Advances	109.90	0.61	0.20	0.09
(b) Advances other than Capital Advances	337.79	197.47	88.87	65.31
(c) Prepaid expenses	14.54	4.98	-	0.43
(d) Balances with government authorities	40.64	0.59	3.69	18.29
Total	**502.87**	**203.64**	**92.76**	**84.12**

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

Note 5.1 Trade Receivables ageing schedule

(` in Million)

Particulars	As at 31st December'21					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	711.62	15.85	10.56	4.42	3.17	745.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	(0.13)	(0.02)	(0.04)	(0.13)	(3.17)	(3.49)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**711.49**	**15.83**	**10.52**	**4.29**	**-**	**742.13**

(` in Million)

Particulars	As at 31st March'2021					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	388.63	40.16	7.64	15.27	9.98	461.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	(0.27)	(0.21)	(0.08)	(0.43)	(9.98)	(10.98)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**388.35**	**39.95**	**7.55**	**14.84**	**-**	**450.69**

(` in Million)

Particulars	As at 31st March'2020					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	272.32	28.23	4.42	2.49	6.05	313.52
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	(0.00)	(0.00)	(0.00)	(0.01)	(6.05)	(6.06)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**272.32**	**28.23**	**4.42**	**2.49**	**-**	**307.46**

(` in Million)

Particulars	As at 31st March'2019					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	202.43	11.38	2.17	0.30	14.25	230.54
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	(14.25)	(14.25)
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**202.43**	**11.38**	**2.17**	**0.30**	**-**	**216.29**

(` in Million)

Note 10 Equity Share capital

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Authorized				
2,50,00,000 (Previous year 1,00,00,000) Equity Shares of ` 10 each fully paid-up	250.00	100.00	100.00	100.00
Total	**250.00**	**100.00**	**100.00**	**100.00**
Issued, Subscribed and fully paid up				
1,52,22,010 (Previous year 87,32,700) Equity Shares of ` 10 each fully paid-up	152.22	87.33	87.33	87.33
Total	**152.22**	**87.33**	**87.33**	**87.33**

a. The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2021, March 31, 2021, March 31,2020 & March 31, 2019 is set out below:

Particulars	As at December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of Shares	` in Million	No. of Shares	` in Million	No. of Shares	` in Million	No. of Shares	` in Million
Numbers of shares at the Beginning	87,32,700	87.33	87,32,700	87.33	87,32,700	87.33	87,32,700	87.33
Add: Bonus shares issued during the year	43,66,350	43.66	-	-	-	-	-	-
Add: Shares issued during the year	21,22,960	21.23	-	-	-	-	-	-
Numbers of shares at the End	**1,52,22,010**	**152.22**	**87,32,700**	**87.33**	**87,32,700**	**87.33**	**87,32,700**	**87.33**

b. Terms / rights attached to Equity Shares

i) The company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. Equity Shareholders are eligible to dividend proposed by the Board of Directors as approved by Shareholders in the ensuing Annual General Meeting.

ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Particulars	As at December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of Shares	`	No. of Shares	`	No. of Shares	`	No. of Shares	`
	NIL		NIL		NIL		NIL	

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

d. Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Shri Megharam Sagramji Choudhary	34,97,743	22.98	18,27,000	20.92	18,27,000	20.92	18,27,000	20.92
Shri Jayantiram Motiram Choudhary	11,78,915	7.74	12,84,700	14.71	12,84,700	14.71	12,84,700	14.71
Shri Dhruv Mahendrakumar Patel	25,80,810	16.95	4,52,000	5.18	4,52,000	5.18	4,52,000	5.18
Shri Hemant Rajnikant Shah	11,13,000	7.31	9,92,000	11.36	9,92,000	11.36	9,92,000	11.36
Shri Mahesh Himatlal Puj	11,13,000	7.31	12,02,000	13.76	12,02,000	13.76	12,02,000	13.76
Smt. Payal Kothari	11,60,291	7.62	21,82,000	24.99	21,82,000	24.99	21,82,000	24.99
Shri Manojsingh Jadoun	11,13,000	7.31	4,93,000	5.65	4,93,000	5.65	4,93,000	5.65
Shri Arun Axaykumar Kothari	12,12,291	7.96	-	-	-	-	-	-

e. Details of shares held by Promoters *

Particulars	As at December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Shri Megharam Sagramji Choudhary	34,97,743	22.98	18,27,000	20.92	18,27,000	20.92	18,27,000	20.92
Shri Jayantiram Motiram Choudhary	11,78,915	7.74	12,84,700	14.71	12,84,700	14.71	12,84,700	14.71
Shri Dhruv Mahendrakumar Patel	25,80,810	16.95	4,52,000	5.18	4,52,000	5.18	4,52,000	5.18
Shri Hemant Rajnikant Shah	Ref Note below **		9,92,000	11.36	9,92,000	11.36	9,92,000	11.36
Shri Mahesh Himatlal Puj	Ref Note below **		12,02,000	13.76	12,02,000	13.76	12,02,000	13.76
Smt. Payal Kothari	11,60,291	7.62	21,82,000	24.99	21,82,000	24.99	21,82,000	24.99
Shri Manojsingh Jadoun	Ref Note below **		4,93,000	5.65	4,93,000	5.65	4,93,000	5.65
Shri Leeladevi Choudhary	Ref Note below **		3,00,000	3.44	3,00,000	3.44	3,00,000	3.44
Shri Arun Axaykumar Kothari	12,12,291	7.96	-	-	-	-	-	-
Shri Vishwa Jeet Jhanwar	2,800	0.02	-	-	-	-	-	-
Smt. Jyoti Rakesh Lahoti	1,50,000	0.99	-	-	-	-	-	-

* Promoters include promoters group
** These persons not form part of Promoters/promoters group

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)

Annexure - V Notes to the Restated Financial Statements

(` in Million)

Note 11 Other Equity **Particulars**	**Retained earnings**	**Security Premium**	**Total**
Balance at the beginning of April 1, 2021	311.99	-	311.99
Bonus Shares Issued during the period	(43.66)	-	(43.66)
Equity Shares Issued during the year	-	548.20	548.20
Net Profit / (Loss) for the period	235.95	-	235.95
Actuarial Gain / (Loss) in respect of defined benefit plan	0.12	-	0.12
Balance at the end of December 31, 2021	**504.40**	**548.20**	**1,052.60**
Balance at the beginning of April 1, 2020	75.43	-	75.43
Net Profit / (Loss) for the year	236.32	-	236.32
Actuarial Gain / (Loss) in respect of defined benefit plan	0.23	-	0.23
Balance at the end of March 31, 2021	**311.99**	**-**	**311.99**
Balance at the beginning of April 1, 2019	34.41	-	34.41
Net Profit / (Loss) for the year	41.28	-	41.28
Actuarial Gain / (Loss) in respect of defined benefit plan	(0.25)	-	(0.25)
Balance at the end of March 31, 2020	**75.43**	**-**	**75.43**
Balance at the beginning of April 1, 2018	22.72	-	22.72
Ind As Transition Adjustments	(25.81)	-	(25.81)
Net Profit / (Loss) for the year	37.50	-	37.50
Actuarial Gain / (Loss) in respect of defined benefit plan	-	-	-
Balance at the end of March 31, 2019	**34.41**	**-**	**34.41**

Note for Purposes of Reserves:

Retained Earnings: Retaining Earnings represents the amount that can be distributed by the company as dividend considering the requirements of the companies Act, 2013.

(₹ in Million)

Note 12 Borrowings

Particulars	As at December 31, 2021 Non Current	As at December 31, 2021 Current	As at March 31, 2021 Non Current	As at March 31, 2021 Current	As at March 31, 2020 Non Current	As at March 31, 2020 Current	As at March 31, 2019 Non Current	As at March 31, 2019 Current
Secured								
a) Term Loans								
(i) From Banks	51.65	37.76	79.98	31.08	48.57	21.84	37.17	13.66
Unsecured								
a) From Banks	-	-	2.54	1.57	4.92	-	-	-
b) From Financial Institutions	-	-	3.82	9.41	4.67	14.95	22.08	3.98
c) From Directors	-	-	2.24	-	-	-	2.50	-
d) From Others	111.51	-	96.30	-	127.69	-	82.26	-
							-	-
Less:- Transferred to Short Term Borrowings (Refer Note No. 16)	-	(37.76)	-	(42.06)	-	(36.78)	-	(17.63)
Total	**163.16**	**-**	**184.89**	**-**	**185.85**	**-**	**144.01**	**-**

Notes:

Loan Type	Amount outstanding 31-12-2021	Amount outstanding 31-03-2021	Amount outstanding 31-03-2020	Amount outstanding 31-03-2019	Security details	Repayment terms *
Term Loan (GECL - 3301) from Karnataka Bank Limited	42.49	47.80	-	-	Prime security : Hypothecation of Stock, Book Debts of not more than 120 days and other current assets of the company. Collateral : WDV of plant & machinery along with various properties, RD , Deposit , LIC policies. Personal guarantee of all the promoter directors.	35 equal monthly instalments of Rs. 13,28,000/- each and last instalment of Rs. 13,20,000/-after initial holiday period of 12 months ending on Aug-2024.
Term Loan (2001) from Karnataka Bank Limited	21.85	27.51	30.19	-	Prime Security :Hypothecation of Plant & Machinery to be purchased. Collateral : WDV of other plant & machinery along with various properties, RD , Deposit , LIC policies. Personal guarantee of all the promoter directors.	53 equal monthly instalments of Rs. 6,29,630/- each and last instalment of Rs. 6,29,610/- after initial holiday period of 6 months ending on Nov-2024.
Term Loan (501) from Karnataka Bank Limited	14.15	19.25	21.86	27.25	Prime Security :Hypothecation of Plant & Machinery. Collateral : RD , Deposit , LIC policies . Personal guarantee of all the promoter directors.	69 equal monthly instalments of Rs. 5,66,000/- each and last instalment of Rs. 5,71,000/- ending on Jan-2024.
Term Loan (401) from Karnataka Bank Limited	9.68	14.83	17.74	23.58	Prime Security :Hypothecation of Plant & Machinery .Collateral : RD , Deposit , LIC policies .Personal guarantee of all the promoter directors.	10 equal monthly instalments of Rs. 625,000/- each, 51 equal monthly instalments of Rs. 5,72,115/- each and last instalment of Rs. 5,7,2135/- ending on May 2023. (Note : ClSS Subsidy Rs. 15 lakh credited on 04.07.2018 so EMI rephased.
Business Loan from ICICI Bank	-	4.11	4.92	-	Unsecured	40 equal monthly Instalments Rs. 179,426/- each and last instalment of 166,860/- commencing from March-2020.
Unsecured Loan from Tata Capital Financial Services Limited	-	3.48	4.68	-	Unsecured	30 equal monthly instalments of Rs. 2,52,045/- each commencing from Jan-2020.
Unsecured Loan from Bajaj Finance	-	2.31	2.90	-	Unsecured	40 equal monthly instalments of Rs. 1,10,719/- each commencing from Feb-2020.
Unsecured Loan from IIFL Finance	-	2.44	3.88	-	Unsecured	24 equal monthly instalments of Rs. 2,02,156/- each commencing from Mar-2020.
Unsecured Loan from Fullerton India	-	1.60	2.86	-	Unsecured	22 equal monthly instalments of Rs. 1,93,601/- each commencing from Mar-2020.
Unsecured Loan from ECL Finance Limited	-	1.47	4.03	-	Unsecured	19 equal monthly instalments of Rs. 2,59,037/- each commencing from Apr-2020.
Vehicle (Bus) Loan from HDFC Bank	0.85	1.16	-	-	Hypothecation of Vehicle (Bus)	36 equal monthly instalments of Rs. 42,075/- each commencing from Nov-2020.

Unsecured Loan - GECL from Tata Capital Financial Services Limited	-	0.97	-	-	Unsecured	12 equal monthly instalments of Rs. 11,317/- each and then 36 equal monthly instalments of Rs. 33,152/- commencing from Oct-2020.
SME Loan from Magma Fincorp Ltd.	-	0.96	1.26	-	Unsecured	36 equal monthly instalments of Rs. 48,530/- each commencing from Oct-2020.
Vehicle (Isuzu) Loan from HDFC Bank	0.39	0.50	0.62	-	Hypothecation of Vehicle (Isuzu)	50 equal monthly instalments of Rs. 16,100/- each commencing from Nov-2020.
Loan from HDB Financials services(2906255)	-	-	-	0.36	Secured against property	12 equal monthly instalments of Rs. 178635/- each commencing from Sep-2017.
Loan from HDB Financials services(2972430)	-	-	-	25.70	Secured against property	60 equal monthly instalments of Rs. 498036/- each commencing from Oct-2017.
Total	**89.41**	**128.40**	**94.95**	**76.89**		

* Interest rate are in general linked to MCLR

Note 13 Lease Liabilities

Particulars	As at December 31, 2021 Non Current	Current	As at March 31, 2021 Non Current	Current	As at March 31, 2020 Non Current	Current	As at March 31, 2019 Non Current	Current
(a) Obligation under Lease Payable	2.55	0.81	3.17	0.74	3.90	0.65	-	-
Total	**2.55**	**0.81**	**3.17**	**0.74**	**3.90**	**0.65**	**-**	**-**

13.1 Details of Lease Liabilities

Particulars	As at December 31, 2021	As at 31st March 2021	As at 31st March 2020
Opening Balance	**3.90**	**4.55**	**-**
Add: Additions (Transitional impact on adoption of Ind AS 116)	-	-	5.12
Add: Interest recognised during the period	0.36	0.55	0.63
Less: Payment Made	(0.90)	(1.20)	(1.20)
Closing Balance	**3.36**	**3.90**	**4.55**

Note 14 Provisions

Particulars	As at December 31, 2021 Non Current	Current	As at March 31, 2021 Non Current	Current	As at March 31, 2020 Non Current	Current	As at March 31, 2019 Non Current	Current
Provision for employee benefits								
(a) Provision for compensated absences	0.14	0.02	0.07	0.01	0.06	0.00	0.03	0.00
(b) Provision for gratuity	2.71	0.05	2.09	0.04	1.54	0.02	0.68	0.01
Total	**2.85**	**0.07**	**2.17**	**0.04**	**1.60**	**0.02**	**0.71**	**0.01**

Note 15 Deferred Tax Liabilities (Net)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability				
Difference between book and tax depreciation	7.65	5.34	10.66	2.40
Others	-	-	-	0.63
	7.65	**5.34**	**10.66**	**3.04**
Deferred Tax Asset				
Disallowances under Income Tax	(1.04)	(1.05)	-	-
	(1.04)	**(1.05)**	**-**	**-**
MAT Credit Entitlement	-	-	(1.39)	(1.39)
Total	**6.61**	**4.29**	**9.27**	**1.64**

Note 16 Borrowings

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Secured				
(a) Cash Credit - From Bank	299.14	148.08	203.48	132.55
(b) Current maturities of Long Term borrowings	37.76	42.06	36.78	17.63
Total	**336.90**	**190.13**	**240.26**	**150.18**

Notes:

Loan Type	Amount outstanding 31-12-2021	31-03-2021	31-03-2020	31-03-2019	Interest Rate	Security details
Overdraft (201) facility from Karnataka Bank Limited	149.80	148.08	153.48	132.55	9.77% over 6 Months Treasury Bill	Prime security : Hypothecation of Stock, Book Debts of not more than 120 days and other current assets of the company. Collateral : WDV of plant & machinery along with various properties, RD , Deposit , LIC policies. Personal guarantee of all the promoter directors.
Working Capital (101) facility from Karnataka Bank Limited	-	-	50.00	-	9.77% over 6 Months Treasury Bill	
Overdraft (408) facility from Bandhan Bank Limited	149.34	-	-	-	11.00 % (Fixed)	
Total	**299.14**	**148.08**	**203.48**	**132.55**		

Note 17 Trade payables

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Trade payables *				
(a) Total outstanding dues of micro enterprises and small enterprises	8.89	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	515.05	424.22	413.00	324.56
Total	**523.94**	**424.22**	**413.00**	**324.56**

Refer Note 17.1 for Trade Payables Ageing Schedule

*outstanding due of creditor other than micro and small enterprises includes LC acceptance of Rs 20.51 Cr as at December 31st, 2021, Rs 18.95 Cr as at March 31st.2021 & Rs 18.08 Cr as at March 31st, 2020

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act,2006:

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier	8.89	-	-	-
Interest due thereon remaining unpaid to any supplier	0.10	-	-	-
The amount of Interest paid along with the amount of the payment made to the supplier beyond the appointed day	-	-	-	-
The amount of interest due and payable	0.10	-	-	-
The amount of interest accrued and remaining unpaid	0.10	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above and actually paid	0.10	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management during the nine months period ended 31.12.2021. This has been relied upon by the auditors.

Note 18 Other Current Financial Liabilities

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Creditors for Capital Goods \ Services	0.57	1.13	0.32	0.52
(b) Interest accrued but not due on borrowings	-	0.22	-	-
Total	**0.57**	**1.36**	**0.32**	**0.52**

Note 19 Current Tax Liabilities (net)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Provision for Taxation (Net off Advance Tax of ` 1.19 Million as on 31 December 2021, ` 1.2 Million for 31 March 2021, 31 March 2020 - ` 0.3 Million and 31 March 2019 - ` 0.13)	155.30	102.75	23.76	18.87
Total	**155.30**	**102.75**	**23.76**	**18.87**

Note 20 Other current liabilities

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(a) Statutory Remittances	1.52	44.72	0.04	0.75
(b) Advance from Customers	63.66	17.62	30.48	28.25
Total	**65.18**	**62.34**	**30.52**	**28.99**

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

Note 17.1 Trade Payables ageing schedule

(` in Million)

Particulars	As at 31st December'21				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small & Medium Enterprise	8.89	-	-	-	8.89
(ii) Others	513.58	1.47	-	-	515.05
(iii) Disputed Dues - Micro, Small & Medium Enterprise	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**522.47**	**1.47**	**-**	**-**	**523.94**

(` in Million)

Particulars	As at 31st March'21				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small & Medium Enterprise	-	-	-	-	-
(ii) Others	423.06	1.16	-	-	424.22
(iii) Disputed Dues - Micro, Small & Medium Enterprise	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**423.06**	**1.16**	**-**	**-**	**424.22**

(` in Million)

Particulars	As at 31st March'20				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small & Medium Enterprise	-	-	-	-	-
(ii) Others	411.63	1.37	-	-	413.00
(iii) Disputed Dues - Micro, Small & Medium Enterprise	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**411.63**	**1.37**	**-**	**-**	**413.00**

(` in Million)

Particulars	As at 31st March'19				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small & Medium Enterprise	-	-	-	-	-
(ii) Others	323.45	1.12	-	-	324.56
(iii) Disputed Dues - Micro, Small & Medium Enterprise	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**323.45**	**1.12**	**-**	**-**	**324.56**

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

(` in Million)

21 Revenue from operations

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
(a) Sale of products	2,767.69	3,093.31	1,778.08	1,187.52
Total	**2,767.69**	**3,093.31**	**1,778.08**	**1,187.52**

22 Other income

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
(a) Interest income				
- Fixed Deposits	3.37	4.92	3.02	0.89
- Others	0.18	7.56	0.38	9.41
(b) Export Incentive	-	1.44	1.38	-
(c) Foreign Exchange Gain (Net)	1.99	12.18	1.17	-
(d) Miscellaneous income	2.08	0.91	0.99	0.64
(e) Excess Provision no longer required	7.49	-	8.20	6.60
Total	**15.11**	**27.00**	**15.14**	**17.54**

23 (a) Cost of materials consumed

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
Opening stock	216.64	235.04	238.75	95.25
Add: Purchases	2,625.13	2,088.98	1,584.21	1,197.06
Less: Closing stock	267.07	216.64	235.04	238.75
Total	**2,574.70**	**2,107.38**	**1,587.91**	**1,053.57**

23 (b) Changes in inventories of Finished Goods & WIP

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
At the end of the period:				
- Finished goods	485.54	201.96	184.38	100.32
- Work in Progress	105.75	21.95	22.26	22.17
At the beginning of the period:				
- Finished goods	201.96	184.38	100.32	66.77
- Work in Progress	21.95	22.26	22.17	18.46
Net Changes in Inventories	**(367.38)**	**(17.27)**	**(84.15)**	**(37.26)**

24 Employee benefits expense

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
(a) Salaries and wages	36.37	26.84	21.88	20.76
(b) Contributions to provident and other funds	0.71	0.47	0.50	0.11
(c)Staff welfare expenses	4.23	3.79	3.75	3.75
(d) Gratuity Expenses	0.78	0.89	0.53	0.69
(e) Leave Encashment	0.08	0.01	0.03	0.03
Total	**42.17**	**32.00**	**26.69**	**25.34**

24 (a) Details of Employee Benefits:

As per Ind AS-19 “Employee Benefits”, the disclosure of employee benefits as defined in the accounting standards are given below:

I Defined Contribution Plans

(` in Million)

Particulars	April'21 to December'21	2020 - 2021	2019 - 2020	2018 - 2019
Employers Contribution to Provident Fund	0.71	0.47	0.50	0.11
Total	**0.71**	**0.47**	**0.50**	**0.11**

II Defined Benefit Plans

The Employees Gratuity Fund Scheme, which is a defined benefit plan is unfunded.

The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

(a) Gratuity (Un-Funded) & Compensated Absences (Unfunded)

(i) Reconciliation of Opening and Closing balances of the present value of the defined gratuity benefit obligation

(` in Million)

	Gratuity			
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Defined Benefit Obligation at the beginning of the period	**2.13**	**1.55**	**0.69**	**-**
Current & Past Service Cost	0.67	0.78	0.48	0.69
Current Interest Cost	0.11	0.11	0.05	-
Benefits Paid (if any)	-	-	-	-
Actuarial Gain / (Loss)	0.16	0.31	(0.34)	-
Contributions to Plan Assets	-	-	-	-
Defined Benefit Obligation at the end of the period	**2.75**	**2.13**	**1.55**	**0.69**

(ii) Reconciliation of Opening and Closing balance of the Fair Value of the Plan Assets

	Gratuity			
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Fair Value of Plan Assets at the beginning of the period	-	-	-	-
Contributions by Employer	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain / (Loss)	-	-	-	-
Fair Value of Assets at the end of the period	-	-	-	-

(iii) Reconciliation of Present Value of Obligation & Fair Value of Plan Assets

	Gratuity			
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Fair Value of Plan Assets at the end of the period	-	-	-	-
Present Value of Defined Benefit Obligation at end of the period	2.75	2.13	1.55	0.69
Liabilities / (Assets) recognized in the Balance Sheet	**2.75**	**2.13**	**1.55**	**0.69**

(iv) Expense recognized during the period

	Gratuity			
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Current & Past Service Cost	0.67	0.78	0.48	0.69
Interest Cost	0.11	0.11	0.05	-
Expected Return on Plan Assets	-	-	-	-
Net Cost Recognized in Profit or Loss	**0.78**	**0.89**	**0.53**	**0.69**
Actuarial Gain / (Loss) recognized in other Comprehensive Income	**0.16**	**0.31**	**(0.34)**	**-**

The plan exposes the company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(v) **Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

	Gratuity			
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Mortality Table (LIC)	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Discounting Rate	7.02%	6.82%	6.84%	7.77%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Salary growth rate	7.00%	7.00%	7.00%	7.00%
Return on Plan Assets	N.A.	N.A.	N.A.	N.A.

(vi) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(a) Change in Assumptions

	Gratuity		
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
Discount rate	1.00%	1.00%	1.00%
Salary Growth rate	1.00%	1.00%	1.00%
Attrition rate/Expected working life	1.00%	1.00%	1.00%

(b) Impact on defined benefit obligation

Gratuity

	Increase in Assumptions			**Decrease in Assumptions**		
Particulars	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**For the nine months period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**
Discount rate	(0.33)	(0.26)	(0.19)	0.40	0.32	0.24
Salary Growth rate	0.39	0.31	0.24	(0.33)	(0.26)	(0.20)
Attrition rate	(0.04)	(0.04)	(0.04)	0.04	0.04	0.04

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vii) **The following payments are expected contribution to the defined benefit plan in future years**

Gratuity

Particulars	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Within the next 12 months i.e. 2021-22 (PY: 2020-21)	0.04	0.01	0.00
2022-23 (PY: 2021-22)	0.06	0.03	0.01
2023-24 (PY: 2022-23)	0.10	0.05	0.02
beyond 2024 (PY: beyond 2023)	6.58	5.07	2.64

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

(` in Million)

25 Finance Cost

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest Expenses				
- On Borrowings	25.05	36.51	25.71	21.21
- On Others	5.05	12.57	6.07	1.93
Other Borrowing Cost	12.51	6.53	13.77	7.96
Total	**42.61**	**55.61**	**45.54**	**31.09**

26 Other expenses

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
Consumption of Stores & Spares	20.86	19.42	11.38	9.32
Legal and professional	4.20	3.92	1.94	1.08
Repairing & Maintenance Machinery	0.76	0.69	0.57	0.58
Rent, Rates and Taxes	2.85	3.00	1.19	1.44
Security Expenses	1.29	1.58	0.75	0.62
Office Exp.	0.85	0.70	2.02	1.57
Foreign Exchange Loss	-	-	-	2.73
Power and fuel	18.07	18.31	16.83	16.12
Freight & Loading \ Unloading	17.39	14.15	9.85	8.85
Communication	0.27	0.37	0.48	0.37
Travelling and conveyance	1.45	0.45	2.59	3.05
Insurance Expense	1.05	0.81	1.14	0.15
Allowance for Doubtful Debts	-	4.92	-	-
Printing & Stationary Expenses	0.55	0.43	0.38	0.50
Contractor & Job Work Charges	16.99	16.41	8.48	6.34
Payments to Auditors*	0.23	0.30	0.10	0.10
Sales Promotion Expense	0.10	0.67	0.25	0.16
Expenditure on CSR	2.06	0.94	-	-
Miscellaneous Expenses	9.56	11.69	7.20	9.98
Total	**98.53**	**98.76**	**65.17**	**62.94**

*** Payable to Auditor:**

For Audit fee	0.19	0.25	0.08	0.08
For Tax Audit	0.04	0.05	0.02	0.02
TOTAL	**0.23**	**0.30**	**0.10**	**0.10**

27 Earnings Per Share (Basic & Diluted)

Particulars	For nine months period ended December 31, 2021	For Year ended March 31, 2021	For Year ended March 31, 2020	For Year ended March 31, 2019
Profit/(Loss) attributable to Owners of the Company	235.95	236.32	41.28	37.50
Amount available for calculation of Basic and Diluted EPS - (a)	235.95	236.32	41.28	37.50
Weighted Average No. of Equity Shares Outstanding for Basic & Diluted EPS - (b)	1,52,22,010	87,32,700	87,32,700	87,32,700
Basic and Diluted Earnings Per Share of Rs. 10/- Each (In Rs.) - (a) \ (b) - Pre Bonus	15.50	27.06	4.73	4.29
Weighted Average No. of Equity Shares Outstanding for Basic & Diluted EPS -	1,52,22,010	87,32,700	87,32,700	87,32,700
Add: Impact of Bonus Issue subsequent to period end	-	43,66,350	43,66,350	43,66,350
Total Weighted Average No. of Equity Shares Outstanding for Basic & Diluted EPS - (c)	1,52,22,010	1,30,99,050	1,30,99,050	1,30,99,050
Basic and Diluted Earnings Per Share of Rs. 10/- Each (In Rs.) - (a) \ (c) -Post Bonus	15.50	18.04	3.15	2.86

27.1 The company had issued and allotted 4366350 bonus equity shares in the ratio of 0.5:1 bonus share of face value of Rs 10 each held by the member as on 10, September, 2021, as approved by the members at the Annual general meeting held on 10th September, 2021. All shares are fully issued (No shares are allotted in Fraction).The bonus has been issued on 10, September 2021 by capitalizing the sum of Rs 43.66 million from and out of free reserve. In term of IND AS -33 , Earning per share of current period and previous periods have been adjusted for bonus shares issued in current financial year .

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - V Notes to the Restated Financial Statements

Note 28 - Ratios

As at 31st December'21

(` in Million)

Sr. No	*Ratio*	*Numerator*	*Denominator*	*Current Period*	*Previous Period*	*% Deviation*	*Reason for Variance (In case of deviation for more than 25%)*
1	Current Ratio	2,186.38	1,082.77	2.02	1.49	35.32%	*As the current period ratios are for 9 months and the comparative ratios are for 12 months, these ratios are not comparable.*
2	Debt-to-equity Ratio	500.06	1,204.82	0.42	0.94	-55.81%	
3	Net profit Ratio	235.95	2,767.69	0.09	0.08	11.59%	*Not Applicable*
4	Debt Service Coverage Ratio	355.12	64.04	5.55	6.53	-15.06%	*Not Applicable*
5	Return on Equity Ratio	235.95	1,204.82	0.20	0.59	-66.91%	*As the current period ratios are for 9 months and the comparative ratios are for 12 months, these ratios are not comparable.*
6	Inventory Turnover Ratio	2,271.87	861.02	2.64	5.92	-55.42%	
7	Receivables Turnover Ratio	2,767.69	742.13	3.73	6.86	-45.66%	
8	Payables Turnover Ratio	2,689.68	523.94	5.13	6.16	-16.68%	
9	Net working capital turnover Ratio	2,767.69	1,103.61	2.51	8.04	-68.81%	
10	Return on Capital employed Ratio	359.65	1,379.99	0.26	0.61	-57.61%	

As at 31st March'21

Sr. No	*Ratio*	*Numerator*	*Denominator*	*Current Period*	*Previous Period*	*% Deviation*	*Reason for Variance (In case of deviation for more than 25%)*
1	Current Ratio	1,166.25	781.57	1.49	1.27	17.91%	*Not Applicable*
2	Debt-to-equity Ratio	375.02	399.31	0.94	2.62	-64.13%	*Improved in profit had resulted favourable Debt equity ratio*
3	Net profit Ratio	236.32	3,093.31	0.08	0.02	229.11%	*Increases volume & improved profit had improved net profit ratio.*
4	Debt Service Coverage Ratio	347.76	53.27	6.53	1.72	279.70%	*Improved EBITDA had resulted in healthy DSCR*
5	Return on Equity Ratio	236.32	399.31	0.59	0.25	133.37%	*Improved profit*
6	Inventory Turnover Ratio	2,614.79	441.80	5.92	3.55	66.92%	*Improved operation had lead to improvement in Inventory Turnover ratio.*
7	Receivables Turnover Ratio	3,093.31	450.69	6.86	5.78	18.68%	*Not Applicable*
8	Payables Turnover Ratio	2,613.64	424.22	6.16	4.00	54.18%	*Improved operation had lead to improvement in payable Turnover ratio.*
9	Net working capital turnover Ratio	3,093.31	384.68	8.04	9.45	-14.93%	*Not Applicable*
10	Return on Capital employed Ratio	365.12	593.82	0.61	0.30	102.38%	*Improved profit had resulted in higher return on capital employed ratio*

As at 31st March'20

Sr. No	*Ratio*	*Numerator*	*Denominator*	*Current Period*	*Previous Period*	*% Deviation*	*Reason for Variance (In case of deviation for more than 25%)*
1	Current Ratio	896.64	708.53	1.27	1.32	-4.19%	*Not Applicable*
2	Debt-to-equity Ratio	426.11	162.76	2.62	2.42	8.34%	*Not Applicable*
3	Net profit Ratio	41.28	1,778.08	0.02	0.03	-26.48%	*Due to market & increase in interest cost, net profit had reduced.*
4	Debt Service Coverage Ratio	116.36	67.68	1.72	2.07	-17.11%	*Not Applicable*
5	Return on Equity Ratio	41.28	162.76	0.25	0.31	-17.67%	*Not Applicable*
6	Inventory Turnover Ratio	1,569.87	442.76	3.55	2.81	26.18%	*Improved operation had lead to improvement in Inventory Turnover ratio.*
7	Receivables Turnover Ratio	1,778.08	307.46	5.78	5.49	5.33%	*Not Applicable*
8	Payables Turnover Ratio	1,650.31	413.00	4.00	3.69	8.34%	*Not Applicable*
9	Net working capital turnover Ratio	1,778.08	188.11	9.45	7.07	33.61%	*Improved operation had lead to improvement in Net working capital Turnover ratio.*
10	Return on Capital employed Ratio	110.40	363.38	0.30	0.30	1.12%	*Not Applicable*

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
CIN NO. U74140GJ2015PLC082306

29. Related Party Disclosure:

(A) List of Related Parties

(i) Key Management Personnel

		Name	Designation
	1	Mr. Hemant R Shah	(Director) (Upto 30.09.2021)
	2	Mr. Mahesh H Puj	(Director) (Upto 30.09.2021)
	3	Mr. Manoj Singh Jadoun	(Director) (Upto 30.09.2021)
	4	Mr. Dhruv Patel	(Whole-time director) (w.e.f 14.09.2021)
	5	Mr. Megharam S Choudhary	(Whole-time director) (w.e.f 14.09.2021)
	6	Mr. Jayantiram M Choudhary	(Chairman & Non-executive director) (w.e.f 14.09.2021)
	7	Mr. Arun Kothari	(Managing Director & CFO) (w.e.f 14.09.2021)
	8	Mr. Kailash Nath Bhandari	(Non-Independent director) (w.e.f 19.10.2021)
	9	Mr. Pranay Ashok Surana	(Non-Independent director) (w.e.f 19.10.2021)
	10	Mrs. Komal Lokesh Khadaria	(Non-Independent director) (w.e.f 19.10.2021)
	11	Mr. Shyam Agrawal	(Non-Independent director) (w.e.f 19.10.2021)
	12	Mr. Pavan Kumar Jain	(Company Secretary) (w.e.f 14.09.2021)

(ii) Person having significant influence / control over the reporting entity or the relative of KMP

	1	Mrs. Payal Kothari

(iii) Enterprises over which Key Managerial Personnel or their relatives or the person having significant influence / control over the reporting entity are able to exercise significant influence / control

	1	Ambaji Import Pvt Ltd (Upto 30.09.2021)
	2	Ambaji Infracon Private Limited (Upto 30.09.2021)
	3	Ambaji Warehouse Park (Upto 30.09.2021)
	4	Asian Metal Industries - Ahmedabad
	5	Flotek Engineering
	6	K. M. Ferrometals Private Limited (Upto 15.02.2021)
	7	Mahesh Oil Industries (Upto 30.09.2021)
	8	P K Enterprise
	9	Rajeshwar Steel (Gujarat) Pvt Ltd (Upto 25.05.2021)
	10	S.J Enterprise (Upto 30.09.2021)
	11	Sovox Renewables Pvt Ltd
	12	Sunshine Enterprises
	13	Sunshine Liquid Storage Pvt Ltd (Upto 30.09.2021)
	14	Syndicate Enterprises LLP
	15	Vardhman & Co. (Upto 30.09.2021)
	16	Venus Enterprises
	17	Asian Metal Industries - Gandhidham
	18	Dwarka Metal Corporation
	19	Metal Industrial Corporation
	20	Venus Pipes & Tubes
	21	Venus Metal Industries
	22	Godavari Metal Corporation
	23	Kamlesh Metal and Tubes LLP

(B) Transaction with related parties during the period: **(` in Million)**

	Description of the nature of the transactions	KMP				Person having significant influence / control over the reporting entity or the relative of KMP				Entities over KMP or their relatives or the person having significant influence / control over the reporting entity exercise significant influence / control			
		Apr'21 to Dec'21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19
I.	**Purchase of goods/services**												
1	Ambaji Import Pvt Ltd	-	-	-	-	-	-	-	-	-	-	21.00	-
2	Venus Enterprise	-	-	-	-	-	-	-	-	-	27.36	94.64	8.37
3	Sunshine Liquid Storage Pvt Ltd	-	-	-	-	-	-	-	-	-	(19.00)	19.00	-
4	S.J. Enterprise	-	-	-	-	-	-	-	-	-	-	6.44	-
5	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	76.94	95.59	72.32
6	Syndicate Enterprises LLP	-	-	-	-	-	-	-	-	-	0.18	173.02	23.52
7	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	-	-	18.16	-
8	P K Enterprise	-	-	-	-	-	-	-	-	29.60	67.95	105.48	70.02
9	Flotek Engineering	-	-	-	-	-	-	-	-	89.73	-	-	0.04
10	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	210.61	205.89	141.42	43.43
11	Dwarka Metal Corporation	-	-	-	-	-	-	-	-	91.95	82.50	130.57	72.14
12	Metal Industrial Corporation	-	-	-	-	-	-	-	-	0.41	0.72	1.78	1.55
13	Venus Pipes & Tubes	-	-	-	-	-	-	-	-	0.51	3.30	-	1.53
II.	**Purchase of Fixed Assets**												
1	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	-	0.24	1.57
2	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	-	1.57	0.18	0.58
3	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	1.37	0.88	1.29	0.69
III.	**Sale of goods/services**												
1	Venus Enterprise	-	-	-	-	-	-	-	-	-	37.56	41.61	8.32
2	Mahesh Oil Industries	-	-	-	-	-	-	-	-	-	-	0.62	0.00
3	S.J. Enterprise	-	-	-	-	-	-	-	-	72.75	42.53	36.73	-
4	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	127.73	273.07	115.46
5	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	0.88	11.80	2.96	11.32
6	P K Enterprise	-	-	-	-	-	-	-	-	25.98	75.25	22.33	-
7	Flotek Engineering	-	-	-	-	-	-	-	-	-	1.51	0.77	1.92
8	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	16.78	9.30	23.83	6.18
9	Dwarka Metal Corporation	-	-	-	-	-	-	-	-	28.86	46.44	5.70	5.24
10	Metal Industrial Corporation	-	-	-	-	-	-	-	-	14.00	5.66	15.82	8.93
11	Venus Pipes & Tubes	-	-	-	-	-	-	-	-	7.09	1.50	0.21	2.40
12	Venus Metal Industries	-	-	-	-	-	-	-	-	-	-	0.05	-
13	Godavari Metal Corporation	-	-	-	-	-	-	-	-	-	-	0.22	0.47
14	Kamlesh Metal and Tubes LLP	-	-	-	-	-	-	-	-	0.10	-	-	-

Description of the nature of the transactions			KMP				Person having significant influence / control over the reporting entity or the relative of KMP				Entities over KMP or their relatives or the person having significant influence / control over the reporting entity exercise significant influence / control			
			Apr'21 to Dec'21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19	Apr'21 to Dec'21	2020-21	2019-20	2018-19
IV.	**Expenses Incurred**													
	1	Sunshine Enterprises	-	-	-	-	-	-	-	-	0.90	2.40	-	-
	2	Sunshine Liquid Storage Pvt Ltd	-	-	-	-	-	-	-	-	-	3.42	-	-
	3	Jayantiram Choudhary	0.03	-	-	-	-	-	-	-	-	-	-	-
	4	Arun Kothari	0.92	-	-	-	-	-	-	-	-	-	-	-
	5	Megharam Choudhary	0.74	-	-	-	-	-	-	-	-	-	-	-
	6	Dhruv Patel	0.74	-	-	-	-	-	-	-	-	-	-	-
	7	Kailash Nath Bhandari	0.03	-	-	-	-	-	-	-	-	-	-	-
	8	Pranay Ashok Surana	0.04	-	-	-	-	-	-	-	-	-	-	-
	9	Komal Lokesh Khadaria	0.04	-	-	-	-	-	-	-	-	-	-	-
	10	Shyam Agrawal	0.03	-	-	-	-	-	-	-	-	-	-	-
	11	Pavan Kumar Jain	0.32	-	-	-	-	-	-	-	-	-	-	-
V.	**Net Receipt/(Payment) of Unsecured Loan**													
	1	Ambaji Import Pvt Ltd	-	-	-	-	-	-	-	-	(13.28)	(4.60)	9.70	-
	2	Ambaji Infracon Pvt Ltd	-	-	-	-	-	-	-	-	4.73	-	1.10	0.44
	3	Ambaji Warehouse Park	-	-	-	-	-	-	-	-	37.10	25.12	(9.40)	9.40
	4	Dhruv M Patel	(2.24)	2.24	(2.50)	2.50	-	-	-	-	-	-	-	-
	5	P K Enterprise	-	-	-	-	-	-	-	-	(20.53)	30.65	6.52	52.31
	6	Payal Kothari	-	-	-	-	(0.40)	-	-	0.40	-	-	-	-
	7	Sovox Renewables Pvt Ltd	-	-	-	-	-	-	-	-	(4.00)	4.00	-	-
	8	Sunshine Enterprises	-	-	-	-	-	-	-	-	(4.28)	4.28	-	-
	9	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	(23.96)	23.96	-	-

(C) Outstanding with the related parties at the end of the period: **(` in Million)**

		Description of the nature of the transactions	KMP				Person having significant influence / control over the reporting entity				Entities over KMP or their relatives or the person having significant influence / control over the reporting entity exercise significant influence / control			
			31.12.21	31.03.21	31.03.20	31.03.19	31.12.21	31.03.21	31.03.20	31.03.19	31.12.21	31.03.21	31.03.20	31.03.19
I.	**Amount Due from related parties (Dr)**													
	1	S.J. Enterprise	-	-	-	-	-	-	-	-	-	32.49	5.75	-
	2	Flotek Engineering	-	-	-	-	-	-	-	-	-	2.38	0.37	0.36
	3	Mahesh Oil Industries	-	-	-	-	-	-	-	-	-	-	0.01	0.01
	4	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	-	92.40	-
	5	Venus Enterprise	-	-	-	-	-	-	-	-	-	-	-	8.58
	6	Ambaji Warehouse Park	-	-	-	-	-	-	-	-	-	-	5.11	-
	7	Sunshine Liquid Storage Pvt Ltd	-	-	-	-	-	-	-	-	-	-	4.14	28.26
	8	Rajeshwar Steel (Gujarat) Pvt Ltd	-	-	-	-	-	-	-	-	-	-	4.66	4.34
	9	Ambaji Import Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	3.10
	10	Asian Metal Industries, Gandhidham	-	-	-	-	-	-	-	-	38.89	26.82	14.36	2.46
	11	Dwarka Metal Corporation	-	-	-	-	-	-	-	-	6.30	14.77	1.43	-
	12	Metal Industrial Corporation	-	-	-	-	-	-	-	-	3.36	0.15	1.63	4.07
	13	Venus Pipes & Tubes	-	-	-	-	-	-	-	-	-	-	-	1.05
	14	Kamlesh Metal and Tubes LLP	-	-	-	-	-	-	-	-	0.12	-	-	-
II.	**Amount Due to related parties (Cr)**													
	1	Asian Metal Industries, Ahmedabad	-	-	-	-	-	-	-	-	-	0.95	2.34	1.87
	2	Venus Enterprise	-	-	-	-	-	-	-	-	-	-	22.91	-
	3	Syndicate Enterprises LLP	-	-	-	-	-	-	-	-	-	-	16.93	18.68
	4	Sunshine Enterprises	-	-	-	-	-	-	-	-	3.27	6.73	0.27	0.27
	5	K M Ferrometals Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	45.41
	6	Ambaji Import Pvt Ltd	-	-	-	-	-	-	-	-	-	13.30	17.90	-
	7	Ambaji Warehouse Park	-	-	-	-	-	-	-	-	-	25.12	-	9.40
	8	Vardhman & Co.	-	-	-	-	-	-	-	-	-	0.38	0.38	0.38
	9	Ambaji Infracon Pvt Ltd	-	-	-	-	-	-	-	-	-	1.54	1.54	0.44
	10	Sunshine Liquid Storage Pvt Ltd	-	-	-	-	-	-	-	-	1.28	-	19.00	-
	11	Sovox Renewables Pvt Ltd	-	-	-	-	-	-	-	-	-	4.00	-	-
	12	P K Enterprise	-	-	-	-	-	-	-	-	5.47	20.53	72.76	52.31
	13	Dhruv M Patel	-	2.24	-	2.50	-	-	-	-	-	-	-	-
	14	Payal Kothari	-	-	-	-	-	0.40	0.40	0.40	-	-	-	-
	15	Dwarka Metal Corporation	-	-	-	-	-	-	-	-	-	-	97.95	41.55
	16	Metal Industrial Corporation	-	-	-	-	-	-	-	-	-	-	-	-
	17	Venus Pipes & Tubes	-	-	-	-	-	-	-	-	-	2.14	-	-
	18	Flotek Engineering	-	-	-	-	-	-	-	-	11.79	-	-	-
	19	Jayantiram Choudhary	0.03	-	-	-	-	-	-	-	-	-	-	-
	20	Arun Kothari	0.29	-	-	-	-	-	-	-	-	-	-	-
	21	Megharam Choudhary	0.23	-	-	-	-	-	-	-	-	-	-	-
	22	Dhruv Patel	0.23	-	-	-	-	-	-	-	-	-	-	-
	23	Kailash Nath Bhandari	0.03	-	-	-	-	-	-	-	-	-	-	-
	24	Pranay Ashok Surana	0.04	-	-	-	-	-	-	-	-	-	-	-
	25	Komal Lokesh Khadaria	0.04	-	-	-	-	-	-	-	-	-	-	-
	26	Shyam Agrawal	0.03	-	-	-	-	-	-	-	-	-	-	-
	27	Pavan Kumar Jain	0.04	-	-	-	-	-	-	-	-	-	-	-

30 Financial Instruments

(a) Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument.

Financial Instruments - Accounting Classification and Fair Value Measurements

The fair value of the financial assets and liabilities are included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The following methods and assumptions were used to estimate the fair values:
1. Fair value of cash and short terms deposits, trade and other short receivables, trade payables , other current liabilities , short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameter such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level: 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 Other techniques for which all inputs which have a significant effect on the recorded fair value are observables, either directly or indirectly
Level 3 Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 December, 2021

(` in Million)

Financial assets	FVTPL*	FVTOCI**	Amortized Cost	Total carrying value
Trade Receivables	-	-	742.13	742.13
Cash and cash equivalents	-	-	0.39	0.39
Bank balances other than cash and cash equivalents	-	-	72.85	72.85
Other Non-Current Financial Assets	-	-	16.39	16.39
Other Current Financial Assets	-	-	7.12	7.12
	-	**-**	**838.88**	**838.88**

Financial liabilities	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Non current borrowings	-	-	163.16	163.16
Current borrowings	-	-	336.90	336.90
Trade payables	-	-	523.94	523.94
Creditors for Capital Goods \ Services	-	-	0.57	0.57
Interest accrued but not due on borrowings	-	-	-	-
Obligation under Lease Payable	-	-	3.36	3.36
	-	**-**	**1,027.93**	**1,027.93**

As at 31 March, 2021

(` in Million)

Financial assets	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Trade Receivables	-	-	450.69	450.69
Cash and cash equivalents	-	-	0.69	0.69
Bank balances other than cash and cash equivalents	-	-	43.86	43.86
Other Non-Current Financial Assets	-	-	13.18	13.18
Other Current Financial Assets	-	-	25.57	25.57
	-	**-**	**533.99**	**533.99**

Financial liabilities	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Non current borrowings	-	-	184.89	184.89
Current borrowings	-	-	190.13	190.13
Trade payables	-	-	424.22	424.22
Creditors for Capital Goods \ Services	-	-	1.13	1.13
Interest accrued but not due on borrowings	-	-	0.22	0.22
Obligation under Lease Payable	-	-	3.90	3.90
	-	**-**	**804.50**	**804.50**

As at 31 March, 2020

(` in Million)

Financial assets	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Trade Receivables	-	-	307.46	307.46
Cash and cash equivalents	-	-	3.50	3.50
Bank balances other than cash and cash equivalents	-	-	50.04	50.04
Other Non-Current Financial Assets	-	-	20.46	20.46
Other Current Financial Assets	-	-	0.12	0.12
	-	**-**	**381.58**	**381.58**

Financial liabilities	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Non current borrowings	-	-	185.85	185.85
Current borrowings	-	-	240.26	240.26
Trade payables	-	-	413.00	413.00
Creditors for Capital Goods \ Services	-	-	0.32	0.32
Obligation under Lease Payable	-	-	4.55	4.55
	-	**-**	**843.98**	**843.98**

As at 31 March, 2019

(` in Million)

Financial assets	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Trade Receivables	-	-	216.29	216.29
Cash and cash equivalents	-	-	2.84	2.84
Bank balances other than cash and cash equivalents	-	-	15.19	15.19
Other Non-Current Financial Assets	-	-	2.55	2.55
Other Current Financial Assets	-	-	10.88	10.88
	-	**-**	**247.75**	**247.75**

Financial liabilities	FVTPL	FVTOCI	Amortized Cost	Total carrying value
Non current borrowings	-	-	144.01	144.01
Current borrowings	-	-	150.18	150.18
Trade payables	-	-	324.56	324.56
Creditors for Capital Goods \ Services	-	-	0.52	0.52
	-	**-**	**619.27**	**619.27**

*FVTPL ,i.e., fair value through profit & loss

**FVTOCI ,i.e., fair value through other comprehensive income

(b) FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES:

The Company's principal financial liabilities, other than derivatives, borrowings, comprise trade and other payables and advances from Customers. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The company monitors the risks arising out of long term debt on a regular basis with the help of the treasury team. Further the company may enter into derivatives if the exposure arising out of these risks exceeds significantly.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposits with bank/financial institutions.

Interest Rate Risk Exposure:

The Exposure of the company to change in interest rate at the end of reporting periods are as follows:

Particulars	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Financial Assets				
Fixed Rate FD/Margin Money	95.90	82.22	70.50	28.51
Financial liabilities				
Variable Rate Borrowings	237.97	257.46	273.26	183.38
Fixed Rate Borrowings	150.58	19.01	25.16	26.06
Total	**388.55**	**276.48**	**298.43**	**209.43**

Sensitivity

Profit & loss is sensitive to higher/lower interest expense from borrowing as a result of change in interest rate

Particulars	Impact on profit			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Interest Rate increase by 100 basis points	**(2.38)**	**(2.57)**	**(2.73)**	**(1.83)**
Interest Rate decrease by 100 basis points	2.38	2.57	2.73	1.83

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The company monitors the risks arising out of same on a regular basis with the help of the treasury team. Further the company may enter into derivatives if the exposure arising out of these risks exceeds significantly.

As on period end date, summary of the foreign exposure outstanding is as under.

	As at 31 December 2021		As at 31 March 2021	
	Financial assets	**Financial liabilities**	**Financial assets**	**Financial liabilities**
USD	1.21	0.22	0.69	0.92
Equivalent INR	90.26	16.26	50.91	67.73
Euro	-	-	0.33	-
Equivalent INR	-	-	28.79	-

	As at 31 March 2020		As at 31 March 2019	
USD	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
Equivalent INR	0.09	0.02	0.34	0.03
	7.04	1.15	23.57	2.27
GBP	-	-	0.19	-
Equivalent INR	-	-	17.22	-

The Company's exposure to foreign currency arises where the company holds monetary assets and liabilities denominated in a currency different to the functional currency, with US dollar, Euro & GBP being the non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company's operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee against the US dollar, Euro & GBP. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 10% against the functional currency of the Company.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion in to functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Particulars	Currency	Change in rate	Effect on profit before tax and pre-tax equity
31-Dec-21			
Based on YOY change between Dec21 & FY21	USD	+10%	7.40
	USD	-10%	(7.40)
31-Mar-21			
Based on YOY change between FY20 & FY21	USD	+10%	(1.68)
	USD	-10%	1.68
	EUR	+10%	2.88
	EUR	-10%	(2.88)
31-Mar-20			
Based on YOY change between FY19 & FY20	USD	+10%	0.59
	USD	-10%	(0.59)
31-Mar-19			
Based on YOY change between FY18 & FY19	USD	+10%	2.13
	USD	-10%	(2.13)
	GBP	+10%	1.72
	GBP	-10%	(1.72)

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables). Company deals with reputed manufactures hence chances of credit risk is minimized to that extent. Further part portion of the order is taken in advance, hence credit risk is already mitigated to that extent.

As at December 31, 2021	Less than 1 Year	More than 1 Year & less than 3 Year	More than 3 Year
Gross carrying amount	727.47	14.98	3.17
Expected credit losses (Less allowance provision)	(0.15)	(0.17)	(3.17)
Carrying amount of trade receivable (net of loss allowance)	**727.32**	**14.81**	**0.00**

As at March 31, 2021	Less than 1 Year	More than 1 Year & less than 3 Year	More than 3 Year
Gross carrying amount	428.79	22.91	9.98
Expected credit losses (Less allowance provision)	(0.48)	(0.51)	(9.98)
Carrying amount of trade receivable (net of loss allowance)	**428.30**	**22.39**	**0.00**

As at March 31, 2020	Less than 1 Year	More than 1 Year & less than 3 Year	More than 3 Year
Gross carrying amount	300.55	6.92	6.05
Expected credit losses (Less allowance provision)	(0.00)	(0.01)	(6.05)
Carrying amount of trade receivable (net of loss allowance)	**300.55**	**6.91**	**0.00**

As at March 31, 2019	Less than 1 Year	More than 1 Year & less than 3 Year	More than 3 Year
Gross carrying amount	213.82	2.47	14.25
Expected credit losses (Less allowance provision)	-	-	(14.25)
Carrying amount of trade receivable (net of loss allowance)	**213.82**	**2.47**	**0.00**

Reconciliation of loss allowance provision :	Trade Receivables
Loss allowance on 31st March 2018	**(20.86)**
Changes in loss allowance (Net)	**6.60**
Loss allowance on 31st March 2019	**(14.25)**
Changes in loss allowance (Net)	**8.20**
Loss allowance on 31st March 2020	**(6.06)**
Changes in loss allowance (Net)	**(4.92)**
Loss allowance on 31st March 2021	**(10.98)**
Changes in loss allowance (Net)	**7.49**
Loss allowance on 31st December 2021	**(3.49)**

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date for outstanding customers.

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

Particulars	As at December 31, 2021				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	51.65	111.51	-	163.16
Obligation under Lease Payable	-	1.97	0.58	-	2.55
Current					
Borrowings	336.90	-	-	-	336.90
Trade Payable	523.94	-	-	-	523.94
Creditors for Capital Goods \ Services	0.57	-	-	-	0.57
Interest accrued but not due on borrowings	-	-	-	-	-
Obligation under Lease Payable	0.81	-	-	-	0.81
Total	**862.22**	**53.62**	**112.09**	**-**	**1,027.93**

Particulars	As at March 31, 2021				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	74.67	110.21	-	184.89
Obligation under Lease Payable	-	1.79	1.38	-	3.17
Current					
Borrowings	190.13	-	-	-	190.13
Trade Payable	424.22	-	-	-	424.22
Creditors for Capital Goods \ Services	1.13	-	-	-	1.13
Interest accrued but not due on borrowings	0.22	-	-	-	0.22
Obligation under Lease Payable	0.74	-	-	-	0.74
Total	**616.44**	**76.46**	**111.59**	**-**	**804.50**

Particulars	As at March 31, 2020				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	52.54	133.31	-	185.85
Obligation under Lease Payable	-	1.57	2.33	-	3.90
Current					
Borrowings	240.26	-	-	-	240.26
Trade Payable	413.00	-	-	-	413.00
Creditors for Capital Goods \ Services	0.32	-	-	-	0.32
Obligation under Lease Payable	0.65	-	-	-	0.65
Total	**654.23**	**54.11**	**135.64**	**-**	**843.98**

Particulars	As at March 31, 2019				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Non - Current					
Borrowings	-	35.73	104.88	3.40	144.01
Current					
Borrowings	150.18	-	-	-	150.18
Trade Payable	324.56	-	-	-	324.56
Creditors for Capital Goods \ Services	0.52	-	-	-	0.52
Total	**475.26**	**35.73**	**104.88**	**3.40**	**619.27**

31 Disclosure pursuant to Ind AS 12 "Income taxes"

The major components of income tax expense for the nine months period ended 31 December 2021, year ended 31 March 2021 , 31 March 2020 and 31 March 2019:

Particulars	31-Dec-21	31-Mar-21	31-Mar-20	31-Mar-19
Profit and (loss) section:				
Current tax :				
Current income tax charge	78.81	78.25	15.30	12.92
Current Tax Expense of Earlier Year	-	1.39	0.57	-
Deferred tax :				
Relating to origination and reversal of temporary differences	2.28	(6.46)	7.71	(0.96)
Income tax reported in the statement of profit and loss	**81.09**	**73.18**	**23.58**	**11.96**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 December 2021, 31 March 2021, 31 March 2020 and 31 March 2019:

Particulars	31-Dec-21	31-Mar-21	31-Mar-20	31-Mar-19
Accounting profit before tax from continuing operations	317.04	309.51	64.86	49.46
Statutory Income Tax Rate	25.17%	25.17%	25.17%	27.82%
Tax at Statutory Income Tax Rate	79.79	77.90	16.32	13.76
Tax Effects of:				
Inadmissible expenses or expenses treated separately	4.25	6.51	6.03	5.64
Allowable Expense	(5.23)	(6.16)	(7.05)	(6.48)
Current Tax Expense of Earlier Year	-	1.39	0.57	-
Deferred Tax	2.28	(6.46)	7.71	(0.96)
Tax as per Statement of Profit and Loss	**81.09**	**73.18**	**23.58**	**11.96**

32 Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:
1. Total equity – Share Capital, Retained Profit/ (Loss) and Other Equity.
2. Working capital.

The Company manages its capital so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the requirement of capital to meet the operational cost of the company from time to time and infuse the capital through sub-ordinate debt, which is classified as other equity.

Summary of quantitative data of the capital of the company	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Equity - Issued and paid up capital	152.22	87.33	87.33	87.33
Other Equity -Sub-ordinate debts	1,052.58	311.99	75.43	34.41
TOTAL	**1,204.80**	**399.31**	**162.76**	**121.74**

33 CSR Expenditure:

Details of CSR expenditure is as below:

Particulars	Apr'21 - Dec'21	2020-21
a) Amount unspent for previous years	-	-
b) Gross amount required to be spent by the company during the period	2.06	0.89
Total amount to be spent	**2.06**	**0.89**
c) Amount spent during the period:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	0.94
d) Closing Unspent Amount	**2.06**	-

34 Transition to Ind AS

The accounting policies set out in Note 1 of Annexure V have been applied in preparing the Restated financial information for the nine months period ended 31 December 2021, years ended 31 March 2021, 31 March 2020 and 31 March 2019. The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April 2019 while preparing Restated Financial Information for the year ended 31 March 2019.

Accordingly, suitable restatement adjustments are made in the financial statements as of and for the year ended 31 March 2019 and April 1, 2018. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's Restated Financial Information is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing Restated Financial Information, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A.1 Ind AS optional exemptions :

A.1.1 Revenue from contracts with customers

When applying Ind AS 115 retrospectively, Ind AS 101 permits a first-time adopter an option not to restate completed contracts that begin and end within the same annual reporting period.

A.2 Ind AS mandatory exceptions :

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
Ind AS estimates are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
a) impairment of financial assets based on expected credit loss model.

A.2.2 De-recognition of financial assets and liabilities

IND AS 101 requires a first time adopter to apply the de-recognition provisions of IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS. However, IND AS 101 allows a first time adopter to apply the de-recognition requirements in IND AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply to IND AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of IND AS 109 prospectively from the date of transition to IND AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below

Particulars	Period Ended on 31.03.2021	Period Ended on 31.03.2020	Period Ended on 31.03.2019
Net Profit for the period under Previous Indian GAAP	**236.32**	**34.76**	**30.62**
Add/(Less): Preliminary Expenses	-	0.99	0.99
Add/(Less): Gratuity Provision	-	(0.53)	(0.69)
Add/(Less): Leave Encashment Provision	-	(0.03)	(0.03)
Add/(Less): ECL Provision written back	-	8.20	6.60
Add/(Less): Depreciation on Assets RTU	-	(0.82)	-
Add/(Less): Interest Expenses on Lease Liability	-	(0.63)	-
Add/(Less): Interest Expenses on Income-Tax	-	(2.70)	-
Add/(Less): Tax Expenses	-	2.04	-
Net Profit for the period under Ind As	**236.32**	**41.28**	**37.50**
Other Comprehensive Income			
Add/(Less): Re-measurement of defined benefit plans	0.31	(0.34)	-
Add/(Less): Deferred Tax Effects	(0.08)	0.09	-
Total Comprehensive Income under Ind As	**236.56**	**41.02**	**37.50**

Reconciliation of Other Equity between previous GAAP and Ind As

Particulars	Period Ended on 31.03.2021	Period Ended on 31.03.2020	As At 01.04.2019	Period Ended on 31.03.2019	As At 01.04.2018
Other Equity under previous GAAP	311.99	87.53	53.34	53.34	22.72
Add/(Less): Preliminary Exp.	-	(2.97)	(3.96)	(3.96)	(4.95)
Add/(Less): Gratuity Provision	-	(1.55)	(0.69)	(0.69)	-
Add/(Less): Leave Encashment	-	(0.07)	(0.03)	(0.03)	-
Add/(Less): ECL Provision	-	(6.06)	(14.25)	(14.25)	(20.86)
Add/(Less): Depreciation on Asset (RTU) A/c	-	(0.82)	-	-	-
Add/(Less): Interest expense on lease liabilities A/c	-	(0.63)	-	-	-
Other Equity under Ind As	**311.99**	**75.43**	**34.41**	**34.41**	**(3.09)**

35 Other Notes

35.1 Contingent Liabilities

	Particulars	31-Dec-21	31-Mar-21	31-Mar-20	31-Mar-19
		Rs in mn	Rs in mn	Rs in mn	Rs in mn
A	Direct Tax				
	TDS Demand	-	1.14	0.83	0.18
B	Duty on Import against Advance licenses for Export obligation	289.64	270.40	69.80	34.10

35.2 Significant events that have occurred during the current reporting period i.e. April 21- Dec-21:-

i) Company has increased authorized capital from Rs. 10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore) Equity shares of Rs. 10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crore) Equity shares of Rs. 10/- each vide resolution dated August 16, 2021.

ii) Company had issued and allotted 43,66,350 (Forty Three Lakh Sixty Six Thousand Three Hundred and Fifty) bonus equity shares in the ratio of 0.5:1 bonus share of face value of Rs 10 each held by the member as on September 10, 2021, as approved by the members at the Annual general meeting held on 10th, September,2021. All shares are fully issued (No shares are allotted in Fraction).The bonus has been issued on September 10, 2021 by capitalizing the sum of Rs 4,36,63,500/-(Four Crores Thirty Six Lakhs Sixty three Thousand and Five Hundred only) from and out of free reserve. In term of IND AS -33, Earning per share of current period and previous periods have been adjusted for bonus shares issued in current financial year.

iii) The Board of Directors and the shareholders in the meeting held on October 01, 2021 and October 19,2021 respectively have approved to offer and issue up to 21,22,960(Twenty One Lakh Twenty Two Thousand Nine Hundred Sixty) Equity Shares at a premium of Rs.270/- each aggregating upto Rs.59,44,28,800/- (Rupees Fifty Nine Crore Forty Four Lakhs Twenty Eight Thousand and Eight Hundred Only) on a private placement basis.

35.3 The Company has taken portion of factory land under operating lease or rental agreements. Effective 1st April, 2019, the company has adopted Ind AS 116 and applied to its leases, retrospectively, with the cumulative effect of initially applying the standard on the date of initial application (April 01, 2019). Accordingly, the Company has not restated comparative information and recognized right-of-use assets at an amount equal to the lease liability. Refer Note 2 for details of right-of-use assets and Note 13.1 for details of Lease Liability. Interest on lease liability **` 0.36 Million** in Apr'21 to December'21, **` 0.55 Million** in FY 2020-21 & **` 0.63 Million** in FY 2019-20 has been included in Finance Costs and depreciation on right-of-use assets has been included in Depreciation and amortization expense for the period.

35.4 Segment information

(a) Description of segment

The board of directors of the company is identified as chief operating decision maker (CODM) monitors the operating result of the company. CODM has identified only one reportable segment as the company involved in manufacturing \ trading of Pipes, tubes & steel. The operations of the Company are located in India.

(b) Information about geographical areas

(i) Revenue from External Customers

Particulars	**31-Dec-21**	**31-Mar-21**	**31-Mar-20**	**31-Mar-19**
India	2503.63	2945.36	1717.98	1053.57
Outside India	264.06	147.95	60.10	133.95
	2767.69	3093.31	1778.08	1187.52

Revenue from external customer is allocated based on the location of customers.

(ii) Non-current Assets

Particulars	**31-Dec-21**	**31-Mar-21**	**31-Mar-20**	**31-Mar-19**
India	259.99	195.96	154.82	97.69
Outside India	-	-	-	-
	259.99	**195.96**	**154.82**	**97.69**

Non-current assets include property, plant and equipment, capital work in progress, intangible assets, Rou Assets. It is allocated based on the geographic location of the respective assets.

35.5 "The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to limit their operations . Measures taken to contain the spread of the virus, have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The impact of covid-19 may be different from than estimated as at the date of approval of these financials results and the company will continue to closely monitor the developments. Though a definitive assessment of the impact is not possible in view of the high uncertain economic environment and the scenario is still evolving.

In assessing the recoverability of Company's assets such as Investments, Loans, Trade receivable, Loans and Advances, Inventories etc. the Company has considered internal and external information upto the date of approval of these financial results. The company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets. The duration and impact of the COVID-19 pandemic remains unclear at present as on book closure date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, management does not see any risks in the Company's ability to continue as a going concern."

35.6 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

35.7 Company has not granted any loans or advances in the nature of Loans to Promoters, Directors, KMPs and other related parties (as defined under Companies Act, 2013) either severally or jointly with any other person

35.8 Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

35.9 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021.

35.10 The Company has decided to opt for the new tax regime announced by the Government of India and avail of the benefit of Section 115BAA of the Income Tax Act from F.Y. 2019-20.

35.11 In the opinion of Board of Directors; Current Assets, Loans & Advances (Including Capital Advances) have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, Adequate Provisions have been made in the accounts for all the known liabilities.

For Maheshwari & Co
Chartered Accountants
Firm Reg. No.: 105834W

For and on behalf of the Board of Directors of
Venus Pipes & Tubes Limited

Ramesh Totla
Partner
Membership No. : 416169
Place: Surat
Date: 21.03.2022

Mr. Megharam S Choudhary
Director
Din: 02617107

Mr. Dhruv M Patel
Director
Din: 07098080

Mr. Arun Kothari
(MD & CFO)
Din: 00926613
Place: Gandhidham
Date: 21.03.2022

Mr. Pavan Jain
(Company Secretary)
Membership No: A66752
Place: Gandhidham
Date: 21.03.2022

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - VI Notes on adjustments and regroupings to audited financials statements **(` in Million)**

Part-A Statement of Restatement Adjustments to Audited Financial Statements

The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive Income in accordance with Ind AS is given below

Particulars	Note No	Period Ended on 31.03.2021	Period Ended on 31.03.2020	Period Ended on 31.03.2019
Net Profit for the period under Previous Indian GAAP		**236.32**	**34.76**	**30.62**
Add/(Less): Preliminary Expenses	1	-	0.99	0.99
Add/(Less): Gratuity Provision	2	-	(0.53)	(0.69)
Add/(Less): Leave Encashment Provision		-	(0.03)	(0.03)
Add/(Less): ECL Provision written back	3	-	8.20	6.60
Add/(Less): Depreciation on Assets RTU	4	-	(0.82)	-
Add/(Less): Interest Expenses on Lease Liability		-	(0.63)	-
Add/(Less): Interest Expenses on Income-Tax	5	-	(2.70)	-
Add/(Less): Tax Expenses		-	2.04	-
Net Profit for the period under Ind As		**236.32**	**41.28**	**37.50**
Other Comprehensive Income				
Add/(Less): Re-measurement of defined benefit plans	6	0.31	(0.34)	-
Add/(Less): Deferred Tax Effects	7	(0.08)	0.09	-
Total Comprehensive Income under Ind As		**236.56**	**41.02**	**37.50**

Reconciliation of Other Equity between previous GAAP and Ind As

Particulars	Note No	Period Ended on 31.03.2021	Period Ended on 31.03.2020	As At 01.04.2019	Period Ended on 31.03.2019	As At 01.04.2018
Other Equity under previous GAAP		311.99	87.53	53.34	53.34	22.72
Add/(Less): Preliminary Exp.	1	-	(2.97)	(3.96)	(3.96)	(4.95)
Add/(Less): Gratuity Provision	2	-	(1.55)	(0.69)	(0.69)	-
Add/(Less): Leave Encashment		-	(0.07)	(0.03)	(0.03)	-
Add/(Less): ECL Provision	3	-	(6.06)	(14.25)	(14.25)	(20.86)
Add/(Less): Depreciation on Asset (RTU) A/c	4	-	(0.82)	-	-	-
Add/(Less): Interest expense on lease liabilities A/c		-	(0.63)	-	-	-
Other Equity under Ind As		**311.99**	**75.43**	**34.41**	**34.41**	**(3.09)**

1 Preliminary Expenses written off

Under Ind AS, preliminary expenses has been charged off to Profit & Loss account as and when it is incurred. Under previous GAAP, preliminary expenses has been shown as other current assets and amortized in Profit & Loss account over the period of five years.

2 Gratuity Provision & Leave Encashment

Gratuity Provision & Leave Encashment provision has been provided in the respective years based on actuarial valuation certificate.

3 Allowance for Doubtful Debts

Under Ind AS, expected life time credit provision is made on trade receivables. Under previous GAAP, the provision for doubtful debts was made using ageing analysis and an individual assessment of recoverability.

4 Right of Use Assets & Lease Liability

Under Ind As, Right of use asset is recognized and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs. The lease liability is measured in subsequent periods using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing cost. Under Previous GAAP, there is no requirement to create Right of use assets and lease liability and rent paid for lease assets has been charged to Profit & Loss Account.

5 Interest Expenses on Income-Tax & Tax Expenses

Interest Expenses on Income-Tax & Tax Expenses has been charged to the year in which it is incurred.

6 Re-measurement of defined benefit plans

Both under Indian GAAP and Ind-AS, the company recognized costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, re-measurements [comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Further, under Ind AS, past service cost is recognized as expense when the plan amendment occurs while under previous GAAP, the same was recognized as expense on a straight-line basis over the average period until the benefits become vested.

7 Deferred Tax Effects

Ind AS & Restatement Profit has been Changed due to Ind AS & Restatement Adjustment accordingly Tax Impact on the Ind AS & Restatement Adjustment has been Computed.

Part-B Material Regrouping

Appropriate regroupings have been made in the Restated Summary Statement of Assets and Liabilities, Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Company prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2018, as amended

Part-C Non Adjusting items

Restated Summary Statements does not contain any qualifications requiring adjustments, however, our reports for the nine months period ended December 31, 2021 & year ended March 31, 2021 includes an emphasis of matter on impact of COVID 19 on operations of the Company. Also, qualifications in the Companies (Auditor’s Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Ind AS Summary Statements are as follows:

As at and for the year ended March 31, 2021

(a) Emphasis of matter relating to the impact of Coronavirus disease 2019 (COVID-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

(b) Annexure to Auditor's report for the financial year ended March 31, 2021

Clause (vii) (b)

No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a year of more than six months from the date they became payable except for the Income Tax for AY 2020-21 which had been subsequently paid.

Clause (vii) (c)

Name of Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount Involved (` in Million)**
The Income tax Act,1961	Income Tax	Asst Commissioner of Income Tax	AY 2016-17	0.04*

*Paid on 27.07.21

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)
Annexure - VII Capitalisation Statement

Particulars	**Pre-issue as at December 31, 2021** **(` in Million)**	**As adjusted for issue (Refer note 5 below)**
Debt		
Short Term Borrowings (A)	**299.14**	[*]
Current maturities of long term borrowings	37.76	[*]
Non-current Borrowings	163.16	[*]
Non-current financial liabilities - Borrowings (B)	**200.92**	
Total borrowings (C=A+B)	**500.06**	[*]
Shareholders' funds		
Share capital	152.22	[*]
Reserves and surplus, as restated:	1,052.60	[*]
Total shareholders' funds (D)	**1,204.82**	[*]
Long term debt/ equity (B/D)	0.17	[*]
Total Debt/ equity (C/D)	0.42	[*]

Notes:

1. Long term debt / equity has been computed as $\frac{\text{Non-current financial liabilities}}{\text{Total Shareholders Fund}}$

2. Total debt / equity has been computed as $\frac{\text{Total borrowings}}{\text{Total Shareholders Fund}}$

3. Short term borrowings represents borrowings due within 12 months from the balance sheet date.

4. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.

5. [*]Post Issue Capitalization will be determined after finalization of issue price.

6. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

VENUS PIPES & TUBES LIMITED
(Formerly known as VENUS PIPES & TUBES PRIVATE LIMITED)

Annexure - VIII Restatement of Accounting Ratios

(` in Million)

Particulars		**As at December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
Restated profit/(loss) after tax attributable to equity holders	A	235.95	236.32	41.28	37.50
Weighted Average number of Equity Shares outstanding during the period for basic & diluted EPS (Post Bonus Issue)	B	1,52,22,010	1,30,99,050	1,30,99,050	1,30,99,050
Basic & Diluted Earning per share (Post Bonus Issue) *	C=A/B	15.50	18.04	3.15	2.86
Restated networth for equity shareholders	A	1,204.82	399.31	162.76	121.74
Restated profit/(loss) after tax attributable to equity holders	B	235.95	236.32	41.28	37.50
Return on Networth (in %)	C=B/A	19.58%	59.18%	25.36%	30.80%
Restated networth for equity shareholders	A	1,204.82	399.31	162.76	121.74
Number of equity shares outstanding as at period end (adjusted for bonus issue)	B	1,52,22,010	1,30,99,050	1,30,99,050	1,30,99,050
Restated Net Asset value per equity shares	C=A/B	79.15	30.48	12.43	9.29
Restated profit(loss) for the period	A	235.95	236.32	41.28	37.50
Tax Expense	B	81.09	73.18	23.59	11.96
Finance Cost	C	42.61	55.61	45.54	31.09
Depreciation & Amortisation	D	10.58	9.65	21.10	19.93
Other Income	E	15.11	27.00	15.14	17.54
EBITDA	A+B+C+D-E	355.12	347.76	116.36	82.94
Revenue from Operation		2,767.69	3,093.31	1,778.08	1,187.52
EBITDA/Revenue from operation (in %)		**12.83%**	**11.24%**	**6.54%**	**6.98%**

* Basic earning per share & Diluted earning per share for December 31, 21 is not annualized

Notes:

(1) The ratio on the basis of Restated financial statement have been computed as below :

Basic and Diluted Earning per share = <u>Net Profit/(loss) as restated, attributable to equity holders</u>
Weighted average number of Equity Shares outstanding during the period. (the weighted average number of Equity shares outstanding during the period is adjusted for Bonus issue).

Return on Net worth % = <u>Net Profit/(loss) as restated, attributable to equity holders</u>
Net worth at the end of the respective period

Net Asset Value per Equity share = <u>Net worth at the end of the respective period</u>
Number of Equity Shares outstanding as at period end adjusted for Bonus issue.

EBITDA = <u>Restated profit(loss) for the respective period + exceptional item</u>
<u>"+ tax expenses + finance cost +depreciation and amortization-other income</u>

(2) Earning per share(EPS) calculation is in accordance with the notified Indian Accounting standard (INDAS) 33 'Earning per share' prescribed by the Companies (Indian Accounting Standards) Rules 2015

(3) Net worth mean the aggregate value of the paid up share capital of our Company & Other equity as per Restated financial statements.

(4) The above ratios have been computed on the basis of Restated financial statements

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the nine months ended December 31, 2021, Fiscal 2021, Fiscal 2020, and Fiscal 2019 and the reports thereon dated March 21,2022, August 30, 2021, November 22,2021, respectively ("**Audited Financial Statements**") available at https://www.venuspipes.com/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an Issue document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLM, or any of its employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

Accounting Ratios:

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	**As on/ For the nine months ended December 31, 2021**	**As on/ For the year ended March 31, 2021**	**As on/ For the year ended March 31, 2020**	**As on/ For the year ended March 31, 2019**
Basic Earnings per Equity Share (₹)*	15.50	27.06	4.73	4.29
Diluted Earnings per Equity Share (₹)* (Refer note 1)	15.50	27.06	4.73	4.29
Return on Net Worth Ratio (Refer note 2)	19.58%	59.18%	25.36%	30.80%
Net Asset Value Per Equity Share (₹) (Refer note 4)	79.15	45.73	18.64	13.94
Earnings before interest, tax, depreciation and amortisation (EBITDA) (₹ in millions)	355.12	347.76	116.36	82.94

** Basic earning per share & Diluted earning per share for December 31, 21 is not annualized*

1. *Basic and Diluted EPS: Restated profit for the year/period attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year/period. Basic and diluted EPS are computed in accordance with Ind AS 33 – Earnings per share.*
2. *Return on net worth: Restated profit for the year/period attributable to equity shareholders of the Company divided by net worth as attributable to equity shareholders of the Company at the end of the year/period.*
3. *Net worth = net worth means the aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *Net assets value per Equity Share: Net asset value per share is calculated by dividing net worth at the end of the year/period by number of Equity Shares outstanding at the end of the year/period.*
5. *EBITDA: EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense and subtracting other income to the restated profit for the year/period*
6. *Accounting and other ratios have been derived from the Restated Financial Information.*

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2021, on the basis of our Restated Financial Statements. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Financial Statements*" and "*Risk Factors*" beginning on pages 253, 194 and 23, respectively.

Particulars	**Pre-Issue as at December 31, 2021 (in ₹ million)**	**As adjusted for the Issue (Refer note 5 below)**
Borrowings		
Non-current borrowings (I)	163.16	[*]
Current maturity of long-term debts (II)	37.76	[*]
Current borrowings (III)	299.14	[*]
Total borrowings (IV = I + II + III)	**500.06**	[*]
Equity		
Equity share capital (V)	152.22	[*]
Other Equity (VI)	1052.60	[*]
Total Equity (VII = V + VI)	**1204.82**	[*]
Total borrowings/ Total Equity (VIII = IV/ VII) (in times)	0.42	[*]
Non-current borrowing/Total Equity (in times)	0.17	[*]

Notes:

1. *Long term debt / equity has been computed as* $\frac{\textit{Non-current financial liabilities}}{\textit{Total Shareholders Fund}}$

2. *Total debt / equity has been computed as* $\frac{\textit{Total borrowings}}{\textit{Total Shareholders Fund}}$

3. *Short term borrowings represent borrowings due within 12 months from the balance sheet date.*

4. *Long term borrowings represent borrowings due after 12 months from the balance sheet date and also includes current maturities of long-term borrowings.*

5. *[*] Post Issue Capitalization will be determined after finalization of issue price.*

6. *The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.*

7. *These terms shall carry the meanings as per Schedule III of the Companies Act, 2013 (as amended)*

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our aggregate borrowings as on April 7, 2022 as certified by Statutory Auditor on April 19, 2022:

(*in ₹ million*)

Category of borrowing	Sanctioned Amount	Outstanding amount
Secured Fund Based Facilities		
Working Capital[1]	450.00	449.41
Term Loan[2]	99.65	95.69
Discounting Limit[3]	17.38	17.38
Supplier Financing[4]	50.00	50.00
Sub Total	**617.03**	**612.48**
Secured Non – Fund Based Facilities		
LC Limit[5]	140.55	70.55
Sub Total	140.55	**70.55**
Unsecured Loan Facilities[6]	**120.00**	**98.89**
Total	**877.58**	**781.92**

[1] *Secured Working Capital include Cash Credit Facility.*
[2] *Secured Term loan includes Term loan against fixed assets, working capital term loan & Vehicle loan from banks.*
[3] *Secured Discounting limit includes Post Shipment LC facility along with sub limit of Inland LC bill discounting facility*
[4] *Supplier financing includes loan facility by Tata Capital Financial Services Limited for purchase of inventory from specific suppliers.*
[5] *State Bank of India had sanctioned Fund Based & Non fund Based limit to the company on March 23, 2022 and had taken over the limit of existing bankers of the company i.e Karnataka Bank & Bandhan Bank. The LC limit includes Rs 70.55 million sanctioned limit of Karnataka bank & Rs 70 million sanctioned limit of State Bank of India. Out of Rs 220 million LC limit of Karnataka Bank, SBI had paid of Rs 150 million on March 31, 2022 to Karnataka Bank and balance Rs 70 million of Karnataka bank (currently the company had provided 100% cash margin in the form of Bank fixed deposit for LC/FLC's outstanding for Rs. 70.55 million) will be repaid as and when the LC's/FLC become due, post liquidation of all LC/FLC's the limit of Karnataka bank will be extinguished. Similarly the discounting limit with Karnataka bank will be repaid as and when it becomes due and post repayment the limit will be extinguished.*

[6] *Unsecured Loan Facilities includes the loan taken from Ambaji Warehouse Park (Partnership Firm) and Oxyzo Financials Services Pvt Ltd.*

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For details in relation to financial indebtedness of our Company as of December 31, 2021, see the section "*Restated Financial Statements*", beginning on page 194.

Principal terms of the secured borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the borrowing arrangements entered into by us:

1. ***Interest:*** The interest rate for the working capital and term loan facilities availed by us is typically the 6 months MCLR of the relevant lender plus a specified spread payable on an annual or semi-annually basis, presently for working capital the rate is 9.75%, for term loan against fixed assets the rate is 10.95% and for working capital term loan i.e.,GECL the rate is 7.95%. For supplier financing loan facility availed by us, interest rate is STLR less 7.80% and for unsecured loan from Oxyzo Financials Services Pvt Ltd, there is fixed rate of interest of 15%.

2. ***Security***: Our secured borrowings (both fund based and non – fund based) are secured by way of inter alia:

(a) a first **paripassu** hypothecation charge over
(i) all the existing plant and machinery & all other fixed asset of the Company,
(ii) plant and machinery & all other fixed asset of the Company to be purchased,
(iii)stock, book debts and other current assets of the Company (present & future) ; and

(b) Collateral:
(i) mortgage over land, building and other immovable properties of the Company.
(i) pledges fixed deposits in the name of the Company.
(ii) assignment of LIC policies stands in the name of the directors/guarantors.

(c) Further, certain of our Promoters, namely, Megharam Sagramji Choudhary, Dhruv Mahendra Kumar Patel, Jayantiram Motiram Choudhary and Arun Axaykumar Kothari, have also provided personal guarantees to our lenders in relation to certain of our outstanding loans. Beside promoter & directors few other persons i.e., Shankarlal Budharam Bochaliya, Rameshbhai Bhagwanji Kalria, Payal Arun Kothari, Ekta Deepak Savani, Ganesha Sangramji Ram, Hemant Rajnikant Shah, Tejas Prabhubhai Sheth, Sangeeta Manoj Singh Jadoun, Kamlesh Kamal Singh Rajput and Mahesh Himatlal Puj have also provided personal guarantee in relation to our outstanding loans with State Bank of India.

(d) Guarantee of Partnership Firm i.e. M/s Sunshine Enterprises.

(e) The vehicle loans are secured by hypothecation of the specific asset (vehicle) financed by the bank.

(f) The supplier financing loan facility is secured by investment in debt mutual funds of amount upto 25% of Loan amount.

3. ***Tenor:*** The tenor of the term loan facilities typically ranges from 48 months to 70 months. The tenor of the cash credit facility and the letter of credit is 12 months from the date of sanction while that of the vehicle loans ranges between 36 months to 50 months and the tenor of supplier financing loan facility is 12 months.

4. ***Repayment****:* The terms of repayment of various secured loan facilities availed by our company are as follows:

(a) The term loans, the vehicle loans and the unsecured loan from Oxyzo Financial Services Pvt. Ltd. are repayable in accordance with the terms of the loan agreement, by way of an equated monthly instalment, for the tenor of the loan.
(b) The cash credit facility is repayable on demand.
(c) The letter of credit is repayable as per the terms of the letter of credit.
(d) The supplier financing loan facility is repayable within a period of 90 days.

5. ***Prepayment:*** The loans availed by our Company typically have a prepayment provision which allows for prepayment of the outstanding loan amount.

6. ***Events of Default:*** Our borrowing arrangements typically contain standard events of default, including, among others:

(a) Default in the payment of the loan, when due and payable to the lender;
(b) Default in the payment of any of the agreed instalments of the loan on the due date;
(c) Default in the payment of interest thereon or any of the agreed instalments of the loan on the due date;
(d) Failure to perform any covenants/ conditions agreed on the part of the borrower;
(e) The utilization of the credit facilities for purposes other than the one for which the credit facilities have been sanctioned.

7. ***Consequences of occurrence of events of default*****:** Upon the occurrence of an event of default under the loan facilities, our lenders are entitled to, among other things:

(a) To charge a penal interest on the defaulted amount for the non-compliance of the sanctioned terms
(b) To demand the loan amount for violation of other terms and conditions of the sanction/ or the terms reflected in the loan/security documents to be executed by the Borrower/guarantor(s)
(c) To proceed against the guarantor even without exhausting the remedies against the borrower.
(d) To recall the entire loan or any part thereof at once, in addition to their right to withdraw the undrawn limits

8. ***Key Covenants*****:** The loan facility entails various restrictive covenants and conditions restricting certain corporate actions without taking the prior approval of the respective lender before carrying out such actions, including for:

(a) Opening any account with any other bank/other branch of such bank;
(b) Further expansion of business, taking up of a new business activity or setting up/ investing in a subsidiary whether in the same business line or unrelated business;
(c) Reorganizing the business of the Company in the form of merger/de-merger/amalgamation and in case if there is any change in the capital structure (including change in share holding pattern);
(d) Parting with the hypothecated property or any part of it;
(e) Creating any further charge over the assets of the Company without any prior approval;
(f) Undertaking guarantee obligations on behalf of any other borrower or any third party;
(g) Making any change changes to the management set up;
(h) Extending loans to directors, associates or any other company;
(i) Declaring dividend for a year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation.

Further, our Company is required to give an undertaking to the following effect*:*

(a) Not to divert the funds to its group companies or any other activities other than the purpose for which the credit facility is sanctioned;
(b) Not to pay any commission to its directors for standing as guarantors with regard to the such bank's loans;

(c) Not to induct a person who is/was director in a company which has been identified as a Wilful Defaulter or a Fraudulent Borrower by the bank/RBI or any bank/FI, on company's board;

(d) To submit to the bank, audited financial statements of the company every year by the end of 31st December of that year failing which penal interest of 1% p.a. over and above the sanctioned rate will be charged on the outstanding balance after the said date;

(e) To submit to the bank, periodical copies of income-tax/ GST orders of the concern and its directors/guarantors;

(f) To provide any information promptly about all material and adverse changes in the business/ownership/management/liquidity/financial position etc.

(g) Not to create any further charge/ encumbrance over the hypothecated property so as to affect the right of the bank.

(h) To keep the hypothecated property in good condition (including renewal of the fitness certificates, wherever required) and to produce the hypothecated property whenever called upon by the bank and to keep and maintain register/books/ record of the hypothecated property.

(i) To punctually pay all the rents , rates, taxes and other outgoings in respect of the hypothecated property and/or the premises where the hypothecated property is installed/stored and keep the same from distress.

(j) To maintain in favour of the bank a margin between the market value of the hypothecated property and the balance due to the bank, from time to time, as stipulated by the bank.

(k) To keep the hypothecated property insured for the full market value against the risk of fire, riots, civil commotion etc., and/or such other risks as may be required by the bank, and to deliver the policies to the bank and to pay the premium regularly.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company.

Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, please see "*Risk Factors* on page 23 of this Red Herring Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Restated Financial Information as of and for the nine-month period ended December 31, 2021, financial years 2021, 2020 and 2019, including the related notes, schedules and annexures. Our Restated Financial Information have been derived from our Audited Financial Statements as of and for the nine-month period ended December 31, 2021, financial years 2021, 2020 and 2019, which are prepared in accordance with the applicable provisions of the Companies Act, 2013, the Indian Accounting Standards (Ind AS) and the SEBI ICDR Regulations, as amended. The Restated Financial Statements have been prepared under Indian Accounting Standards ("**Ind AS**") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable, as well as in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI. For further information, see our Restated Financial Statements under "Financial Statements" beginning on page* 194.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

Unless otherwise indicated or the context otherwise requires, the financial information for the nine-month period ended December 31, 2021, financial years 2021, 2020 and 2019 included herein is derived from the Restated Financial Statements, included in this Red Herring Prospectus. For further information, see "Restated Financial Statements" beginning on page 194.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Stainless Steel Pipes & Tubes" dated April , 2022 (the "**D & B Report**") prepared and released on April 4, 2022 by Dun & Bradstreet and commissioned and paid for by our Company specifically for the purpose of the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D & B Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" beginning on Page 13.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Our actual results may differ from those anticipated in these forward-looking statements, as a result of factors such as those set forth under "Forward-Looking Statements" and "Risk Factors" beginning on pages 15 and 23, respectively

Overview

We are one of the growing stainless steel pipes and tubes manufacturer and exporter in India having over six years of experience in manufacturing of stainless steel tubular products in two broad categories: (i) seamless tubes/pipes; and (ii) welded tubes/pipes, under which we are currently manufacturing five product lines, namely, (i) stainless steel high precision & heat exchanger tubes; (ii) stainless steel hydraulic & instrumentation tubes; (iii) stainless steel seamless pipes; (iv) stainless steel welded pipes; and (v) stainless steel box pipes ("**Products**"). Under our brand name "*Venus*", we supply our Products for applications in diverse sectors including (i) chemicals, (ii) engineering; (iii) fertilizers; (iv) pharmaceuticals, (v) power, (vi) food processing; (vii) paper; and (viii) oil and gas.

We have one manufacturing plant which is strategically located at Bhuj-Bhachau highway, Dhaneti (Kutch, Gujarat) ("**Manufacturing Facility**") in close proximity, around 55 kilometers and 75 from the ports of Kandla and Mundra, respectively, that helps us in reducing our logistic costs on procurement of raw materials and imports and export of our Products. Our Manufacturing Facility has separate seamless and welded divisions with latest product-specific equipment and machineries including tube mills, pilger mills, draw benches, swaging machines, pipe straightening machines, TIG/MIG welding systems, plasma welding systems, etc. As of February 28, 2022, our Manufacturing Facility has a total installed capacity of 10,800 MT per annum. Further, we have a storage facility at our Manufacturing Facility for the purposes of holding inventories of raw material as well as finished products, in addition to a warehouse facility located at Ahmedabad, which ensures stability of operations.

Our basic raw material includes SS coils and hollow pipes and we procure our raw materials based on market availability, pricing and quality through three main channels: (i) domestic suppliers such as steel manufacturers, stockists and traders; (ii) international suppliers from China, Indonesia, Malaysia and Singapore; and (iii) high sea purchases. The cost of materials consumed (including purchase of stock in trade and changes in inventory) by us in our operations accounted for 82.09%, 84.53%, 88.29% and 85.58% of our revenue from operations for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively.

We sell our Products both in the domestic as well as the international markets. In the domestic market, we sell our Products to customers as well as traders/stockists while in the international market we supply our Products through traders/stockists and authorized distributors that engage with us on an exclusive basis and certain marketing representatives. We started exporting our Products in the year 2017 and as on February 28, 2022 we have exported to twenty (20) countries including Brazil, UK, Israel and countries in the European Union, etc. In order to increase our share in the international market, we have appointed sole distributors in overseas markets like Italy and Kuwait in addition to appointing marketing representatives for the European market. The revenues from exports aggregated to ₹ 264.06 million, ₹ 147.95 million, ₹ 60.10 million and ₹ 133.95 million for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively, and as a percentage of our revenue from operations, were 9.54%, 4.78%, 3.38% and 11.28%, respectively.

We are ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, certified by Bureau Veritas and holding accreditation from UK Accreditation Service. Further, our Products sold to the European market are certified under PED 2014/68/EU and ADW/AD 2000 – Merkblatt – W0 from TUV which is a requirement for supply in the European Union countries. Further, we are an IBR certified manufacturer and supplier of stainless steel seamless and welded pipes/tubes.

We have an in-house quality team comprising of 27 dedicated personnel working under the overall supervision of our board of directors. Our quality control team ensures that our raw materials as well as end products are tested on all quality parameters to ensure that we are compliant with the international product standards.

Our Promoters, Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari are first generation entrepreneurs, and have an average experience of approximately eight years in stainless steel welded pipes and tubes industry in addition to expertise in marketing, procurement, finance, accounting and customer relationship management.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. In this section, we discuss several factors that we believe have, or could have, an impact on these results. We are into B2B business wherein the demand for our products is directly dependent on the performance of the industries in which our products are utilised. The demand for our products is affected by various factors such as economic downturn, capex plan of the customers, prices of our raw materials, ability to deliver products with different specification etc.

We are into manufacturing of pipes/tubes of stainless steel and the basic raw material for the same is stainless steel coils & stainless steel hollow pipes. Since the prices of stainless steel is dynamic in nature, any fluctuation in the prices will impact the pricing of our finished product. Because of the pent-up demand, the post lockdown period witnessed the steel demand outweighing the supply thus exerting pressure on production. With a mismatch in the demand for finished steel and its production, domestic manufacturers increased steel prices during the year. Also, with rising steel prices in the global market, Indian producers preferred to export their inventories thus leading to a greater deficit of raw material for the steel pipe and tube manufacturers. The continuation of such trend may impact demand of our product in future.

We are proposing to expand our product portfolio to meet additional demand from our customers as well as new customers through planned capital expenditure as envisaged in the object of the issue. Any delay in implementation of the proposed project will have adverse impact on meeting customer demands and as well as acquisition of new customers.

Besides above the world has experienced un-precedent disruption in production as well as supply management due to COVID-19 pandemic. There is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 can have on our business, operations or potential expansion plans in the future.

We also discuss the ways in which we generate income and incur the main expenses associated with generating this income. Please also see the sections titled "*Our Business*" and "*Risk Factors*", beginning on pages 139 and 23, respectively.

Domestic and global demand for our products

Our Revenue from operation comprises of revenue which we received from sale of manufacturing of stainless steel tubes and pipes and trading of fittings and other steel products. We derive our revenues from various sectors such as (i) chemicals, (ii) engineering; (iii) fertilizers; (iv) pharmaceuticals, (v) power, (vi) food processing; (vii) paper; and (viii) oil and gas. Sector wise contribution to our revenue in terms of percentage is set out below:

(in ₹ millions, except for percentages)

Sector	**Nine (9) months period ended December 31, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Revenue (in mn ₹)	**% of revenue**	**Revenue (in mn ₹)**	**% of Revenue**	**Revenue (in mn ₹)**	**%of Revenue**	**Revenue (in mn ₹)**	**%of Revenue**
Chemicals	310.47	11.22	573.75	18.55	320.24	18.01	183.99	15.49
Engineering	734.81	26.55	448.22	14.49	291.49	16.39	247.1	20.81
Fertilizers	13.24	0.48	60.94	1.97	26.02	1.46	3.33	0.28
Pharma	10.62	0.38	33.69	1.09	49.16	2.76	26	2.19
Power	4.30	0.16	17.4	0.56	2.29	0.13	6.9	0.58
Food Processing	41.44	1.50	7.58	0.25	12.54	0.7	8.7	0.73
Paper	20.85	0.75	3.11	0.1	0.98	0.06	1.27	0.11
Oil & Gas	2.13	0.08	0.36	0.01	0.82	0.05	1.01	0.09
Others	26.84	0.97	10.41	0.34	14.16	0.8	24.95	2.1
Export	264.06	9.54	147.95	4.78	60.1	3.38	133.95	11.28
Stockist / Traders	1338.93	48.37	1,789.90	57.86	1,000.28	56.26	550.32	46.34
Grand Total	**2767.69**	**100**	**3,093.31**	**100**	**1,778.08**	**100**	**1,187.52**	**100**

If there is any change in the demand for our products from the sectors that we cater, either due to micro or macro economic factors or changes in applicable regulations then it may have an impact on our business and results of operations.

Raw Material costs

We procure raw materials from various sources i.e. domestic as well as internationally based on market availability, pricing and quality. The cost of materials consumed (including Purchase of Stock in trade & changes in inventory) by us in our operations was ₹2271.87 million, ₹ 2,614.78 million, ₹ 1,569.86 million and ₹ 1,016.31 million for the nine-month period ended December 31, 2021 and for the Fiscals 2021, 2020 and 2019, respectively. Our cost of materials consumed (including Purchase of Stock in trade & changes in inventory) constituted 82.09%, 84.53%, 88.29% and 85.58% and our other expenses constituted 7.01%, 6.34%, 8.91%, and 11.73% of our revenue from operations for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Raw material prices directly dependent on demand and supply gap and any supply shortage leads to increase in procurement cost which results into an increase in the price of our products. Since we endeavour to book raw material based upon order receipt, we are most often able to pass on price fluctuations in raw material to our customers. However, an increase in raw material price may result in increased prices for our products which may impact demand for our products and order book. To offset the impact on demand we may have to be price competitive which will impact on our margins and profitability. We have not entered into any long-term supply agreements for any of our raw materials.

Strength of our order book

Our results of operations are affected by the strength of our order book. As of Set forth below are details of our order book as on February 28, 2022:

(in ₹ millions)

Particulars	Number of orders	Value
Domestic	157	417.14
Export	19	221.00
Total Order Book	**176**	**638.14**

We do not carry long term orders for our products. Investors should not consider our order book as an accurate indicator of our future performance or future revenue. Since our products are used by industrial customers the successful conversion of these orders into revenue and getting new orders will depend on the demand from our customers, which is beyond our control and is subject to uncertainty as well as performance of the sectors in which our customers are present. Going forward, our order book may be affected by delays, cancellations, renegotiations of the contracts as well as the long gestation period in concluding such contracts, if any.

Cost and availability of skilled/semi-skilled manpower

Although our manufacturing processes are fully automated we require skilled and/semi-skilled workforce at various stages of production, maintenance and quality control. We have therefore been focused on the recruitment, training and retention of a skilled employee base. As of February 28, 2022, we employed 203 full-time employees. Our expenses towards salaries, wages and allowance were ₹ 42.17 million, ₹ 32 million, ₹ 26.69 million and ₹ 25.34 million for the nine-month period ended December 31, 2021 and the for Fiscals 2021, 2020 and 2019, respectively. In addition to our full-time employees, we frequently hire workers on a contractual basis, largely for unskilled jobs in manufacturing process like material movements, loading unloading, packing etc. As of February 28, 2022, we employed 159 contract labourers.

We believe that our Company's growth and work environment combined with our employee satisfaction rate has allowed us to attract talent. Labour shortages could increase our production cost and hinder our productivity and ability to meet customers' delivery schedules, any or all of which may have an adverse impact on our results of operations.

Expansion of production capacity

We currently have one manufacturing facility at Dhaneti, Kutch which has a total installed capacity of 10,800 MT per annum as of February 28, 2022. We currently manufacture welded pipes/tubes upto size 6 mm - 219.3 mm and seamless pipes/tubes upto size of 6 mm - 114.3 mm diameters at our manufacturing facility. We propose to increase the installed capacity of our manufacturing facility to 2,000 MT per month which will also enable us to increase our production capacity and product offerings by manufacturing pipes and tubes of multiple sizes, including higher diameter welded pipes/tubes upto 1.219.2 mm and seamless pipes/tubes upto 168.3 mm. Towards this end, we propose to install LSAW (A358) Plant which will increase production capacity from 600 MT per month to 1200 MT per month of welded pipes/tubes by manufacturing higher diameter welded pipes. Further, we propose to install a pilger plant to increase production capacity from 300 MT per month to 800 MT of higher diameter seamless pipes/tubes.

We plan to expand our manufacturing capabilities to meet increasing demand from existing customers as well as for acquiring new customers both in India and the international markets. In the event that we are unable to procure sufficient raw materials post expansion, we would not be able to effectively utilize our proposed manufacturing capacities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, if our customers place orders for less than anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities.

Impact of Covid-19 on our operations and financial condition

During the first half of 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for the financial year 2021 downwards in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic can cause a prolonged global economic crisis or recession. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate physically, among many others. The outbreak of COVID-19 was recognized as a public health emergency and international concern on January 30, 2020 and as a pandemic by WHO on March 11, 2020. On March 14, 2020, Government of India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. While that lockdown lasted until May 31, 2020, and was extended periodically by varying degrees by state governments and local administrations, the second wave of COVID-19 in April 2021 led to lockdowns imposed by the state governments and local administrations. Although, during the first wave of the COVID-19 pandemic, our Manufacturing Facility was shut for a period of approximately thirty (30) business days till the month of April, 2020 ("**Shut-Down Period**") due to which we were unable to supply our Products during the said period from our Manufacturing Facility, we did not experience any disruptions of any nature whatsoever in our business operations during the second wave of COVID-19.We secured a special permission dated April 23, 2020 from the Office of the Collector and District Magistrate, Kutch for supplying our Products to the essential commodities sectors, particularly the pharmaceutical sector and thereafter our Manufacturing Facility continued its operations without further disruptions.

Despite the lifting of the lockdown and our continued operations during such periods in the past, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 can have on our business, operations or potential expansion plans in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways. For example, the spread of COVID-19 has caused us to modify our business practices, cancellation of physical participation in meetings, events and conferences, which poses new challenges to our operations. In future, we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. We also incurred and may continue to incur additional expenses in complying with evolving government regulations and measures, such as social distancing measures and sanitization practices. If any of our employees are suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or suspend operations in our facilities for disinfection. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and work force. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Further, we have experienced and may further experience, Government authorities imposition of various measures such as travel bans and restrictions, quarantines, shelter-in-place orders, and shutdowns. Beginning in March 2020, due to the nationwide lockdown, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions, we experienced closure of our production facilities during the Shut-Down Period. We may continue to be subject to temporary as well as permanent closures and reduced manufacturing operations, logistical delays during which we shall be required to incur additional expenses in connection with, among other things, retaining employees, fixed costs payable for maintaining our manufacturing plants, and loss of inventory, which may adversely affect our business, results of operations and financial condition. Further, any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition and results of operations.

The macroeconomic environment and market conditions affecting the pipes industry in India

Our products are used for varied applications in (i) chemicals, (ii) engineering; (iii) fertilizers; (iv) pharmaceuticals, (v) power, (vi) food processing; (vii) paper; and (viii) oil and gas sector. The performance of these industries and sectors, and consequently the demand for our products in these sectors, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and sectors. Our results of operations have been, and will continue to be, significantly affected by the macroeconomic environment in India.

Expansion of our product portfolio

Our revenue from operations is also affected by the number of new products that we introduce in that period. We have a product development team, which is responsible for expanding our product portfolio. Our product development team regularly interacts with our customers to understand the demand for new products. We currently have one manufacturing facility at Dhaneti, Kutch which has a total installed capacity of 10,800 MT per annum as of February 28, 2022. We currently manufacture welded pipes/tubes upto size 6 mm - 219.3 mm and seamless pipes/tubes upto size of 6 mm - 114.3 mm diameters at our manufacturing facility. We propose to increase the installed capacity of our manufacturing facility to 2,000 MT per month which will also enable us to increase our production capacity and product offerings by manufacturing pipes and tubes of multiple sizes, including higher diameter welded pipes/tubes upto 1.219.2 mm and seamless pipes/tubes upto 168.3 mm. For further details, see "*Objects of the Issue*" on page 90.

Significant accounting policies of our Company:

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation

(i) Statement of Compliance and basis of preparation

The Restated Statement of Assets and Liabilities of the Company as at 31st December 2021, 31 March 2021, 2020 and 2019 and the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the nine months period ended 31st December 2021 & for the year ended 31 March 2021, 2020, and 2019, and other explanatory information are together referred as "Restated Financial Information".

The Restated Financial Information has been compiled by the Company for the nine months period ended 31st December 2021 in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") & for the year ended 31 March 2021 from the Audited Financial Statements of the Company prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India (referred to as "Ind AS") and for the years ended 31 March 2020 and 31 March 2019 have been compiled based on Re-Audited Financial Statement as required by the ICDR regulation prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, as amended and other accounting principles generally accepted in India (referred to as "Ind AS") .

These Restated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Red Herring Prospectus ('RHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering ("IPO") of its equity shares.

The Restated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time; and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

The Company has decided to voluntarily adopt Ind AS for the financial year ended 31 March 2021 and prepared its first financial statements in accordance with Indian Accounting Standards (Ind AS) for the year ended 31 March 2021 with the transition date as 1 April 2019. Further, the

Company has prepared Ind AS financial statements for the year ended 31 March 2019 ("financial information"). This financial information have been prepared by making Ind AS adjustments to the audited Previous GAAP financial statements as at and for the year ended 31 March 2019. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's Restated Financial Information is set out in Note 34 of Annexure - V.

The Restated Financial Information have been extracted by the Management from the Audited Financial Statements and:

a) there were no audit qualifications on these financial statements;
b) there were no changes in accounting policies during the period/years of these financial statements;
c) material amounts relating to adjustments for previous years in arriving at profit/loss of the period/years to which they relate, have been appropriately adjusted;
d) adjustments have been made for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2021 prepared under Ind AS and the requirements of the SEBI Regulation; and
e) the resultant tax impact, if any, on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

(ii) Historical cost convention

The Restated Financial Information have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Ind AS notified under Section 133 of the Act Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, to the extent applicable.

1.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.4 Cash flow statement

Cash flows are reported using indirect method, whereby Profit before tax reported understatement of profit/ (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

1.5 Property, plant and equipment

All the items of property, plant and equipment are stated at historical cost net off cenvat credit less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.6 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in business combinations are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Amortisation of Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

a) Computer Software 5 Years

1.7 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.8 Inventories

Inventories of finished goods, raw materials and work in progress are carried at lower of cost and net realisable value. Fuel and stores & spare parts are carried at cost after providing for obsolescence and other losses. Cost for raw materials, fuel, stores & spare parts are ascertained on weighted average basis. Cost of Inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing to their respective present location and condition. Scrap Inventory is valued at NRV. Net Realizable Value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

1.9 Revenue Recognition

Revenue is recognized based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recoverability.

Revenue from sale of goods is recognised when substantial risk and rewards of ownership are transferred to the buyer under the terms of the contract.

Sales value is net of discount but does not include other recoveries such as handling charges, transport, octroi, etc.

Revenue from service contracts are recognised when service are rendered and related costs are incurred.

1.10 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.11 Foreign Currency Transactions

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is INR.

a) In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

b) The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are taken into Statement of Profit and Loss.

1.12 Employees Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
b) net interest expense or income; and
c) remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

<u>Short-term and other long-term employee benefits</u>

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.13 Accounting for Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year/period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.14 Leases

Transition

Effective April 01, 2019, the company adopted Ind As 116 “leases” and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognised on the date of initial application. Accordingly, company has not restated comparative information and recognised right of use assets at an amount equal to lease liability.

The Company’s lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

1.15 Earnings Per Share

'Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year/period adjusted for bonus elements, if any, issued during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.16 Segment Reporting

<u>Identification of segments:</u>

Segments are identified in line with Ind AS-108 "segment Reporting", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment.
Based on the Company's business model, manufacturing and/or trading of pipes, tubes & Steel have been considered as the only reportable business and geographical segment.

<u>Segment Policies:</u>

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.18 Fair value measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

1.19 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.20 Current and non-current classification:

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The assets and liabilities in the Balance Sheet are based on current/ non – current classification. An asset as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

a) Expected to be settled in normal operating cycle
b) Held primarily for the purpose of trading
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non - current assets and liabilities.

1.21 Critical and significant accounting judgements, estimates and assumptions

(i) Critical estimates and judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets:
Management reviews the useful lives of depreciable assets at each reporting. As at December 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for expected credit losses:
The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix.

Income taxes:
Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(ii) Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Determination of lease term & discount rate:
Ind AS 116 leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the company considers factor such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the company's operations taking into account the location of the underlying asset and availability of the suitable alternatives. The lease term in future period is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Provision and contingent liability
On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Changes in Accounting Policies

There have been no changes in the accounting policies of the Company during the last three financial years and nine months ended December 31, 2021. For further details, see "*Significant accounting policies*" on page 258.

Income and Expenditure

Our income and expenditure are reported in the following manner:

Income

Our income comprises of revenue from operations and other income.

RESULTS OF OPERATIONS

The following table sets forth the results of operation derived from the Restated Financial Statements for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, expressed in absolute terms and as a percentage of our revenue from operations, wherever applicable for the periods indicated.

(in ₹ million, except the percentage)

Particulars	For nine-month ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Revenue:								
Revenue from Operations	2767.69	99.46%	3093.31	99.13%	1778.08	99.16%	1187.52	98.54%
Other Income	15.11	0.54%	27.00	0.87%	15.14	0.84%	17.54	1.46%
Total Income	**2782.80**	**100%**	**3120.31**	**100%**	**1793.22**	**100%**	**1205.06**	**100.00%**
Expenses:								
Cost of materials consumed	2574.70	93.03%	2107.38	68.13%	1587.91	89.30%	1053.57	88.72%
Purchases of Stock in Trade	64.55	2.33%	524.67	16.96%	66.10	3.72%	-	0.00%
Change in inventories of finished goods, work-in-progress and Stock in trade.	(367.38)	(13.27)%	(17.27)	(0.56)%	(84.15)	(4.73)%	(37.26)	(3.14)%
Employee benefits expense	42.17	1.52%	32.00	1.03%	26.69	1.50%	25.34	2.13%
Other expenses	98.53	3.56%	98.76	3.19%	65.17	3.67%	62.94	5.30%
EBITDA (excluding other income)	**355.12**	**12.83%**	**347.77**	**11.24%**	**116.36**	**6.54%**	**82.94**	**6.98%**
Finance costs	42.61	1.54%	55.61	1.80%	45.54	2.56%	31.09	2.62%
Depreciation and amortisation expense	10.58	0.38%	9.65	0.31%	21.10	1.19%	19.93	1.68%
Total Expenses	2465.76	89.09%	2810.80	90.87%	1728.35	97.20%	1155.61	97.31%
Profit before tax	**317.04**	**11.46%**	**309.51**	**10.01%**	**64.86**	**3.65%**	**49.46**	**4.16%**
Tax Expenses:								
Current Tax	78.81	-	78.25	-	15.30	-	12.92	-
Deferred Tax	2.28	-	(6.46)	-	7.71	-	(0.96)	-
Earlier year tax adjustments	-	-	1.39	-	0.57	-	-	-
Total tax expenses	81.09	2.93%	73.18	2.37%	**23.58**	1.33%	**11.96**	1.01%
Profit for the year/period	**235.95**	**8.53%**	**236.33**	**7.64%**	**41.28**	**2.32%**	**37.50**	**3.16%**
Other comprehensive income:								
Items that will not be reclassified to Profit/(Loss)								
-actuarial gain/(Loss) on defined benefit plan	0.16		0.31		(0.34)		-	
-deferred tax on above	(0.04)		(0.08)		0.09		-	
Total Comprehensive income for the period	**236.07**	**8.53%**	**236.56**	**7.65%**	**41.02**	**2.31%**	**37.50**	**3.16%**

(1) EBITDA is equal to revenue from operations less cost of materials consumed, less purchase of stock in trade, less change in inventories of finished goods, stock-in-trade and work-in-progress, less employee benefit expense and less other expenses.

(2) Expenses & profit % had been derived on revenue from operation.

Principal Components of Statement of Profit and Loss

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue of operations consists of revenue from the sale of our products, i.e. welded pipes/tubes and seamless pipes/tubes, and sale of fittings and other steel products. The sale of our product accounted for ₹ 2463.26 million, ₹ 2,351.68 million, ₹ 1,588.45 million and ₹ 1,139.52 million for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively. Further the sale of fitting & other trading product accounted for ₹ 304.43 million, ₹ 741.63 million, ₹ 189.63 million and ₹ 48.00 million for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively. Revenue from operations accounted for 99.46%, 99.13%, 99.16% and 98.54% of our revenue for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Other Income

Our other income consists of interest income derived from export incentives, foreign exchange gain, interest on FD/margin and miscellaneous income. Other income accounted for 0.54%, 0.87%, 0.84% and 1.46% of our revenue for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively.

Expenditure

Our expenses primarily comprise of (i) cost of material consumed, (ii) purchase of stock in trade, (iii) changes in inventories of finished goods & work in progress, (iv) employee benefit expenses, (v) finance cost, (vi) depreciation and amortisation expenses and (vii) other expenses.

Cost of Materials Consumed: Cost of materials consumed includes the inventory of our raw materials at the beginning of the year, increased by the purchases of raw materials made during the respective period reduced by the closing stock of such inventory at the end of the period. The key materials consumed include SS coils and hollow pipes. Cost of raw materials consumed accounted for 93.03%, 68.13%, 89.30% and 88.72% of our revenue from operations for the nine-month period ended December 31, 2021 and Fiscals 2021, 2020 and 2019, respectively.

Purchases of Stock in Trade: Purchases of stock in trade comprises goods bought to be traded, such as other steel products. Purchases of stock in trade accounted for 2.33%, 16.96 % and 3.72% of our revenue from operations for the nine-month period ended December 31, 2021 and for Fiscals 2021 and 2020 respectively. There was no purchase of stock in trade during Fiscal 2019.

Changes in inventories: Changes in inventories of finished goods are calculated on the basis of stock at the end and the beginning of the period, comprising (a) traded goods; (b) work in progress; and (c) finished goods.

Changes in inventories of finished goods, work in progress and stock in trade were as a result of increase in production and supply of our products. Changes in inventories of finished goods, work in progress and stock in trade accounted for (13.27%), (0.56%), (4.73%) and (3.14%) of our revenue from operations for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Hence, if we take cost of materials consumed, purchase of stock in trade & changes in inventory of finished goods it will constitute 82.09%, 84.53 %, 88.29% and 85.58% of our revenue from operations for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Employee benefit expenses: Employee benefit expenses arising from salaries, bonuses, wages, contribution to provident fund, gratuity, employees' state insurance. Employee benefit expenses accounted for 1.52%, 1.03%, 1.50% and 2.13% of our revenue from operation for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Finance costs: Finance costs comprises of interest expenses on working capital loans, term loans, unsecured loans, deposits. Finance costs accounted for 1.54% , 1.80%, 2.56% and 2.62%, of our revenue from operation for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Depreciation and amortisation expenses: Depreciation and amortisation expenses comprises of expenses on depreciation and amortization. Depreciation and amortization expenses accounted for 0.38%, 0.31% ,1.19% and 1.68% of our revenue from operation for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively. The major components of depreciation expenses pertains to depreciation on plant and machinery which amount to ₹8.07 million, ₹ 7.43 million, ₹ 18.43 million and ₹ 18.44 million respectively for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Other expenses: Other expenses comprise primarily of manufacturing expenses, selling and distribution expenses, administrative expenses and other miscellaneous expenses. Other expenses accounted for 3.56%,3.19%,3.67% & 5.30% of our revenue from operation for the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, respectively.

Tax Expenses: Tax expenses comprise the Current Tax Expense, Deferred Tax and Earlier year tax adjustments.

Results of Operations for the nine-month ended December 31, 2021

Income

Our revenue from operations for the nine-month period ended December 31, 2021 was ₹ 2,767.69 million out of which sale of goods in seamless pipes category was 30.49 % i.e., ₹ 843.90 million and 58.51 % i.e., ₹ 1,619.36 million in welded pipes. Sale of traded goods and others (including scrap sales) was 11.00 % i.e., ₹304.43 million out of which sale of other steel product was 2.42% i.e., ₹ 66.98 million of the revenue from operations. In order to focus on our core area i.e. manufacturing of SS pipes/tubes we have discontinued sale of other steel product from June, 2021. The details of trading activities during nine months period ended December 31, 2021 shall be as follows:

(in ₹ millions)

Particulars	Revenue from Trading
Steel coils	151.24
Other fittings	69.43
Scrap	16.78
Structural Steel	66.98
Total	**304.43**

Further, our other income for the nine-month period ended December 31, 2021 was ₹ 15.11 million which was primarily due to foreign exchange gain, reversal of excess provision of ECL (expected credit loss) on debtors.

Expenses

The table below sets forth details in relation to our total expenses for the nine months ended period December 31, 2021

(in ₹ millions)

Particulars	Nine months ended December 31, 2021
Cost of material consumed	2,574.70
Purchase of Stock in Trade	64.55
Changes in inventories of finished goods and work in progress	(367.38)
Employee benefit expense	42.17
Finance cost	42.61
Depreciation and Amortization expense	10.58
Other expenses	98.53
Total	**2,465.76**

Cost of materials consumed: Our cost of materials consumed for the nine-month ended period December 31, 2021 was ₹ 2,574.70 million. Details are set below:

(in ₹ millions)

Particulars	Nine months ended December 31, 2021
Opening stock	216.64
Add: Purchases	2,625.13
Less: Closing Stock	267.07
Total	**2,574.70**

Our cost of materials consumed was ₹2574.70 million for the nine months ended period December 31, 2021. Our cost of materials consumed as a percentage of revenue from operations was 93.03% for the nine months ended December 31, 2021. However if we take cost of materials consumed, purchase of stock in trade & changes in inventory of finished goods it will constitute 82.09% of our revenue from operations for the nine-month period ended December 31, 2021.

Purchases of stock in trade

Our expense towards purchases of stock in trade which primarily represents goods that we procured for trading i.e other steel products for the nine-month period ended December 31, 2021 was ₹ 64.55 million.

Change in inventories of finished goods and work-in-progress and stock in trade

The table below sets forth details in relation to change in inventories for the nine months period ended December 31, 2021:

(in ₹ millions)

Particulars	Nine months period ended December 31, 2021
At the end of the period:	
-Finished goods	485.54
-Work in progress	105.75
At the beginning of the period:	
-Finished goods	201.96
-Work in progress	21.95
Total	**(367.38)**

Our inventories increased by ₹ 367.38 million, or 13.27 % of revenue from operation, to ₹ 591.29 million as at December 31, 2021. This was primarily attributable to increase in inventory of finished goods and work in progress to ₹591.29 million as at December 31, 2021 from ₹ 223.91 million as at March 31.2021

Employee benefits expense

Our employee benefits expense for the nine-month period ended December 31, 2021 was ₹ 42.17 million. Our employee benefit expense as a percentage of revenue from operation was 1.52% for the nine months period ended December 31, 2021.

Other expenses

Our other expenses for the nine-month ended December 31, 2021 was ₹ 98.53 million. Our other expenses as a percentage of revenue from operation was 3.56% of for the nine months period ended December 31, 2021.

EBITDA

For the reasons described above, our EBITDA was ₹ 355.12 million for the nine months ended December 31, 2021. Our EBITDA as percentage of revenue from operations for the nine months ended December 31, 2021 amounted to 12.83 %.

Finance costs

Our finance costs for the nine-month period ended December 31, 2021 was ₹42.61 million. The table below sets forth the details:

(in ₹ millions)

Particulars	Nine-months period ended December 31, 2021
Interest expenses	
-On borrowing	25.05
-On others	5.05
Other borrowing cost	12.51
Total	**42.61**

Depreciation and Amortisation Expense

Our depreciation and amortisation expense for the nine-month period ended December 31, 2021 was ₹ 10.58 million.

Profit before Tax

As a result of the foregoing factors, our profit before tax for the nine-month period ended December 31, 2021 was ₹ 317.04 million.

Tax Expenses

Our tax expenses for the nine-month period ended December 31, 2021 was ₹81.09 million and our tax expense as a percentage of our profit before tax was 25.58%.

(Loss)/Profit for the Year

As a result of the foregoing factors, our profit for the year for the nine-month period ended December 31, 2021 was ₹ 235.95 million.

Other Comprehensive Income

Our other comprehensive income for the nine-month ended December 31, 2021 was ₹ 0.12 million.

Total Comprehensive Income

As a result of the foregoing, our total comprehensive income (net of tax) for the nine-month ended December 31, 2021 was ₹ 236.07 million.

Results of Operations for Fiscal 2021 compared to Fiscal 2020

Income

The table below sets forth details in relation to our revenue for Fiscal 2021 and Fiscal 2020:

(in ₹ million, except the percentage)

Particulars	Fiscal 2021	Fiscal 2020	Percentage Increase/(decrease)
Sale of products	3093.31	1778.08	73.97%
Other Income	27.00	15.14	78.34%

Our revenue from operations increased by ₹ 1,315.23 million or 73.97% to ₹ 3,093.31 million for Fiscal 2021 as compared to ₹ 1,778.08 million for Fiscal 2020. This increase in revenue from operations was primarily due to increased sales of our products resulting from a robust growth of domestic and export demand.

Our revenue from domestic sales increased by ₹ 1,227.38 million or 71.44 % to ₹ 2,945.36 million from ₹ 1,717.98 million in Fiscal 2020 while our revenue from export sale increased by ₹ 87.85 million or 146.17% to ₹ 147.95 million for Fiscal 2021 from ₹ 60.10 million for Fiscal 2020. The increase in the export sale was due to addition of new customers outside India.

Our sale of finished goods increased by ₹ 763.23 million, or 48.05%, to ₹ 2,351.68 million for Fiscal 2021 from ₹ 1,588.45 million for Fiscal 2020, which increase was primarily due to an increase of 188.74% in revenue from the sale of goods in the seamless pipes category. In addition, our sales of welded pipes products increased by ₹ 133.84, million or 10.66% in Fiscal 2021 as compared to Fiscal 2020.

The sale of traded goods (including scrap sales) increased by ₹ 552.00 million, or 291.09% %, to ₹ 741.63 million for Fiscal 2021 from ₹ 189.63 million for Fiscal 2020. The increase in revenue from traded goods (including scrap sales) was primarily due to the trading of other steel product such as structural beam, angles, which increased from ₹68.04 million for Fiscal 2020 to ₹ 504.34 million for Fiscal 2021, representing an increase of 641.24%.

Other income increased by ₹ 11.86 million or 78.34% to ₹ 27 million for Fiscal 2021 compared to ₹ 15.14 million for Fiscal 2020. This increase in other income was primarily due to increase in interest income which includes interest subsidy of ₹ 7.43 million and increase in foreign exchange gain of ₹11.00 million.

Expenses

The table below sets forth details in relation to our total expenses for Fiscal 2021 compared to our total expenses for Fiscal 2020:

(in ₹ million, except the percentage)

Particulars	**Fiscal 2021**	**Fiscal 2020**	**Percentage increase/ (decrease)**
Cost of material consumed	2,107.38	1,587.91	32.71%
Purchase of stock in trade	524.67	66.10	693.75%
Changes in inventories of finished goods, work in progress & stock in trade	(17.27)	(84.15)	(79.48)%
Employee benefit expense	32.00	26.69	19.90%
Finance cost	55.61	45.54	22.11%
Depreciation and amortisation expenses	9.65	21.10	(54.27)%
Other expenses	98.76	65.17	51.54%
Total	**2,810.80**	**1,728.35**	**62.63%**

Our total expenses increased by ₹ 1,082.45 million or 62.63% to ₹ 2,810.80 million for Fiscal 2021 compared to ₹1,728.35 million for Fiscal 2020. This was primarily attributable to:

Cost of materials consumed

The table below sets forth details in relation to our cost of materials consumed for the periods indicated below:

(in ₹ millions, except for percentages)

Particulars	**Fiscal 2021**	**Fiscal 2020**	**Percentage increase/ (decrease)**
Opening stock	235.04	238.75	(1.55) %
Add: Purchases	2,088.98	1,584.21	31.86 %
Less: Closing Stock	216.64	235.04	(7.83) %
Total	**2,107.38**	**1,587.91**	**32.71 %**

Our cost of materials consumed increased by ₹ 519.47 million 32.71% to ₹ 2,107.38 million for Fiscal 2021 compared to ₹ 1587.91 million for Fiscal 2020. This increase was primarily due to increase in production as well as prices of raw material especially stainless steel coils. The production for seamless pipes and welded pipes for the Fiscal 2021 was 3,311 MT and 6,590 MT, respectively as compared to 1250 MT and 6,436 MT, respectively for Fiscal 2020.

Purchases of stock in trade

Our expense towards purchases of stock in trade increased by ₹ 458.57 million or 693.75% to ₹ 524.67 million for Fiscal 2021 as compared to ₹ 66.10 million for Fiscal 2020. This increase in purchases of stock in trade is the result of purchase of trading goods of other steel products in the Fiscal 2021. Due to covid induced disruption in production activity we continued with this trading opportunity in Fiscal 2021. In order to focus on our core area i.e. manufacturing of SS pipes/tubes we discontinued trading of other steel products from June 2021. However, the trading in fitting & steel coil continues.

Change in inventories of finished goods, work-in-progress and stock in trade

The table below sets forth details in relation to changes in inventories for the periods indicated below:

(in ₹ millions, except for percentages)

Particulars	Fiscal 2021	Fiscal 2020	Percentage increase/ (decrease)
At the end of the year:			
- Finished goods	201.96	184.38	9.53 %
- Work-in-progress	21.95	22.26	(1.39) %
Total	**223.91**	**206.64**	**8.36%**
At the beginning of the year:			
- Finished good	184.38	100.32	83.79 %
- Work-in-progress	22.26	22.17	0.41 %
Total	**206.64**	**122.49**	**68.70%**
Net Changes in Inventories	(17.27)	(84.15)	(79.48)%

Our inventory level for finished goods in Fiscal 2021 had increased by ₹17.58 million i.e. from ₹ 184.38 million in Fiscal 2020 to ₹ 201.96 million in Fiscal 2021. The increase in inventory of finished good is in line with increase turnover in the Fiscal 2021. The level of work in progress in Fiscal 2021 is in similar line of Fiscal 2020.

Employee benefits expense

Our employee benefits expense increased by ₹ 5.31 million or 19.90% to ₹ 32 million for Fiscal 2021 from ₹ 26.69 million for Fiscal 2020. The increase primary due to increase in salary and wages and increase in the number of employees from 139 as at March 2020 to 154 as at March 31, 2021. Further, as a percentage of our revenue from operation, the cost of employee benefit expenses reduced to 1.03% in Fiscal 2021 from 1.50% in Fiscal 2020.

Other expenses

The table below sets forth details in relation our other expenses for the periods indicated below:

(in ₹ millions, except for percentages)

Particulars	Fiscal 2021	Fiscal 2020	Percentage increase/ (decrease)
Consumption of stores & spares	19.42	11.38	70.65%
Legal and professional	3.92	1.94	102.06%
Repairing & maintenance machinery	0.69	0.57	21.05%
Rent, rates and taxes	3.00	1.19	152.10%
Security expenses	1.58	0.75	110.67%
Office expenditure	0.70	2.02	(65.35)%
Power & fuel	18.31	16.83	8.79%
Freight & loading/ unloading	14.15	9.85	43.65%
Communication	0.37	0.48	(22.92)%
Travelling and conveyance	0.45	2.59	(82.63)%
Insurance expense	0.81	1.14	(28.95)%
Allowance for doubtful debts	4.92	-	
Printing & stationery expenses	0.43	0.38	13.16%
Contractor & job work charges	16.41	8.48	93.51%
Payment to auditors	0.30	0.10	200.00%
Sale promotion expenses	0.67	0.25	168.00%
Expenditure on CSR	0.94	-	
Miscellaneous expenses	11.69	7.20	62.36%
Total	**98.76**	**65.17**	**51.54%**

Our other expenses increased by ₹ 33.59 million or 51.54% to ₹ 98.76 million for Fiscal 2021 as compared to ₹ 65.17 million for Fiscal 2020. This increase was primarily due to increase in job work charges, spares and tools consumed, power and fuel, and freight cost which was due to increase in production and sales during the year. Further, as a percentage of our revenue from operation, the other expenses reduced to 3.19% in Fiscal 2021 from 3.67% in Fiscal 2020.

EBITDA

For the reasons described above, our EBITDA increased by ₹ 231.40 million, or 198.87 %, to ₹ 347.77 million for Fiscal 2021 from ₹ 116.36 million for Fiscal 2020.

Finance costs

The table below sets forth details in relation our finance cost for the periods indicated below:

(in ₹ millions, except for percentages)

Particulars	Fiscal 2021	Fiscal 2020	Percentage increase/ (decrease)
Interest expenses			
-On borrowings	36.51	25.71	42.01%
-On others	12.57	6.07	107.08%
Other borrowing cost	6.53	13.77	(52.58)%
Total	**55.61**	**45.54**	**22.11%**

Our finance costs increased by ₹ 10.07 million or 22.11% to ₹ 55.61 million for Fiscal 2021 compared to ₹ 45.54 million for Fiscal 2020. This increase was primarily due to increase in bank borrowing for the purpose of working capital requirements in Fiscal 2021.

Depreciation and Amortisation Expense

Our depreciation and amortisation expense decreased by ₹ 11.45 million or 54.27% to ₹ 9.65 million for Fiscal 2021 compared to ₹21.10 million for Fiscal 2020. This decrease was primarily due to change in depreciation method from written down value method to straight line method.

Profit before Tax

As a result of the foregoing factors, our profit before tax increased by ₹ 244.65 million or 377.20% to ₹ 309.51 million for Fiscal 2021 as compared to ₹ 64.86 million for Fiscal 2020. This increase was on account of increased order flow, new direct customer acquisitions and better realisations.

(i) Increased Order Flows

During FY 2021 wherein lockdowns for a significant time period was imposed across the nation, the Company's revenue from (a) manufacturing activity increased by ₹763.23 million; and (b) trading activity increased by ₹ 552.00 million.

Manufacturing Activity

The increased order flow was a result of increase in demand of products of industries connected with the business of the Company leading to consequential increase in the demand of the Products of the Company. Due to the COVID-19 situation, the demand for pharmaceutical products increased substantially which led to increased demand for raw material such as active pharmaceutical ingredients (**APIs**"), which are manufactured by chemical industries. The sudden jump in the demand for APIs necessitated capacity expansion by the chemical industries in order to cater to its customer's demands. The Products manufactured by the Company are one of the necessary components required by such industries for such capacity expansion. Also, during the COVID-19 period, the said chemical industries collaborated with engineering services companies ("**ESCs**") which assisted them in setting-up of new plants and modernization of existing plants. These ESCs aggressively procured substantial quantity of Products of the Company during FY 2021. On an overall basis, the chemical and engineering services sector contributed to approximately 50.70% of the increased demand for the Company's Products during COVID-19 impacted FY2021. The details of the (i) increase in revenue from manufacturing and trading activity; and

(ii) sector-wise contribution in the increased sales from manufacturing activity of the Company in FY2021 are provided as below:

Details of the increase in revenue from Manufacturing and Trading activity in FY 2021

Revenue	FY2021	FY2020	Increase/(Decrease) in Revenue in FY 2021 as compared to FY 2020
Manufacturing	2351.68	1588.45	763.23
Trading	741.63	189.63	552.00
Total	3093.31	1778.08	1315.23

Details of sector-wise contribution in the increased sales from manufacturing activity of the Company in FY2021

Reference Sector	Sales - FY 2021 (Amount in ₹. Mn)	Sales - FY2020 (Amount in ₹. Mn)	Increase in Sales in FY 2021 (Amount in ₹. Mn)	% Contribution of each sector in Incremental Sales
Chemicals & Engineering	984.03	597.11	386.92	50.70%
Exports	147.95	60.10	87.85	11.51%
Other Sectors	1,219.70	931.24	288.45	37.79%
Total	**2351.68**	**1588.45**	**763.23**	**100.00%**

Additionally, the export sales of the Company also contributed to 11.51% of the increased demand for the Products of the Company.

Trading Activity

In addition to the reasons cited above, in FY 2021 the Company aggressively explored business opportunities in the space of trading of structural steel products including iron ore pellets as a measure of ensuring business continuity. This was done in the background of disturbances in the production cycle and uncertainty over business continuity during the COVID-19 period. This strategy contributed an additional revenue of ₹ 476.45 million during FY2021. The details of trading activity during FY 2021 and FY 2020 are provided as under:

Details of Trading Activity during FY 2021 and FY 2020

Particulars	Revenue from Trading		Increase/(Decrease) in Revenue in FY 2021 as compared to FY 2020
	FY 2021	FY 2020	
Steel coils	155.41	97.37	58.04
Other fittings	23.81	15.07	8.74
Scrap	17.92	9.15	8.77
Structural Steel	504.34	68.04	436.30
Iron Ore Pellets	40.15	-	40.15
Total	**741.63**	**189.63**	**552.00**

(ii) New Direct Customer Acquisitions

The major contribution to the revenue was on account of acquisition of new customers as well as order increase from the existing customers in Chemical and Engineering sector. The details of new direct customers (unique) acquisition and the revenue numbers for FY 2021 and FY 2020 and the details of orders received from the above indicated sectors during the said period are as under:

Details of New Direct Customers (unique) acquisition and the revenue numbers for FY 2021 and FY 2020

Particulars	Fiscal 2021			Fiscal 2020		
	No. of New Customers	Revenue (In ₹Mn)	% of Total Sales	No. of New Customers	Revenue (In ₹Mn)	% of Total Sales
New Direct Clients	110	336.13	11%	81	150.97	8%

Details of orders received from the Chemicals and Engineering Sector for FY 2021 and FY 2020 (Unique Customers)

Sectors	Fiscal 2021			Fiscal 2020		
	No. of New Customers	Revenue (In ₹Mn)	% of Total Sales	No. of New Customers	Revenue (In ₹Mn)	% of Total Sales
Chemicals	22	168.66	5.45	9	29.49	1.66
Engineering	71	134.62	4.35	54	104.94	5.90

(iii) Better Realizations

The Company experienced better realizations in FY 2021 due to the combined effect of increased order flows and new direct customer acquisitions.

Tax Expenses

Our tax expenses increased by ₹ 49.60 million or 210.35% to ₹ 73.18 million for Fiscal 2021 compared to ₹ 23.58 million for Fiscal 2020. The increase in tax expenses during Fiscal 2021 is mainly on account of increase in current tax by ₹ 62.95 million, or 411.44%, to ₹ 78.25 million for Fiscal 2021 from ₹ 15.30 million for Fiscal 2020. The increase in current tax was primarily on account of increase in taxable income for Fiscal 2021. In addition our deferred tax gain was ₹ (6.46) million for Fiscal 2021 compared to a deferred tax expenses of ₹ 7.71 million for Fiscal 2020.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by ₹ 195.04 million or 472.48% to ₹ 236.32 million for Fiscal 2021 compared to ₹ 41.28 million for Fiscal 2020.

Other Comprehensive Income

There is no material change in our other comprehensive income during Fiscal 2021. Our total other comprehensive income (net of tax) was ₹ 0.23 million in Fiscal 2021 compared to ₹ (0.25) million in Fiscal 2020.

Total Comprehensive Income

As a result of the foregoing, our total comprehensive income increased by ₹ 195.54 million or 476.69% from ₹ 41.02 million for Fiscal 2020 to ₹236.56 million for Fiscal 2021.

Results of Operations for Fiscal 2020 compared to Fiscal 2019

Income

The table below sets forth details in relation to our revenue for Fiscal 2020 and Fiscal 2019:

(in ₹ millions, except for percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage Increase/(decrease)
Sale of products	1778.08	1,187.52	49.73 %
Other Income	15.14	17.54	(13.68) %

Our revenue from operations increased by ₹ 590.56 million or 49.73% to ₹ 1,778.08 million for Fiscal 2020 as compared to ₹ 1,187.52 million for Fiscal 2019. This increase in revenue from operations was primarily due to increased volume of sales and new customer acquisition during the year. Our sale of finished goods increased by ₹ 448.93 million, or 39.40%, to ₹ 1,588.45 million for Fiscal 2020 from ₹ 1,139.52 million for Fiscal 2019, which increase was primarily due to an increase of 55.87%in revenue from the sale of finished goods in the welded pipes category which increased by ₹ 449.81 million, or 55.87%, to ₹ 1,254.98 million for Fiscal 2020 from ₹ 805.17 million for Fiscal 2019.

Our revenue from domestic sales increased by ₹ 664.41 million or 63.06 % to ₹ 1,717.98 million from ₹ 1,053.57 million in Fiscal 2020 while our revenue from export sale decreased by ₹ 73.85 million or 55.13% to ₹ 60.10 million for Fiscal 2020 from ₹ 133.95 million for Fiscal 2019.

The sale of traded goods (including scrap sales) increased by ₹141.63 million, or 295.06 % to ₹189.63 million for Fiscal 2020 from ₹ 48.00 million for Fiscal 2019. The increase in revenue from traded goods (including scrap sales) was primarily due to the trading of new steel products such as structural beams, angles amounting to ₹ 68.04 million in Fiscal 2020. There was no trading of these products in Fiscal 2019.

Other income decreased by ₹ 2.40 million or 13.68% to ₹ 15.14 million for Fiscal 2020 compared to ₹ 17.54 million for Fiscal 2019. This decrease in other income was primarily due to decrease in interest income on account of receipt of interest subsidy in Fiscal 2019 which was absent in Fiscal 2020.

Expenses

The table below sets forth details in relation to our total expenses for Fiscal 2020 compared to our total expenses for Fiscal 2019:

(in ₹ millions, except for percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase/ (decrease)
Cost of material consumed	1587.91	1053.57	50.72%
Purchase of stock in trade	66.10	-	100%
Changes in inventories of finished goods, work in progress & stock in trade	(84.15)	(37.26)	125.85%
Employee benefit expense	26.69	25.34	5.33%
Finance cost	45.54	31.09	46.48%
Depreciation and amortisation expenses	21.10	19.93	5.87%
Other expenses	65.17	62.94	3.54%
Total	**1728.35**	**1,155.61**	**49.56%**

Our total expenses increased by ₹ 572.74 million or 49.56% to ₹ 1,728.35 million for Fiscal 2020 compared to ₹ 1,155.61 million for Fiscal 2019. This increase in expenses was primarily due to:

Cost of materials consumed

The table below sets forth details in relation to our cost of materials consumed for the periods indicated below:

(*in ₹ millions, except for percentages*)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase/ (decrease)
Opening stock	238.75	95.25	150.66%
Add: Purchases	1,584.21	1,197.06	32.34%
Less: Closing Stock	235.04	238.75	(1.55%)
Total	**1,587.91**	**1,053.57**	**50.72%**

Our cost of materials consumed increased by ₹ 534.34 million or 50.72% to ₹ 1,587.91 million for Fiscal 2020 as compared to ₹ 1,053.57 million for Fiscal 2019. This increase was primarily due to increase in production & sales. The production for seamless pipes and welded pipes for the Fiscal 2020 was 1250 MT and 6436 MT, respectively, as against 903 MT and 3283 MT, respectively, for Fiscal 2019.

Purchases of stock in trade

Our expense towards purchases of stock in trade increased by ₹ 66.10 million or 100 % to ₹ 66.10 million for Fiscal 2020 compared to ₹ nil for Fiscal 2019. This increase was primarily due to initiation of trading business in other steel product such as structural beam, angles in last quarter of Fiscal 2020.

Change in inventories of finished goods

The table below sets forth details in relation to changes in inventories for the periods indicated below:

(in ₹ millions, except for percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase/ (decrease)
At the end of the year:			
- Finished goods	184.38	100.32	83.79%
- Work in Progress	22.26	22.17	0.41%
	206.64	**122.49**	**68.70%**
At the beginning of the year:			
- Finished good	100.32	66.77	50.25%
- Work in Progress	22.17	18.46	20.10%
	122.49	**85.23**	**43.72%**
Net Changes in Inventories	(84.15)	(37.26)	125.85%

Our change in inventories of finished goods, work-in-progress and stock in trade increased by ₹ 46.89 million or 125.85% to ₹ (84.15) million for Fiscal 2020 compared to ₹ (37.26) million for Fiscal 2019. This increase was primarily due to increase in finished goods stock.

Employee benefits expense

Our employee benefits expense increased by ₹ 1.35 million or 5.33% to ₹ 26.69 million for Fiscal 2020 compared to ₹ 25.34 million for Fiscal 2019. The increase was due to increments, salary and wages. Our employee benefit expenses as a percentage of revenue from operation decreased to 1.50% for Fiscal 2020 from 2.13% for Fiscal 2019.

Other expenses

The table below sets forth details in relation our other expenses for the periods indicated below.

(in ₹ millions, except for percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase/ (decrease)
Consumption of stores & spares	11.38	9.32	22.10%
Legal and professional	1.94	1.08	79.63%
Repairing & maintenance machinery	0.57	0.58	(1.72)%
Rent, rates and taxes	1.19	1.44	(17.36)%
Security expenses	0.75	0.62	20.97%
Office expenditure	2.02	1.57	28.66%
Foreign exchange loss	-	2.73	(100.00)%
Power & fuel	16.83	16.12	4.40%
Freight & loading/ unloading	9.85	8.85	11.30%
Communication	0.48	0.37	29.73%
Travelling and conveyance	2.59	3.05	(15.08)%
Insurance expense	1.14	0.15	660.00%
Printing & stationery expenses	0.38	0.50	(24.00)%
Contractor & job work charges	8.48	6.34	33.75%
Payment to auditors	0.10	0.10	negligible
Sale promotion expenses	0.25	0.16	56.25%
Miscellaneous expenses	7.20	9.98	(27.86)%
Total	65.17	62.94	3.54%

Our other expenses increased by 3.54% to ₹ 65.17 million for Fiscal 2020 compared to ₹ 62.94 million for Fiscal 2019. This increase was primarily due to increase in job work charges, cost of stores, spares and tools consumed, legal and professional expenses, insurance expense.

Further, as a percentage of our revenue from operation, the other expenses reduced to 3.67% in Fiscal 2020 from 5.30% in Fiscal 2019.

EBITDA

For the reasons described above, our EBITDA increased by ₹ 33.42 million, or 40.29 %, to ₹ 116.36 million for Fiscal 2020 from ₹ 82.94 million for Fiscal 2019.

Finance costs

The table below sets forth details in relation our finance cost for the periods indicated below.

(in ₹ millions, except for percentages)

Particulars	Fiscal 2020	Fiscal 2019	Percentage increase/ (decrease)
Interest expenses			
-On borrowings	25.71	21.21	21.22%
-On others	6.07	1.93	214.51%
Other borrowing cost	13.77	7.96	72.99%
Total	**45.54**	**31.09**	46.48%

Our finance costs increased by ₹ 14.45 million or 46.48% to ₹ 45.54 million for Fiscal 2020 compared to ₹ 31.09 million for Fiscal 2019. This increase was due to increase in bank borrowing for the purpose of working capital requirements in Fiscal 2020. Our Company had taken additional working capital loan of ₹ 50 million in Fiscal 2020 and also the increase was due to increase in interest rate on borrowings.

Depreciation and Amortisation Expense

Our depreciation and amortisation expense increased by 5.87% to ₹ 21.10 million for Fiscal 2020 compared to ₹19.93 million for Fiscal 2019. The marginal increase was on account of addition of fixed assets.

Profit before Tax

As a result of the foregoing factors, our profit before tax increased by ₹ 15.40 million or 31.14% to ₹ 64.86 million for Fiscal 2020 compared to ₹ 49.46 million for Fiscal 2019.

Tax Expenses

Our tax expenses increased by ₹ 11.62 million or 97.16% to ₹ 23.58 million for Fiscal 2020 compared to ₹ 11.96 million for Fiscal 2019. This increase was primarily due to increase in taxable profit and increase in net deferred tax expenses by ₹ 8.67 million.

Our current tax increased by ₹ 2.38 million, or 18.42%, to ₹ 15.30 million for Fiscal 2020 from ₹ 12.92 million for Fiscal 2019. Our deferred tax expense was ₹ 7.71 million for Fiscal 2020 compared to a deferred tax gain of ₹ (0.96) million for Fiscal 2019. For Fiscals 2020 and 2019, our tax expense as a percentage of our profit before tax was 36.36 % and 24.18 %, respectively

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by ₹ 3.78 million or 10.08% to ₹ 41.28 million for Fiscal 2020 compared to ₹ 37.50 million for Fiscal 2019.

Other Comprehensive Income

Our total other comprehensive income (net of tax) was ₹ (0.25) million in Fiscal 2020. There was no other comprehensive income during Fiscal 2019.

Total Comprehensive Income

As a result of the foregoing, our total comprehensive income increased by ₹ 3.52 million or 9.39% from ₹ 37.50 million for Fiscal 2019 to ₹ 41.02 million for Fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements arise principally from our operating activities, working capital requirements, capital expenditures for maintenance and expansion activities, and the repayment of borrowings. In the last three fiscal years and the nine months period ended December 31, 2021, our principal sources of funding were cash from operations and loan facilities. As at December 31, 2021, we had cash and cash equivalents (as per our cash flow statement) of ₹ 0.39 million. Cash and cash equivalents comprised cash on hand and balances with banks in current accounts.

For details of our fund-based credit facilities and non-fund-based credit facilities as at April 7, 2022, see *"Financial Indebtedness"* on page 250.

Indebtedness

Our Company has availed loans in the ordinary course of business for the purposes of meeting working capital requirements and for capital expenditure. As on April 7, 2022, the outstanding amount under the secured fund based borrowings of our Company was ₹ 612.48 million, secured non-fund based facilities availed by our Company, was ₹70.55 million and other unsecured loan was ₹ 98.89 million. Set forth below is a brief summary of the aggregate borrowings of our Company as on April 7, 2022, as certified by Statutory Auditor on April 19, 2022:

(₹ in million)

Category of borrowing	Sanctioned Amount	Outstanding amount
Secured Fund Based Facilities		
Working Capital[1]	450.00	449.41
Term Loan[2]	99.65	95.69

Discounting Limit[3]	17.38	17.38
Supplier Financing[4]	50.00	50.00
Sub Total	**617.03**	**612.48**
Secured Non – Fund Based Facilities		
LC Limit[5]	140.55	70.55
Sub Total	140.55	**70.55**
Unsecured Loan Facilities[6]	**120.00**	**98.89**
Total	**877.58**	**781.92**

[1] *Secured Working Capital include Cash Credit Facility.*
[2] *Secured Term loan includes Term loan against fixed assets, working capital term loan & Vehicle loan from banks.*
[3] *Secured Discounting limit includes Post Shipment LC facility along with sub limit of Inland LC bill discounting facility*
[4] *Supplier financing includes loan facility by Tata Capital Financial Services Limited for purchase of inventory from specific suppliers.*
[5] *State Bank of India had sanctioned Fund Based & Non fund Based limit to the company on March 23, 2022 and had taken over the limit of existing bankers of the company i.e Karnataka Bank & Bandhan Bank. The LC limit includes Rs 70.55 million sanctioned limit of Karnataka bank & Rs 70 million sanctioned limit of State Bank of India. Out of Rs 220 million LC limit of Karnataka Bank, SBI had paid of Rs 150 million on March 31, 2022 to Karnataka Bank and balance Rs 70 million of Karnataka bank (currently the company had provided 100% cash margin in the form of Bank fixed deposit for LC/FLC's outstanding for Rs. 70.55 million) will be repaid as and when the LC's/FLC become due, post liquidation of all LC/FLC's the limit of Karnataka bank will be extinguished. Similarly the discounting limit with Karnataka bank will be repaid as and when it becomes due and post repayment the limit will be extinguished.*
[6] *Unsecured Loan Facilities includes the loan taken from Ambaji Warehouse Park (Partnership Firm) and Oxyzo Financials Services Pvt Ltd.*

CASH FLOWS

The table below summarises the statement of cash flows, for the respective period indicated below.

(₹ in million)

Particulars	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Net cash used/ generated from operating activities	(579.63)	113.26	24.12	(66.58)
Net cash used in investing activities	484.61	(24.17)	(123.61)	(13.87)
Net cash generated from financing activities	94.72	(91.91)	100.15	77.16
Cash and cash equivalents at the beginning of the period	0.69	3.50	2.84	6.14
Cash and cash equivalents at the end of the period	0.39	0.69	3.50	2.84

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

Cash Flows from Operating Activities

Nine-months ended December 31, 2021

Net cash used in operating activities for the period of nine-month period ended December 31, 2021 was ₹ 579.63 million. Profit before taxes was ₹ 317.04 million and adjustments to reconcile profit before taxes to operating profit before working capital changes primarily consisted of (i) depreciation and amortisation expense of ₹ 10.58 million; (ii) finance costs of ₹ 30.10 million; which was partially off-set by (iii) reversal of provision for expected credit loss of ₹ 7.49 million (iv) interest income of ₹ 3.55 million; Operating profit before working capital changes was ₹ 346.68 million for period of nine-month period ended December 31, 2021 and adjustments to working capital in period of nine-month period ended December 31, 2021, comprised of (i) increase in trade and other payables of ₹ 99.72 million; (ii) increase in other current and non-current liabilities of ₹ 3.69 million; (iii) decrease in other current & non-current financial liability of ₹ 0.54 million (iv) an increase in trade and other receivables of ₹ 283.95 million; (v) increase in other non- current & current financial assets of ₹ 0.56 million; (vi) increase in other current assets of ₹ 299.23 million; and (vii) ₹ 419.22 million increase in inventories. Direct tax paid amounted to ₹ 26.22 million.

Fiscal 2021

Net cash generated from operating activities for Fiscal 2021 was ₹113.26 million. Profit before taxes was ₹ 309.51 million and adjustments to reconcile profit before taxes to operating profit before working capital changes primarily consisted of (i) depreciation and amortisation expense of ₹ 9.65 million; (ii) finance costs of ₹ 49.08 million; (iii) provision for expected credit loss of ₹ 4.92 million which was partially off-set by (iv) interest income of ₹ 12.48 million; Operating profit before working capital changes was ₹ 360.68 million in Fiscal 2021 and adjustments to working capital in Fiscal 2021, comprised of (i) increase in trade and other payables of ₹ 11.22 million; (ii) increase in other current and non- current liabilities of ₹ 32.72 million; (iii) decrease in other current & non-current financial liability of ₹ 0.65 million (iv) an increase in trade and other receivables of ₹ 148.16 million; (v) increase in other non- current & current financial assets of ₹ 25.73 million; (vi) increase in other current assets of ₹ 110.47 million ;and (vii) ₹ 0.96 million decrease in inventories. Direct tax paid amounted to ₹ 7.30 million.

Fiscal 2020

Net cash generated from operating activities for Fiscal 2020 was ₹ 24.12 million. Profit before taxes was ₹ 64.86 million and adjustments to reconcile profit before taxes to operating profit before working capital changes primarily consisted of (i) depreciation and amortisation expense of ₹ 21.10 million; (ii) finance costs of ₹ 31.77 million; which was partially offset by (iii) reversal of provision for expected credit loss of ₹ 8.20 million; (iv) interest income of ₹ 3.40 million; Operating profit before working capital changes was ₹ 106.13 million in Fiscal 2020 and adjustments to working capital in Fiscal 2020, comprised of (i) increase in trade and other payables of ₹ 88.44 million; (ii) increase in other current and non- current liabilities of ₹ 2.09 million; (iii) increase in other current and non- current financial liabilities of ₹ 0.25 million; (iv) an increase in trade and other receivables of ₹ 82.98 million; (v) decrease in other current and non- current financial assets of ₹ 10.78 million; (vi) an increase in other current assets of ₹ 8.53 million; and (vii) ₹ 81.08 million increase in inventories. Direct tax paid amounted to ₹ 10.98 million.

Fiscal 2019

Net cash used in operating activities for Fiscal 2019 was ₹ 66.58 million. Profit before taxes was ₹ 49.46 million and adjustments to reconcile profit before taxes to operating profit before working capital changes primarily consisted of (i) depreciation and amortisation expense of ₹ 19.93 million; (ii) finance costs of ₹ 23.13 million; which was partially off-set by (iii) reversal of provision for expected credit loss of ₹ 6.6 million; (iv) interest income of ₹ 10.30 million; Operating profit before working capital changes was ₹ 75.62 million in Fiscal 2019 and adjustments to working capital in Fiscal 2019, comprised of (i) increase in trade and other payables of ₹ 208.37 million; (ii) increase in other current liabilities of ₹ 29.06 million; (iii) an increase in trade and other receivables of ₹ 158.44 million; (iv) an increase in other current financial assets of ₹ 27.87 million; and (v) ₹ 180.41 million increase in inventories. Direct tax paid amounted to ₹ 12.92 million.

Cash Flows from Investing Activities

Nine-month period ended December 31, 2021

Net cash generated from investing activities for the period of nine months period ended December 31, 2021 was ₹ 484.61 million, primarily on account of (i) proceeds from issue of fresh equity shares of ₹ 569.43 million; (ii) interest income of ₹ 3.55 million; and this was partially offset by (iii) purchase of property, plant and equipment and capital work-in-progress of ₹ 75.17 million; and (iv) investment in fixed deposit of ₹ 13.20 million.

Fiscal 2021

Net cash used in investing activities for Fiscal 2021 was ₹ 24.17 million, primarily on account of (i) purchase of property, plant and equipment and capital work-in-progress of ₹ 50.39 million; and this was partially offset by (ii) interest income of ₹ 12.48 million; and (iii) cash received on maturity of deposit/margin money of ₹ 13.74 million

Fiscal 2020

Net cash used in investing activities for Fiscal 2020 was ₹123.61 million, primarily on account of (i) purchase of property, plant and equipment and capital work-in-progress of ₹ 74.24 million; (ii) investment in fixed deposits of ₹ 52.77 million and this was partially offset by (iii) interest income of ₹ 3.4 million;

Fiscal 2019

Net cash used in investing activities for Fiscal 2019 was ₹ 13.87 million, primarily on account of (i) purchase of property, plant and equipment and capital work-in-progress of ₹ 20.88 million; (ii) investment in fixed deposit of ₹ 3.29 million and this was partially offset by (iii) interest income of ₹ 10.30 million;

Cash Flows from Financing Activities

Nine-months ended December 31, 2021

Net cash generated from financing activities for the period of nine-months ended December, 2021 was ₹ 94.72 million, primarily representing the following: (i) net repayment of non-current borrowings of ₹ 26.02 million; (ii) net proceeds from current borrowings of ₹ 151.06 million; and (iii) finance cost of ₹ 30.32 million.

Fiscal 2021

Net cash used in financing activities for Fiscal 2021 was ₹ 91.91 million, primarily representing the following: (i) net proceeds from non-current borrowings of ₹ 4.31 million; (ii) net repayment of current borrowings of ₹ 55.40 million; and (iii) finance cost of ₹ 40.81 million.

Fiscal 2020

Net cash generated from financing activities for Fiscal 2020 was ₹ 100.15 million, primarily representing the following: (i) net proceeds from non-current borrowings of ₹ 60.99 million; (ii) net proceeds from current borrowings of ₹ 70.93 million; and (iii) finance cost of ₹ 31.77 million.

Fiscal 2019

Net cash generated from financing activities for Fiscal 2019 was ₹ 77.16 million, primarily representing the following: (i) net proceeds from non-current borrowings of ₹ 50.50 million; (ii) net proceeds of current borrowings of ₹ 49.79 million; and (iii) finance cost of ₹ 23.13 million.

RELATED PARTY TRANSACTIONS

We have engaged in the past, and may engage in the future, in transactions with related parties. The details of the transactions with the related parties for the nine-month period ended December, 2021 and Fiscal 2021, 2020 and 2019 are as under:

Particulars	***As on December 31, 2021 (₹ million)***	***Fiscal (₹ million)***		
		2021	***2020***	***2019***
Purchase of goods / services	422.81	445.82	807.11	292.91
Purchase of fixed assets	1.37	2.45	1.72	2.83
Sale of goods /services	166.44	359.28	423.93	160.24
Expenses incurred	3.79	5.82	-	-
Net receipt/(payment) of unsecured loan	(26.86)	85.64	5.42	65.04

For details of our related party transactions, see "*Restated Financial Statements – Annexure – V Note 29 - Related Party Transactions*" on page 232.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth a maturity profile of our contractual obligations and commercial commitments as of December 31, 2021:

(₹ in million)

Particulars	Maturity				
	On Demand	**Less than 1 year**	**One to five years**	**More than five years**	**Total**
Non-Current Borrowings	-	-	163.16	-	163.16
Lease Liabilities	-	0.81	2.55	-	3.36
Short Term Borrowings	299.14	37.76	-	-	336.90
Trade Payable	-	523.94	-	-	523.94
Other Financial Liabilities	-	0.57	-	-	0.57
Total	**299.14**	**563.08**	**165.71**	**-**	**1027.93**

CONTINGENT LIABILITIES

As of December 31, 2021, our contingent liabilities that have not been provided for were as follows:

(₹ in million)

Particulars	Amount
Duty on import against advance licenses for export obligations	289.64
Total	**289.64**

For further details of certain matters which comprise our contingent liabilities, see "*Restated Financial Statements – Annexure - V Note 35.1*" beginning on page 242.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

CAPITAL EXPENDITURE

Historical capital expenditure

Our Company has undertaken capital expenditure for expansion & others in Fiscal 2021 and previous years. The following table sets forth gross addition to our fixed assets for the period indicated:

(₹ in million)

Particulars	For the nine-months ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Capital Expenditure	27.81	82.84	46.17	20.88

Planned capital expenditure

In Fiscal 2023, we expect to incur ₹ 1,079.45 million capital expenditures, primarily in relation to expansion project as detailed in "*Objects of the Issue*" at page no 90. We anticipate funding our planned capital expenditures from Issue proceeds.

We have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the services may differ from the current estimates.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to market risks, credit risk and liquidity risk during the course of our business.

Interest Rate Risk

We are exposed to interest rate risk where the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company has non-current borrowings in the form of term loans & other unsecured loan and current borrowings in the form of working capital and LC credit. We have a fixed rate of interest in case of vehicle loans and accordingly, there is no interest rate risk associated with these borrowings. Our Company is exposed to interest rate risk associated with term loan, LC and working capital facility due to floating rate of interest. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt and to finance development of new projects, all of which may in turn, adversely affect our results of operations.

For further details, see "*Restated Financial Statements—Annexure V Note 30(b) – Interest Rate Risk*" on page 237.

For further information, please refer to "*Financial Indebtedness*" on page 250.

Foreign Currency Exchange Rate Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Our Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to our Company's operating activities. Our Company transacts business primarily in USD and Euro. Our Company has foreign currency trade payables and receivables and is therefore, exposed to foreign currency exchange risk. Our Company regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

In the nine-month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, our operations in foreign currency were ₹ 264.06 million, ₹ 147.95 million, ₹ 60.10 million and ₹ 133.95 million, respectively, and as a percentage of our revenue from operations, were 9.54%, 4.78%, 3.38% and 11.28%, respectively.

For further details, see "*Restated Financial Statements - Annexure - V Note 30(b) Foreign Currency Risk*" on page 238.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. If our customers do not pay us promptly, or at all, it may affect our working capital cycle and/or we may have to make provision for or write-off on such amounts.

We measure the expected credit loss of trade receivables, which are subject to credit risk, based on historical trend, industry practices and the business environment in which the entity operates and adjusted for forward looking information. Loss rates are based on actual credit loss experience and past trends. We have used practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days the receivables are due. Further, we also consider factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by our finance department. Our Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, we assess and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

Liquidity Risk

We carry a liquidity risk to meet the present and future cash and collateral obligations. Liquidity risk is the risk that our Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Our objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. We rely on short term borrowings and operating cash flows in the form of suppliers' credit and working capital to meet our need for funds. Our Company does not breach any covenants wherever applicable on any of its borrowing facilities. We have access to a sufficient variety of sources of funding as per requirements.

Competition and Price Risk

We face competition from local and foreign competitors.

Unusual or Infrequent Events or Transactions

Other than as described in this section and the sections of this Red Herring Prospectus entitled "*Our Business*", "*Risk Factors*" on pages 139 and 23, respectively, there have been no events or transactions which may be described as "unusual" or "infrequent".

Seasonality of Business

Our business is not seasonal in nature.

Future Changes in Relationship between Costs and Revenues

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 23, 139 and 253 respectively, we believe there are no known factors that might affect the future relationship between cost and revenue.

Significant Dependence on a Single or Few Customers and Suppliers

We have diversified customer base. We do not currently have any material dependency on a single or a few customers. Our top ten (10) customers (including stockist/traders) constitute 32%, 37%, 45% and 35% of total sales for the nine-month period ended December 31, 2021 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 respectively. For further details, please refer to Risk Factor No. 2 titled *"We have historically derived, and may continue to derive, a significant portion of our income from our top 10 customers."* on page 25 of this Red Herring Prospectus.

We undertake procurement of raw materials from various sources i.e. domestic as well as international market based on availability, cost and delivery time. We do not have any long-term contract with any of our suppliers and procurement is done from various suppliers based on aforesaid criteria. We are in the industry for over 6 years and have a pool of long-standing suppliers. Further, when selecting new suppliers, we take into consideration their reputation, product quality, price, reliability, infrastructure, delivery time and credit terms.

Competitive Conditions

As there are several companies which manufacture certain of the products that we sell in various geographical markets, we face stiff competition from the existing players.

Since there are already established players in our product segment, we have to be always cost competitive and quality conscious. Any deviation to the strategy may impact our ability to retain existing customers or acquire new customers. Besides that general competitive factors in the market, which may affect the level of competition over the short and medium term, include product features, quality, price, delivery, general customer experience, time to market, availability of after-sale and logistics support, and relationships between producers and their customers.

We expect competition in our industry from existing and potential competitors to intensify. For details, see discussions of our competition, see "*Risk Factors*", "*Our Business*" and "*Industry Overview*" on pages 23, 139 and 114.

Total turnover of each major industry segment in which our Company operated

We currently operate in a single business segment, i.e., pipes and fittings, and within India.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian and international rules and regulations as well as the overall growth of the Indian and world economies 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 have materially affected our Company's operations or are likely to affect income from continuing operations except as described in "*Risk Factors*" beginning on page 23.

Known Trends or Uncertainties that have had or are Expected to have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Significant Factors Affecting Our Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" beginning on pages 254 and 23, respectively. Except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on sales, revenue or income from continuing operations.

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 Fiscals are as explained in the parts "Result of Operations for Fiscal 2021 compared to Fiscal 2020" and "Result of Operations for Fiscal 2020 compared to Fiscal 2019" in "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Status of any Publicly Announced New Products or Business Segments

We have not announced any new products or business segments publicly.

Significant economic and regulatory changes

Other than as described above under the heading entitled "*-Significant Factors Affecting Our Results of Operations and Financial Condition*", "*Risk Factors*" and "*Key Regulations and Policies*" beginning on pages 254, 23 and 159, respectively, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in "*-Significant Factors Affecting Our Results of Operations and Financial Condition*" beginning on page 254 and the uncertainties described in "*Risk Factors*" beginning on page 23. To our knowledge, except as described in this Red Herring Prospectus, there are no known factors which we expect will have a material adverse effect on our revenues or income from continuing operations.

Qualifications, reservations, and adverse remarks in the last three fiscals

There are no qualifications, reservations and adverse remarks by our statutory auditor for the previous three fiscal years and nine months ended December 31, 2021.

Significant Developments after December 31, 2021 that may affect our results of operations

Except as mentioned below, there has not been any significant development post December 31, 2021 that may affect our results of operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Subsequent to December 31, 2021 our financing facility from Karnataka Bank and Bandhan Bank were taken over by State Bank of India. Pursuant to which our working capital limits, terms loans/ GECL facilities etc where sanctioned in favour of company by State Bank of India.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceeding; (ii) actions taken by regulatory or statutory authorities; (iii) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Fiscals, including outstanding action; (iv) claims related to direct and indirect taxes in a consolidated manner; and (v) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters, Directors and subsidiaries ("**Relevant Parties**").*

For the purpose of (v) above, our Board in its meeting held on October 21, 2021 has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties and Group Companies.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoter in the last five Fiscals including outstanding action and tax matters, would be considered 'material' for disclosure in this Red Herring Prospectus:

(a) if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1.00% of the profit after tax of the Company for the last completed financial year covered in the Restated Financial Statements (i.e. ₹ 2.363 million) for Fiscal 2021; or

(b) such pending litigation is material from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation.

Further, in relation to outstanding litigation involving our Group Companies that may have a material impact on our Company, in accordance with the Materiality policy, we have considered such outstanding litigation proceedings involving the Group Companies as material, which are material from the perspective of our Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board in its meeting held on October 21, 2021 has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value which exceed ₹ 26.20 million, which is 5% of the total trade payable of our Company as per the most recent period included in the Restated Financial Statements of our Company included in this Red Herring Prospectus, shall be considered as 'material'. Accordingly, as of December 31, 2021 any outstanding dues exceeding ₹ 26.20 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Further, pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by the Company, its Subsidiaries, Directors, Promoters or Group Companies shall not be considered as litigation until such time that any of the Company, its Subsidiaries, Directors, Promoters or Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority, or judicial forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings initiated against our Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings against our Company.

Criminal proceedings initiated by our Company

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company.

B. Action by statutory or regulatory authorities against our Company

As on the date of this Red Herring Prospectus, there are no outstanding actions by any statutory or regulatory authorities against our Company.

C. Material outstanding litigation involving our Company

Material civil litigation initiated against our Company

As on the date of this Red Herring Prospectus, there is no outstanding material civil litigation initiated against our Company.

Material civil litigation initiated by our Company

As on the date of this Red Herring Prospectus, there is no material civil litigation initiated by our Company.

II. Litigation involving our Directors

A. Outstanding criminal proceedings involving our Directors

Criminal proceedings against our Directors

As on the date of this Red Herring Prospectus, there are no criminal proceedings against our Directors.

Criminal proceedings initiated by our Directors

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Directors.

B. Pending action by statutory or regulatory authorities against our Directors

As on the date of this Red Herring Prospectus, there is no action by statutory or regulatory authorities against out Directors.

C. Material outstanding litigation involving our Directors

Material civil litigations initiated against our Directors

As on the date of this Red Herring Prospectus, there is no material civil litigation initiated against our Directors.

Material civil litigations initiated by our Directors

As on the date of this Red Herring Prospectus, there is no material civil litigation initiated by our Directors.

III. Litigation involving our Promoter

A. Outstanding criminal proceedings involving our Promoters

Criminal proceedings against our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Promoters.

Criminal proceedings initiated by our Promoters

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Promoters.

B. Pending action by statutory or regulatory authorities against our Promoter

As on the date of this Red Herring Prospectus, there is no pending action by statutory or regulatory authorities against our Promoter.

C. Material outstanding litigation involving our Promoters

Material civil litigations against our Promoters

As on the date of this Red Herring Prospectus, there are no material civil litigations against our Promoters.

Material civil litigations initiated by our Promoters

As on the date of this Red Herring Prospectus, there are no material civil litigations initiated by our Promoters.

D. Disciplinary action including penalty imposed by SEBI or stock exchanges against our Promoters in the last five financial years immediately preceding the date of filing of this Red Herring Prospectus

There are no disciplinary action including penalty imposed by SEBI or stock exchange against our Promoters in the last five financial years immediately preceding the date of the filling of this Red Herring Prospectus.

IV. Litigation involving our Group Companies which may have a material impact on our Company

As on the date of this Red Herring Prospectus, there is no litigation involving our Group Companies which may have a material impact on our Company.

V. Tax claims

Except as disclosed below, there are no claims related to direct and indirect taxes, involving our Company, Directors and Promoters:

Nature of case	Number of cases	Amount involved (in ₹ million)#
Company		
Direct tax	NIL	NIL
Indirect tax	1	11.88
Directors		
Direct tax	NIL	NIL
Indirect tax	1	16.83
Promoters		
Direct tax	NIL	NIL
Indirect tax	NIL	NIL

 # The Company has not made any provisioning for probable liabilities, if any, arising out of the outstanding litigations.

Material Tax Matters

Indirect Tax Matter Involving our Company

1. The Office of the Principal Commissioner of Customs, Mundra ("**Custom Office**") issued a show cause notice (Notice No. 2020127M0000011161D) ("**Notice**") dated December 30, 2020 to our Company with respect to the levy of anti – dumping duty and integrated goods and services tax ("**IGST**") on consignments of cold – rolled flat products of stainless steel imported by our Company from China. Through the Notice Custom Office asked our Company as to why anti - dumping duty amounting to ₹13,631,750 and IGST of ₹2,453,715 not be levied on the consignment and recovered under Section 28 (1) of the Customs Act, 1962 from our Company.

   The Company replied to the Notice on January 21, 2021 that such penalty on the Company is unsustainable in law. However, our Company has paid ₹4,208,000 to the Custom Office with respect to the above-mentioned claims. The balance amount is disputed.

VI. *Outstanding dues to creditors*

Details of outstanding dues owed to micro, small and medium enterprises and other creditors as of December 31, 2021 is set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	27	8.89
Material creditors	2	232.52
Other creditors	250	282.53
Total Outstanding Dues	**279**	**523.94**

The details of the material creditors of the Company as of December 31, 2021 have been uploaded on the Company's website along with the names of each such creditor and the respective outstanding amounts. The details may be accessed at the link: https://www.venuspipes.com/investors/material-documents/.

It is clarified that such details available on our website do not form a part of this Red Herring Prospectus and investors should not make any investment decision based on information available on the website of our Company. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

VII. Material developments

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after December 31, 2021 that may affect our results of operations*" on page 288, there have not arisen, since the last date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in "Risk Factors" beginning on page 23, we have obtained all material and necessary consents, licenses, permissions, registrations and approvals from various governmental, statutory and regulatory authorities in India for undertaking our business. Unless stated otherwise, we have obtained necessary approvals from the relevant government authorities with respect to our manufacturing facilities and warehouses and such approvals are valid as on the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 159.

The material approvals, consents, licenses, registrations and permits obtained by our Company which enable it to undertake its current business activities, are set out below:

I Corporate Approvals

1. Certificate of Incorporation dated February 17, 2015 issued by the RoC, Ahmedabad in the name of Venus Pipes & Tubes Private Limited.

2. Certificate of Change of Name dated September 16, 2021 issued by the RoC, Ahmedabad pursuant to conversion from private company to public company.

II Approvals relating to the Issue

For details regarding the approvals and authorisations obtained by our Company in relation to the Issue, see "*Other Regulatory and Statutory Disclosures – Authority for this Issue*" on page 296.

III Tax related approvals

1. Permanent account number of our Company issued by the Income Tax Department, Government of India: AAFCV0366A.

2. Tax deduction account number of our Company, issued by the Income Tax Department, Government of India: RKTV02697C.

3. Registration number 24AAFCV0366A1ZT issued by the Government of Gujarat under the Gujarat Goods and Services Tax Act, 2017.

IV Key Approvals obtained by our Company in relation to business and operations

We have a manufacturing unit located at Survey No. 233/2 & 234/1, Dhaneti, Bhuj Bhachau Road, Kutch, Gujarat India.

Approvals in relation to the manufacturing unit

S. No.	Details of License	Date of expiry
1.	Factories license bearing number 28311 dated March 13, 2020 issued by the Deputy Director, Industrial Safety and Health, Adipur-Kutch.	December 31, 2022
2.	UDYOG AADHAAR registration certificate bearing number GJ13B0001452 issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.	Not applicable
3.	UDYAM registration certificate dated December 24, 2020 with registration number UDYAM-GJ-13-0004633 issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.	Not applicable
4.	Membership certificate bearing membership number W5699P issued by the Confederation of Indian Industry.	December 31, 2022
5.	ISO Certificate issued by Bureau Veritas Certification Holding SAS – UK Branch with certificate number IND.19.8180/U, issued under the ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 standard for maintaining quality management systems, to our Company on July 28, 2016 and renewed on July 16, 2019.	July 15, 2022
6.	Membership certificate dated May 12, 2017 with membership code 3071 issued by Gandhidham Chamber of Commerce and Industry.	Not applicable

S. No.	Details of License	Date of expiry
7.	We have obtained a CCA on December 17, 2021 from the Gujarat Pollution Control Board for our Manufacturing Facility for operating our Manufacturing Facility, under the Water Act, Air Act and authorization under Hazardous Management Rules	October 4, 2026.

Approvals in relation to the products

S. No.	Details of License	Date of expiry
1.	Certificate from TUV NORD Systems GmbH & Co. KG bearing number 07/203/1409/WP/2188/20 for meeting the requirements of AD 2000-Merkblatt W0.	June 2023
2.	Certificate from TUV NORD bearing number 07/202/1409/WZ/2188/20 for meeting the requirements of Pressure Equipment Directive 2014/68/EU – QA-system in relation to materials EN 764-5, section 4.2 and AD2000-Merkblatt W0 for the manufacture of stainless steel seamless & welded pipes and tubes.	June 2023
3.	Approval from the Director of Boiler, Gujarat State bearing number DOB/TECH/2020/CA062020-20210000484 for manufacture of Carbon Steel, Alloy Steel, Stainless Steel / Duplex Steel Welded & Seamless Pipes up to 400 mm NB / Tubes up to 101.60 mm O.D. & U-Tubes under inspection of IBR – 1950 Code.	May 15, 2022

V Labour related approvals

1. Our Company has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Employees State Insurance Act, 1948, the Contract Labour (Regulations and Abolition Act), 1970.

2. Registration as principal employer holding certificate number KTC/2019/CLRA/43 issued by the Assistant Labour Commissioner, Kutch Gandhidham under the Contract Labour (Regulations and Abolition Act), 1970.

3. Certificate of registration bearing code number GJRAJ1453496 issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

VI Other approvals and registrations

Our Company has obtained various registrations including Certificate of Importer-Exporter Code.

Commercial Approvals

1. Registration certificate bearing number 201/M31031/2021-22 issued by the EEPC India (*formerly Engineering Export Promotion Council*) sponsored by Ministry of Commerce & Industry, Government of India.

2. Import-Exporter code number 3715001267 allotted by the Directorate General of Foreign Trade, Ministry of Commerce & Industry.

Intellectual property related approvals

1. Our Company has a trademark registration certificate dated February 8, 2017 for the trademark of our logo.

VII Pending Approvals

We have applied for a CTE amendment with GPCB vide application number '209123' on December 22, 2021 which was not processed due to submission of incomplete documentation. Thereafter, the Company filed a fresh CTE amendment application bearing number '255708' for its proposed project on April 10, 2022 for approval from GPCB.; . The Company is required to secure various approvals for running its operations at its Manufacturing Facility including (i) factory license; (ii) registrations under employee and labour related laws etc. In addition to these, for the purposes of carrying on its manufacturing operations, the Company is required to obtain certain environmental consents, clearances, which are issued in various stages on Company's compliance with the requirements prescribed under the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Waste Management Rules**") and the procedures/guidelines prescribed by the Gujarat Pollution Control Board ("**GPCB**"). The standard environmental approvals are in the form of (i) Consent to Establish ("**CTE**") to establish its manufacturing facilities and (ii) a Consolidated Consent and Approval ("**CCA**") to commence its manufacturing operations , from the GPCB. As disclosed on page 294 of the DRHP, the Company has obtained a CCA on December 17, 2021 from the GPCB for operating its Manufacturing Facility at its current capacity, under the Water Act, Air Act and authorization under Hazardous Management Rules.

In relation to financing the proposed project cost towards capacity expansion, technological upgradation, cost optimization of its operations and as disclosed on page 91 of the RHP under "*Objects of the Issue*", the Company proposes to increase its production capacity (i) from 600 MT per month to 1200 MT per month of welded pipes/tubes; and (ii) from 300 MT per month to 800 MT per month of higher diameter seamless pipes/tubes. ("**Capacity Expansion**"). For achieving the above indicated Capacity Expansion in line with the Objects of the Issue, the Company is required to obtain modification/amendment to the existing licenses/approvals such as factory license, CTE, CCA at various stages of the Capacity Expansion.

Further, in line with the prescribed process by GPCB, the Company is required to obtain amendment to CTE for Capacity Expansion prior commencement of construction of Civil and covered structure at its manufacturing facilities. As per the revised Schedule of Implementation for the commencement of Civil and covered structure, as indicated on page 97 is June 2022. Accordingly, the Company had applied for the CTE amendment with GPCB vide application number '209123' on December 22, 2021 which was not processed due to submission of incomplete documentation. Thereafter, the Company filed a fresh CTE amendment application bearing number '255708' for establishing its new proposed plant on April 10, 2022 for approval from GPCB. (**CTE Application**"), which is currently pending.

In case of a delay in receipt of CTE amendment approval there may be adverse impact on the schedule of implementation of the Capacity Expansion. For further details please refer *Risk Factor no. 27* - "*We are subject to various government regulations and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, our business, results of operations and cash flows may be adversely affected. In addition, we have certain obligations under policies imposed and schemes launched by the government that may not be directly beneficial or profitable to our business*".

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Our Board has authorised the Issue, pursuant to their resolution dated October 21, 2021. Our Shareholders have authorised the Issue pursuant to their resolution dated October 25, 2021. This Red Herring Prospectus has been approved by our Board/IPO Committee pursuant to their resolution dated April 30, 2022. Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 17, 2022 and January 20, 2022, respectively.

Prohibition by SEBI or other Authorities

Our Company, Promoters, members of the Promoter Group, Directors, and the persons in control of our Company are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

Directors associated with securities market

None of our Directors are associated with the securities market. There are no outstanding actions initiated by SEBI in the last five years preceding the date of this Red Herring Prospectus against our Directors.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Financial Information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

a) Our Company has net tangible assets of at least ₹ 30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets;
b) Our Company has a minimum average operating profit of ₹150 million calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of the preceding three years;
c) Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each) calculated on a restated basis;
d) Our Company has not changed its name within the last one year; and
e) Our Company's operating profit, net worth, net tangible assets, monetary assets and monetary assets as a percentage of the net tangible assets derived from the Restated Financial Statements included in this Red Herring Prospectus as at, and for the last three years, are set forth below:

(in ₹million, except percentage values)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Net Tangible Assets (A)	402.90	171.41	123.38
Operating Profits	338.12	95.26	63.01
Net Worth	399.31	162.76	121.74
Monetary Assets (B)	69.73	53.55	28.80
Monetary Assets as a percentage of Net Tangible Assets (B)/(A)(%)	17.31%	31.24%	23.34%

i. Net tangible assets is the sum of all assets of the Group, as applicable, excluding intangible assets as defined in Indian Accounting Standard 38 (Ind AS 38) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, read with Section 133 of the Companies Act, 2013 and in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.

ii. Operating profit is defined as profit before finance costs, other income and tax expense.

iii. Net worth has been computed as: sum of the fully paid-up capital and other equity.

iv. Monetary assets represent the sum of cash and bank balances including deposits with banks and interest accrued thereon (net of book overdraft) and investment in mutual funds. Book overdraft includes balances where cheques have been issued in excess of bank balance but those cheques have not yet been presented for clearance to the bank.

Our Company has operating profits in each of the Fiscal Years 2021, 2020 and 2019 in terms of our Restated Financial Information.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Our Company is in compliance with the following conditions specified under Regulation 5 of the SEBI ICDR Regulations:

(i) Our Company, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital markets;
(ii) None of the Promoters or the Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;
(iii) None of our Company, our Promoters or our Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower; and
(iv) None of our Promoters and our Directors are fugitive economic offenders;
(v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on date of filing of this Red Herring Prospectus.

Further, in accordance with the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, BEING SMC CAPITALS LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. 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 THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, BEING SMC CAPITALS LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, BEING SMC CAPITALS LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 24, 2021, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors and the BRLM

Our Company, our Directors, the BRLM 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 our Company's instance. Anyone placing reliance on any other source of information, including our Company's website ***https://www.venuspipes.com*** would be doing so at his or her or their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, BRLM and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLM and its respective associates and affiliates may engage in transactions with, and perform services for, our Company and its respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and its group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important non-banking financial companies or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, venture capital funds, permitted insurance companies registered with IRDAI and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("**AIFs**"), Foreign Portfolio Investors registered with SEBI ("**FPIs**") and QIBs. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 himself or herself about, and to observe, any such restrictions

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Ahmedabad, India only.

This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Issue in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to this Red Herring Prospectus. if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises this Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented 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 offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and may not be offered or sold in the United States (as defined in Regulation S under the U.S. Securities Act ("**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 state securities laws. The Equity Shares are being offered and sold only outside the United States in compliance with Regulation S.

Each purchaser of the Equity Shares in the Issue in India shall be deemed to:

- Represent and warrant to our Company, the BRLM and the Syndicate Member that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the BRLM and the Syndicate Member that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold the Company, the BRLM and the Syndicate Member harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Acknowledge that our Company, the BRLM, the Syndicate Member and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is set forth below:

"BSE Limited ("the Exchange") has given vide its letter dated January 17, 2022 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's 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 Company. The Exchange does not in any manner: -

(a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

(b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

(c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company 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 for any other reason whatsoever"

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is set forth below:

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as "NSE"). NSE has given vide its letter Ref. No. letter Ref.: NSE/LIST/1477 dated January 20, 2022, permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through this Red Herring Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Issue. The BSE shall be the Designated Stock Exchange with which the Basis of Allotment shall 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 Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus, in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company, and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Issue Closing Date or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Issue Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Issue Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law.

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the BRLM, Chief Financial Officer, legal counsel, bankers/lenders to our Company, D&B, special advisors, our Statutory Auditors, the Registrar to the Issue, the Syndicate Member, the Escrow Collection Bank(s), Public Issue Account Bank(s) the Sponsor Bank(s), Refund Bank(s) and Monitoring Agency to act in their respective capacities have been obtained; and shall be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Red Herring Prospectus have not been withdrawn up to the time of filing of the Red Herring Prospectus with RoC.

Expert to the Issue

Except as stated herein, our Company has not obtained any expert opinions.

Our Company has received written consent dated December 23, 2021 from M/s Maheshwari & Co, to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in the Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated March 21, 2022 on our Restated Financial Statements; and (ii) their report dated April 4, 2022 on the Statement of Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated October 25, 2021 from Er. Rajesh T. Panjwani to include his name in the RHP as an "expert" as defined under section 2(38) and section 26(5) of the Companies Act, 2013 to the extent and in his capacity as our chartered engineer, certifying the installed and future production capacities and capacity utilization of our Manufacturing Facility, and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Commission and brokerage paid on previous issues

Since this is an initial public Issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Capital issue during the previous three years by our Company, our listed Group Companies, subsidiaries and associates

Our Group Companies are not listed on any stock exchange. For details in relation to the capital issuances by our Company in the three years preceding the date of filing the Draft Red Herring Prospectus, see "*Capital Structure – Notes to the Capital Structure*" beginning on page 78.

Performance vis-à-vis objects – our Company

Our Company has not made any public issue or rights issue during the five years immediately preceding the date of the Draft Red Herring Prospectus.

Performance vis-à-vis objects – Last issue of Promoters

Our Promoters being individuals do not have securities listed on any stock exchange.

Price information of past issues handled by the BRLM (during current financial year and two financial years preceding the current financial year) handled by SMC Capitals Limited.

SMC Capitals Limited has not handled any public issues during the current financial year (Fiscal 2023) and two financial years (Fiscal 2022 and Fiscal 2021) preceding the current financial year.

Track record of past issues handled by the BRLM

For details regarding the track record of the BRLM, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLM, as set forth in the table below:

Sr. No	Name of the BRLM	Website
1.	SMC Capitals Limited	www.smccapitals.com

Stock Market Data of Equity Shares

This being an initial public Issue of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Issue to the BRLM. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of unblocking intimation/refund intimations, as applicable, and non-receipt of funds by electronic mode.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, the Book Running Lead Manager shall regularly monitor redressal of investor grievances arising from any issue related activities.

The Company has obtained authentication on the SCORES in compliance with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee. For details, see "*Our Management*" on page 168.

Our Company has appointed Pavan Kumar Jain as our Company Secretary and Compliance Officer for the Company who may be contacted in case of any pre-Issue or post-Issue related grievances. His contact details are as follows:

Address: Survey No. 233/2 and 234/1, Dhaneti, Bhuj, Kachchh - 370020 Gujarat, India
Tel: +91 2836 232 183/84
E-mail: cs@venuspipes.com

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

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

Our Company has not filed any exemption from complying with any provisions of securities laws, if any, granted by SEBI

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued, offered and Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in 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 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 the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.

The Allottees upon Allotment of Equity Shares under the Issue will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares issued in the Issue shall rank pari passu with the existing Equity Shares in all respects including dividends. For further details, see "*Main Provisions of the Articles of Association"* on page 330.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Issue for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 193 and 330, respectively.

Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Issue Price is ₹[●] 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 editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta editions (a widely circulated Hindi national daily newspaper) and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily newspaper), Gujarati also being the regional language of Gujarat, where our Registered Office is situated), at least two 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 pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/Issue Closing Date on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time, there shall be only one denomination for the Equity Shares.

The Issue

The Issue consists of a fresh Issue by our Company. All Issue-related expenses shall be borne by the Company.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

A. Right to receive dividends, if declared;
B. Right to attend general meetings and exercise voting rights, unless prohibited by law;
C. Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;

D. Right to receive offers for rights shares and be allotted bonus shares, if announced;
E. Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
F. Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
G. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" on page 330.

Allotment only in dematerialised form

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 on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Issue:

- Tripartite agreement dated September 28, 2021 amongst our Company, NSDL and Registrar to the Issue.

- Tripartite agreement dated September 28, 2021 amongst our Company, CDSL and Registrar to the Issue.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Issue Procedure*" beginning on page 312.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, 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 and Corporate 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 90 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 Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Issue Programme

BID/ ISSUE OPENS ON*	Wednesday, May 11, 2022
BID/ ISSUE CLOSES ON**	Friday, May 13, 2022

**Our Company, in consultation with the BRLM, may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*
*** Our Company in consultation with the BRLM may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*

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

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, May 19, 2022
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account*	On or about Friday, May 20, 2022
Credit of the Equity Shares to depository accounts of Allottees	On or about Monday, May 23, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Tuesday, May 24, 2022

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.*

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company, or 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 Exchanges are taken within six Working Days of the Bid/Issue Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Issue Period (except the Bid/ Issue Closing Date)	
Submission and Revision in Bids	Only between 10:00 am and 5:00 pm (Indian Standard Time (“**IST**”))
Bid/ Issue Closing Date	
Submission and Revision in Bids	Only between 10:00 am and 3:00 pm IST

On the Bid/ Issue Closing Date:

(i) In case of Bids by QIBs and Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded by 4.00 p.m. IST, and

(ii) In case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid/Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors, after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, 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 this Issue. Bids will be accepted only during Working Days.

None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bid/Issue Period. The revision in the Price Band shall not exceed 20% on 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 in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Member and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Issue equivalent to at least 25% post Issue paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Issue Closing Date on the date of closure of the Issue or; the minimum subscription of 90% of the Issue on the date of closure of the Issue; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the Issue document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 78 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association"* beginning on page 330.

ISSUE STRUCTURE

Initial public offering of up to 50,74,100 Equity Shares for cash at a price of ₹ 10 per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million (the "**Issue**").

The Issue is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation*(2)	Not more than 25,37,050 Equity Shares	Not less than 7,61,115 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Investors out of which:	Not less than 17,75,935 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue size available for Allotment/ allocation	Not more than 50% of the Issue shall be available for allocation to QIBs. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Issue or the Issue less allocation to QIBs and Retail Individual Investors will be available for allocation, subject to the following: ~~i.~~ (i) one-third of the portion available to Non Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) ~~ii.~~ two-third of the portion available to Non Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million. Provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to 50,741 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) 964,079 Equity Shares	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants	Allotment to each Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Investors
	shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii)two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, Provided that the unsubscribed portion in either of the aforementioned sub categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see *"Issue Procedure*" on page 312.	further details, see the General Information Document.
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeding the size of the Issue (excluding the QIB Portion), subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of 1 Equity Shares thereafter		
Trading Lot	1 Equity Share		

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Investors
Who can Apply[3]	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs), public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.
Terms of Payment[4]			
Mode of Bidding	Only through the ASBA process (except for the Anchor Investors)		

* *Assuming full subscription in the Issue.*

\# *The allotment of specified securities to each non-institutional investor shall not be less than the minimum application size, subject to the availability of shares in non-institutional investors' category, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.*

(1) *Our Company may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Issue Procedure" on page 312.*

(2) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b)(iii) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBIICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non- Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the

QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Issue" on page 304.

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(4) *Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the irrespective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue in whole or in part thereof, to the extent of the Issued Shares, 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 and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company in consultation with the BRLM withdraws the Issue at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. 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 filing of the Prospectus with the RoC.

ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v)Issuance of CAN and allotment in the Issue; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date and (xii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs ("**UPI Phase III**"), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022 all Retail Individual Bidders applying in public issues where the application amount is upto ₹ 5 Lakhs shall use UPI and shall also provide their UPI ID in the bid-cum-application form submitted with any of the following entities: (i) a syndicate member; (ii) 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); (iii) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity); and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity). This circular is effective for initial public offers opening on/or after May 1, 2021.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Book Building Procedure

The Issue is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned subcategories may be allocated to applicants in the other sub-category of Non-Institutional Bidders.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for RIIs using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper, each with wide circulation and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily newspaper), on or prior to the Bid/Issue Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIIs using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process. The RIIs can additionally Bid through the UPI Mechanism.

RIIs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Investors bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI. ASBA Bidders using UPI Mechanism must provide bank account details and authorisation to block funds in their respective ASBA

Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIIs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. For ASBA Forms (other than RIIs using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and members of the Promoter Group of the Company, the BRLM and the Syndicate Member

The BRLM and the Syndicate Member shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Member may Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Portion 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. All categories of investors, including associates or affiliates of the BRLM and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLM or any associates of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLM) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLM, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLM.

The Promoters and members of the Promoter Group will not participate in the Issue.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB (if they are Bidding directly through the SCSB) or conform to accept the UPI Mandate Request (in case of RIIs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB (if they are Bidding directly through the SCSB) or conform to accept the UPI Mandate Request (in case of RIIs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts. NRIs applying if Issue using UPI Mechanism are advised to enquire with relevant bank whether their bank account is UPI linked prior to making such applications.

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).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 329. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

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. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected, as applicable.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations 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.

Participation of VCFs, AIFs or FVCIs in the Issue shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), 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 shall not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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 in consultation with the BRLM reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

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 company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLM reserve the right to reject any Bid 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 "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer 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.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM reserves the right to reject any Bid, without assigning any reason thereof, subject to applicable law.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, 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 in consultation with the BRLM reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLM may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

(a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date, and will be completed on the same day.

(e) Our Company, in consultation with the BRLM may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.

(i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(j) Neither the BRLM nor any associate of the BRLM (except Mutual Funds sponsored by entities which are associates of the BRLM or insurance companies promoted by entities which are associate of BRLM or AIFs sponsored by the entities which are associate of the BRLM or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) shall apply in the Issue under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number if you are not an RII using the UPI Mechanism in the Bid cum Application Form and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. RIIs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIIs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

6. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only.

7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

9. If the first applicant is not the bank 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;

10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

12. 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. RIIs Bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIIs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Ensure that you have correctly signed the authorisation/ undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIIs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) 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 "active status"; and (b) in the case of residents of Sikkim, the

address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. 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;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. RIIs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RII's ASBA Account;

25. Anchor Investors should submit the Anchor Investor Application Forms to the BRLM;

26. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;

27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected; as applicable

28. RIIs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIIs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors);
3. Do not Bid for a Bid Amount exceeding ₹10,00,000 (for Bids by Non-Institutional Investors)
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. 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 a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a RII and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
17. 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;
18. 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);
19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
20. Do not submit a Bid using UPI ID, if you are not a RII;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

22. Do not Bid for Equity Shares in excess of what is specified for each category;

23. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;

24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Issue Closing Date;

25. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

26. If you are an RII which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID; and

27. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/ demat credit/ refund orders/ unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 70.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹200,000 (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through this Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allocation to each NIB shall not be less than the Minimum NIB Application Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations.

The allotment of Equity Shares to each Retail Individual Investors shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investors Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLM, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "VENUS PIPES & TUBES LIMITED – ANCHOR R A/C"
(b) In case of Non-Resident Anchor Investors: "VENUS PIPES & TUBES LIMITED – ANCHOR NR A/C"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bhuj edition of Kutch Mitra (a widely circulated Gujarati daily newspaper) , Gujarati also being the regional language of Gujarat, where our Registered Office is situated.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Manager and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a hindi national daily newspaper, each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company and the members of the Syndicate 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. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the Filing with the RoC

(a) Our Company and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI;

- if 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 ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company; as applicable.

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

- Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue, in whole or in part thereof, to the extent of the Issued Shares, 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 and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.

- If our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

**"*Any person who —*
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name
shall be liable for action under Section 447."**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Utilisation of Issue Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company specifically confirm and declare that all monies received out of the 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.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made indifferent sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Non-debt Instruments Rules.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, the FDI Circular has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

As per the FDI Circular read with Press Note, 100% foreign direct investment is permitted under the automatic route for manufacturing companies, however, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Issue Procedure – Bids by Eligible NRIs*" and "*Issue Procedure –Bids by FPIs*" beginning at page 316.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Bidders. Our Company and the BRLM 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. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF VENUS PIPES & TUBES LIMITED

Sr. No	Particulars	
1.	No regulation contained in Table "F" 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) "These 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) "Auditors" 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) *****"The Company" shall mean VENUS PIPES & TUBES LIMITED	**The Company**
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	**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**
	(i) "In Writing" and "Written" 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**

Sr. No	Particulars	
	(k) “Meeting” or “General Meeting” 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) “National Holiday” means and includes a day declared as National Holiday by the Central Government.	**National Holiday**
	(p) “Non-retiring Directors” means a director not subject to retirement by rotation.	**Non-retiring Directors**
	(q) "Office” means the registered Office for the time being of the Company.	**Office**
	(r) “Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto by Section 114 of the Act.	**Ordinary and Special Resolution**
	(s) “Person" shall be deemed to include corporations and firms as well as individuals.	**Person**
	(t) “Proxy” means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
	(u) “The Register of Members” 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) “The Statutes” means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	**Statutes**
	(y) “These presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	**These presents**
	(z) “Variation” shall include abrogation; and “vary” shall include abrogate.	**Variation**
	(aa) “Year” means the calendar year and “Financial Year” 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 or any statutory modifications thereof for the time being in force.	**Expressions in the Act to bear the same meaning in Articles**
	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	**Authorized Capital.**

Sr. No	Particulars	
	Company from time to time.	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	**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 installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	**New Capital sameas 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 ofpreference 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 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 55 of 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	**Provisions to apply on issue of Redeemable Preference Shares**

Sr. No	Particulars	
	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 of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.	**Issue of Sweat Equity Shares**
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	**Issue of Securities**

Sr. No	Particulars	
	thereunder.	
	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 shareholders shall also be obtained and the provisions of this section shall apply to such variation.	**Modification ofrights**
	(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	**Directors may allot shares as full paid-up**

Sr. No	Particulars	
	payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	
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 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	**Share Certificates.**

Sr. No	Particulars	
	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 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.	**Issue of new certificates in place of those defaced, lost or destroyed.**
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	**Company not bound to recognise any interest in share other than that ofregistered holders.**

Sr. No	Particulars	
	in the joint names of any two or more persons or the survivor or survivors of them.	
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 installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	**Installment 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 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 installments. (4) The option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meetings.	**Directors may make calls**
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	**Directors may extend time.**

Sr. No	Particulars	
	no member shall be entitled to such extension save as a matter of grace and favour.	
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 installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	**Sums deemed to be calls.**
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 forforfeiture.**
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/ any amount paid in advance of calls on shares may carry interest but shall not confer/ shall not entitle the holder of the share a right to participate in respect thereof, in a dividend subsequently declared 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	**Payments in Anticipation of calls may carry interest**

Sr. No	Particulars	
	debentures issued by the Company.	
	LIEN	
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. Provided that the fully paid shares of the Company shall be free from all lien, while in the case of partly paid shares, the Company's lien, if any as aforesaid, shall be restricted to moneys called or payable at a fixed time in respect of such shares.	**Company to have Lien on partly paid 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) 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	**If call or installment not paid, notice maybe given.**

Sr. No	Particulars	
	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.**
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	**Cancellation of share certificate in respect of forfeited shares.**

Sr. No	Particulars	
	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.	
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 desirous of surrendering on such terms the Directors may think fit.	**Surrender of shares.**
	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 theinstrument 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	**Transfer not to be registered except on production of instrument of transfer.**

Sr. No	Particulars	
	transmitted by operation of law.	
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 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.	**Notice of refusal to be given to transferor and transferee.**
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 debentureholder 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	**Recognition of legal representative.**

Sr. No	Particulars	
	the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (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 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.	**Refusal to register nominee.**
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.**

Sr. No	Particulars	
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, 2013 shall 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 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.	**Nomination**
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	**Transmission of Securities by nominee**

Sr. No	Particulars	
	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.	
	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.	**Dematerialization 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 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;	**Title of survivors.**
	(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	**Deposit of share warrants**

Sr. No	Particulars	
	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.	
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**
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 creditor 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,	**Power to borrow.**

Sr. No	Particulars	
	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.	
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 discounted 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 GM & EGM.**
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	**Extra-Ordinary General Meeting by Board and by requisition**

Sr. No	Particulars	
	of the members	
	(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 casting vote in addition to the vote or votes to which he may be entitled as a Member.	**Chairman's casting vote.**
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	**Members in arrears not to vote.**

Sr. No	Particulars	
	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.	
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 bya 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 means of postal ballot, instead of transacting the business in the General Meeting of the Company.	**Postal Ballot**
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	**Representation of a body corporate.**

Sr. No	Particulars	
	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.	
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 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.	**Votes in respect of shares of deceased or insolvent members.**
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 forholding 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.**

Sr. No	Particulars	
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**
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, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.	**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 office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed	**Directors power to fill casual vacancies.**

Sr. No	Particulars	
	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 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.	**Directors may appoint committee.**
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.**

Sr. No	Particulars	
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 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.	**Powers of the Board**
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 anyproperty , 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	**To take on Lease.**

Sr. No	Particulars		
		the Directors may believe, or may be advised to be reasonably satisfy.	
	(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 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.	**To insure properties of the Company.**
	(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 fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	**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.**

Sr. No	Particulars	
	(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.**
	(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 a reserve fund to another fund and with	**Transfer to Reserve Funds.**

Sr. No		Particulars	
		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 sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	**To appoint Attorneys.**
	(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	**To apply & obtain concessions, licenses etc.**

Sr. No	Particulars	
	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.	
	(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, 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	

Sr. No	Particulars	
	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 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 Whole time 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	**Powers and duties of Managing Director or Whole-time Director.**

Sr. No	Particulars	
	the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers. (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 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.	**Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ 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.**

Sr. No	Particulars	
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.**
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	**Dividends in proportion to amount paid-up.**

Sr. No	Particulars	
	a particular date such share shall rank for dividend accordingly.	
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.**
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	**Capitalization.**

Sr. No	Particulars	
	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.	
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 (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.	**Fractional Certificates.**
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.	**Inspection of Accounts**

Sr. No	Particulars	
	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.	
	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 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.	**Foreign Register.**
	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 which he is acquitted or in connection with any application	**Directors' and othersright to indemnity.**

Sr. No	Particulars	
	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 lossor 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) 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 this Red Herring Prospectus, and the Prospectus, as applicable, delivered to the Registrar of Companies for registration. Copies of the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of filing of this Red Herring Prospectus until the Bid/Issue Closing Date, except for such contracts and documents that will be executed subsequent to the completion of the Bid/Issue Closing Date. The Material Contracts and Documents for Inspection shall also be available on *https://www.venuspipes.com/investors*.

Material Contracts to the Issue

1. Issue Agreement among our Company and the BRLM dated December 23, 2021.

2. Registrar Agreement among our Company and the Registrar to the Issue dated November 23, 2021.

3. Cash Escrow and Sponsor Bank Agreement dated April 19, 2022 among our Company, the BRLM, the Escrow Collection Bank(s), Public Issue Account Bank(s), Refund Bank(s), the Sponsor Bank and the Registrar to the Issue.

4. Monitoring Agency Agreement dated April 19, 2022 between the Company and the Monitoring Agency.

5. Syndicate Agreement dated April 19, 2022 among our Company, the BRLM and the Syndicate Member.

6. Underwriting Agreement dated [●] among our Company and the Underwriters.

Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Our certificate of incorporation dated February 17, 2015.

3. Resolution of the Board of Directors dated October 21, 2021 authorising the Issue.

4. Resolution of the Shareholders dated November 22, 2021 under section 62(1)(c) of the Companies Act, 2013 authorising the Issue.

5. Resolutions of the Board dated December 24, 2021approving the Draft Red Herring Prospectus.

6. Resolutions of the Board dated May 2, 2022 approving this Red Herring Prospectus.

7. Resolution of the IPO Committee dated April 21, 2022 taking on record the Issue.

8. Copies of audit (re-audit) reports of our Company for Fiscal Years 2019, 2020 and audit report for Fiscal Year 2021.

9. Examination reports of our Statutory Auditors dated March 21, 2022 on the Restated Financial Information included in this Red Herring Prospectus.

10. Statement of special tax benefits from our Statutory Auditors, dated April 19, 2022.

11. Agreement dated September 28, 2021 among NSDL, our Company and the Registrar to the Issue.

12. Agreement dated September 28, 2021 among CDSL, our Company and the Registrar to the Issue.

13. Industry report titled “Stainless Steel Pipes & Tubes” dated April, 2022, prepared by D&B.

14. Written consent of our Statutory Auditors to include their name as required under Section 26 of the Companies Act, 2013 in the Draft Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in respect of their report dated November 22, 2021, on the Restated Financial Information and their report dated December 23, 2021, on the statement of possible special tax benefits available for the Company and its shareholders.

15. Written consent of our Statutory Auditors to include their name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in respect of their report dated March 21, 2022, on the Restated Financial Information and their report dated April 19, 2022, on the statement of possible special tax benefits available for the Company and its shareholders.

16. Consents of the Bankers to our Company, the BRLM, Syndicate Member, Monitoring Agency Registrar to the Issue, Escrow Collection Bank(s), Sponsor Bank, Directors of our Company, Company Secretary and Compliance Officer for the Issue, Statutory Auditor, Public Issue Account Bank(s), legal counsel, special advisor, D&B, Refund Bank(s) as referred to, in their respective capacities.

17. In-principle listing approvals dated January 20, 2022 and January 17, 2022 received from NSE and the BSE, respectively.

18. Due diligence certificate dated December 24, 2021 to SEBI from the BRLM.

19. SEBI final observation letter SEBI/WRO/OW/P/RB/MKG/2022/14166/1 dated March 31, 2022

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company, or if required by other parties, without notification to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS & CFO OF OUR COMPANY

Sd/-

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Arun Axaykumar Kothari
Managing Director & Chief Financial Officer

Place: Gandhidham, Gujarat
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

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Megharam Sagramji Choudhary
Whole-time Director

Place: Gandhidham, Gujarat
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

Jayantiram Motiram Choudhary
Chairman & Non- Director

Place: Gandhidham, Gujarat
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

Dhruv Mahendrakumar Patel
Whole-time Director

Place: Gandhidham, Gujarat
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

Kailesh Nath Bhandari
Independent Director

Place: New Delhi
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

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Pranay Ashok Surana
Independent Director

Place: Nashik, Maharashtra
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

Shyam Agrawal
Independent Director

Place: Jaipur, Rajasthan
Date: May 2, 2022

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/ regulations issued by the Government of India or the guidelines/ regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992,as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Sd/-

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Komal Lokesh Khadaria
Independent Director

Place: Surat, Gujarat
Date: May 2, 2022