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P S RAJ STEELS LIMITED

(Please scan this QR Code to view this Addendum)

Our Company was originally incorporated as 'P S Raj Steels Private Limited' as a private limited company under the Companies Act, 1956 on November 09, 2004 pursuant to a Certificate of Incorporation bearing CIN U27109HR2004PTC035523 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter, our Company was converted into a public limited company from a private limited company pursuant to a special resolution passed by the shareholders of our Company on May 17, 2024 consequent to which the name of our Company changed from 'P S Raj Steels Private Limited' to 'P S Raj Steels Limited' and a fresh Certificate of Incorporation bearing no. U27109HR2004PLC035523 was issued by the Registrar of Companies, NCT of Delhi and Haryana ("RoC") on August 06, 2024. For further details of the change in the name and registered office of our Company, see "History and Certain Other Corporate Matters" beginning on page 190 of the Draft Red Herring Prospectus dated September 10, 2024.

Registered Office: V & P.O Talwandi Rukka, Hissar-125001, Haryana, India; **Corporate Office:** 51 Block A, IDC, Hisar-125005, Haryana, India
Tel.: +91-9812700024; **Email:** cs@psrajsteels.com; **Website:** www.pssrgroup.com; **Contact Person:** Ms. Suman, Company Secretary & Compliance Officer

NOTICE TO INVESTORS: ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 10, 2024. (THE "ADDENDUM")

PROMOTERS OF OUR COMPANY: MR. RAJ KUMAR GUPTA, MR. DEEPAK KUMAR, MR. GAURAV GUPTA, MR. VISHAL GUPTA, MS. NIKITA GUPTA, M/S RAJ KUMAR HUF, M/S DEEPAK KUMAR HUF AND M/S GAURAV GUPTA HUF

DETAILS OF THE ISSUE

INITIAL PUBLIC ISSUE OF UP TO 20,20,000 EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO Rs. [●] LAKHS ("ISSUE / OFFER"). THIS ISSUE INCLUDES A RESERVATION OF UP TO 1,01,000* EQUITY SHARES AGGREGATING UP TO Rs. [●] LAKHS FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION") AND A RESERVATION OF UP TO 19,000* EQUITY SHARES (CONSTITUTING UP TO [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) AGGREGATING UP TO Rs. [●] LAKHS FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION AND EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

*Subject to finalization of basis of allotment

Potential Bidders may note that at the time of filing of the Draft Red Herring Prospectus, our Company had identified Mr. Raj Kumar Gupta, Mr. Deepak Kumar, Mr. Gaurav Gupta, Mr. Vishal Gupta, M/s Raj Kumar HUF, M/s Deepak Kumar HUF and M/s Gaurav Gupta HUF as the Promoters of our Company and Ms. Nikita Gupta was identified as one of the members of the Promoter Group by virtue of being the immediate relative of Mr. Vishal Gupta. Our Company has decided to also identify Ms. Nikita Gupta as one of the Promoters of our Company. Further, our Company, has made certain updates and given additional disclosures, accordingly the various sections of the Draft Red Herring Prospectus, including the cover page and sections titled "Definitions and Abbreviations", "Summary of the Offer Document", "Risk Factors", "General Information", "Capital Structure", "Objects of the Issue", "Our Business", "Our History and Certain Other Corporate Matters", "Our Management", "Our Promoters and Promoter Group", "Our Group Entities", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Outstanding Litigations and Material Developments", "Government and Other Statutory Approvals", "Issue Procedure" and "Material Contracts and Documents for Inspection" beginning on pages 2, 17, 26, 62, 71, 95, 155, 190, 198, 215, 222, 236, 249, 258, 291 and 354 respectively of the Draft Red Herring Prospectus stands updated in the manner set out herein in this Addendum. The changes pursuant to the Addendum and Stock Exchange Observations will be duly reflected in the Red Herring Prospectus and Prospectus as and when filed with the RoC, the SEBI and the Stock Exchange.

All references to the term "Promoter" in the Draft Red Herring Prospectus, will include Ms. Nikita Gupta, along with Mr. Raj Kumar Gupta, Mr. Deepak Kumar, Mr. Gaurav Gupta, Mr. Vishal Gupta, M/s Raj Kumar HUF, M/s Deepak Kumar HUF and M/s Gaurav Gupta HUF. All the necessary updates to the Draft Red Herring Prospectus in this regard will be carried out in the Red Herring Prospectus and the Prospectus, as and when they are filed with the RoC, SEBI and the Stock Exchange.

Potential Bidders may note that the changes conveyed by way of this Addendum are to be read in conjunction with the Draft Red Herring Prospectus and, accordingly, the corresponding references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus. However, this Addendum does not purport to, nor does it, reflect all the changes that have occurred from the date of filing of the Draft Red Herring Prospectus and the date of this Addendum. Accordingly, this Addendum does not include all the changes and/or updates that will be included in the Red Herring Prospectus and the Prospectus as and when filed with the RoC, the SEBI and the Stock Exchange. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent updated by way of this Addendum, as may be applicable, in the Red Herring Prospectus and the Prospectus. Investors should not rely on the Draft Red Herring Prospectus or this Addendum for any investment decision, and should read the Red Herring Prospectus, as and when it is filed with the RoC, SEBI and the Stock Exchange before making an investment decision with respect to the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made. 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.

**For P S Raj Steels Limited
On behalf of the Board of Directors**

Place: Hisar, Haryana
Date: December 31, 2024

Sd/-
Suman
Company Secretary & Compliance Officer

BOOK RUNNING LEAD MANAGER TO THE ISSUE



KHAMBATTA SECURITIES LIMITED
806, 8th Floor, Tower-B, World Trade Tower,
Noida Sector-16, Uttar Pradesh-201301, India.
Tel.: +91-9953989693, 0120-4415469
Email: ipo@khambattasecurities.com
Investor Grievance Email:
mbcomplaints@khambattasecurities.com
Website: www.khambattasecurities.com
Contact Person: Mr. Chandan Mishra
SEBI Registration No.: INM000011914

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED
S6-2, 6th Pinnacle Business Park, Mahakali Caves Road,
next to Ahura Centre, Andheri East, Mumbai-400093,
Maharashtra, India.
Tel.: +91 22 6263 8200, **Fax:** +91 22 6263 8299
E-Mail: ipo@bigshareonline.com
Investor Grievance Email:
investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Vinayak Morbale
SEBI Regn. No.: INR000001385

BID/ISSUE PROGRAMME

ANCHOR INVESTOR BID/ISSUE PERIOD*: [●]

BID/ISSUE OPENS ON: [●]**

BID/ISSUE CLOSURES ON: [●]****

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

**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 in accordance with the SEBI ICDR Regulations.

***The UPI mandate end time and date shall be at 5.00 p.m. on Bid/Issue Closing Day.

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SECTION – I GENERAL

DEFINITIONS AND ABBREVIATIONS

The sub-section titled “Company Related Terms”, “Issue Related Terms” and “Conventional and General Terms/Abbreviations” beginning on pages 2, 3 and 10 respectively, of the Draft Red Herring Prospectus shall be added / replaced as applicable, with the following definitions.

Company Related Terms

| Term | Description |
|-------------|--|
| Promoter(s) | Mr. Raj Kumar Gupta, Mr. Deepak Kumar, Mr. Gaurav Gupta, Mr. Vishal Gupta, Ms. Nikita Gupta, Raj Kumar HUF, Deepak Kumar HUF and Gaurav Gupta HUF. |

Issue Related Terms

| Term | Description |
|-----------------------------------|--|
| Addendum | The addendum dated December 31, 2024 to the Draft Red Herring Prospectus, filed by our Company with Stock Exchange. |
| Debt-equity ratio | The debt to equity ratio compares an organization's liabilities to its shareholder's equity and is used to gauge how much debt or leverage the organization is using. |
| Draft Red Herring Prospectus/DRHP | The Draft Red Herring Prospectus dated September 10, 2024 read with Addendum dated December 31, 2024 filed with Stock Exchange and issued in accordance with section 26 and 32 of the Companies Act, 2013 and filed with the Emerge Platform of NSE under SEBI (ICDR) Regulations. |
| EBITDA Margin | EBITDA Margin is calculated as EBITDA divided by Revenue from Operations. |
| Net Debt | Net debt helps the management to determine whether a company is overleveraged, or has too much debt given its liquid assets. |
| Operating cash flow | Operating cash flows activities provides how efficiently our company generates cash through its core business activities. |
| PAT Margin | PAT Margin is calculated as PAT for the period/year divided by revenue from operations. |
| Revenue from operations | Revenue from operation means revenue from sales and other operating revenues. |
| Total Income | Total Income represents the total revenue of our business i.e., Revenue from Operations and Other Income, if any. |
| Underwriter | Underwriter to the issue is Khambatta Securities Limited. |
| Underwriting Agreement | The agreement dated December 26, 2024 entered into between the Underwriter and our Company. |

Conventional and General Terms/Abbreviations

| Term | Description |
|------|---|
| PAT | Profit after tax provides information regarding the overall profitability of the business. |
| ROE | ROE provides how efficiently our Company generates profits from shareholders' funds. |
| ROCE | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |

SECTION II – SUMMARY OF OFFER DOCUMENT

The sub-section titled “Our Promoters”, “Pre-Issue shareholding of our Promoters, Promoter Group as a percentage of the paid-up share capital of the Company”, “Summary of Related Party Transactions”, “Weighted Average price of Equity Shares acquired by our Promoters in last one year” and “Average cost of acquisition of Promoters” beginning on pages 17, 18, 20, 21 and 25 respectively of the Draft Red Herring Prospectus stands replaced/added with the following:

OUR PROMOTERS

The promoters of our Company are Mr. Raj Kumar Gupta, Mr. Deepak Kumar, Mr. Gaurav Gupta, Mr. Vishal Gupta, Ms. Nikita Gupta, M/s Raj Kumar HUF, M/s Deepak Kumar HUF and M/s Gaurav Gupta HUF.

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

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

| Sr. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|------------------------|-------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| Promoters | | | | | |
| 1. | Raj Kumar Gupta | 10,76,814 | 19.51 | 10,76,814 | [●] |
| 2. | Deepak Kumar | 5,50,017 | 9.97 | 5,50,017 | [●] |
| 3. | Gaurav Gupta | 5,97,294 | 10.82 | 5,97,294 | [●] |
| 4. | Vishal Gupta | 7,89,480 | 14.31 | 7,89,480 | [●] |
| 5. | Nikita Gupta | 2,22,129 | 4.03 | 2,22,129 | [●] |
| 6. | Raj Kumar HUF | 5,91,201 | 10.71 | 5,91,201 | [●] |
| 7. | Deepak Kumar HUF | 4,90,977 | 8.90 | 4,90,977 | [●] |
| 8. | Gaurav Gupta HUF | 4,03,506 | 7.31 | 4,03,506 | [●] |
| Promoters Group | | | | | |
| 9. | Punita Gupta | 2,49,291 | 4.52 | 2,49,291 | [●] |
| 10. | Jyoti Gupta | 2,75,886 | 5.00 | 2,75,886 | [●] |
| 11. | Vishal Gupta HUF | 2,71,719 | 4.92 | 2,71,719 | [●] |
| | Total | 55,18,314 | 100.00 | 55,18,314 | [●] |

SUMMARY OF RELATED PARTY TRANSACTIONS

The increasing trend in the Related Party Transaction of the Company is due to the following reasons:

- The Company, owing to the Memorandum of Understanding with the Jindal Stainless Limited (JSL), receive discount on purchase of raw materials in large order. To optimize the benefit of discount, Company procures large quantity of the raw material and sell the surplus to other Companies. This arrangement helps Company to increase in revenue and earn decent returns.
- Sales made to the Group Companies/ Related Parties provide greater assurance of the timely payment, thereby enhancing cash flow stability.

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

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

| Sr. No. | Name of the Promoters | Date of allotment | No. of Equity Shares Held | Type of Issue | Issue Price/Transfer Price (in Rs.) | Average Cost of Acquisition (in Rs.) |
|---------|-----------------------|-------------------|---------------------------|---------------------------------|-------------------------------------|--------------------------------------|
| 1. | Raj Kumar Gupta | April 06, 2024 | 9,57,168 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 2. | Deepak Kumar | April 06, 2024 | 4,88,904 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 3. | Gaurav Gupta | April 06, 2024 | 5,30,928 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 4. | Vishal Gupta | April 06, 2024 | 7,01,760 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 5. | Nikita Gupta | April 06, 2024 | 1,97,448 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 6. | Raj Kumar HUF | April 06, 2024 | 5,25,512 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 7. | Deepak Kumar HUF | April 06, 2024 | 4,36,424 | Bonus Issue in the ratio of 8:1 | Nil | Nil |
| 8. | Gaurav Gupta HUF | April 06, 2024 | 3,58,672 | Bonus Issue in the ratio of 8:1 | Nil | Nil |

AVERAGE COST OF ACQUISITION OF PROMOTERS

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

| Sr. No. | Name of the Promoters | No. of Equity Shares held | Average Cost of Acquisition (in Rs.) |
|---------|-----------------------|---------------------------|--------------------------------------|
| 1. | Raj Kumar Gupta | 10,76,814 | 12.22 |
| 2. | Deepak Kumar | 5,50,017 | 11.26 |
| 3. | Gaurav Gupta | 5,97,294 | 12.29 |
| 4. | Vishal Gupta | 7,89,480 | 10.91 |
| 5. | Nikita Gupta | 2,22,129 | 11.12 |
| 6. | Raj Kumar HUF | 5,91,201 | 12.72 |
| 7. | Deepak Kumar HUF | 4,90,977 | 11.23 |
| 8. | Gaurav Gupta HUF | 4,03,506 | 11.30 |

SECTION III – RISK FACTORS

The following risk factors shall be updated / replaced with the existing risk factors in the section “Risk Factors” beginning on page 26 of the Draft Red Herring Prospectus.

22. 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 Facilities 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 licenses, permits and authorization obtained by us, please refer to the chapter titled “*Government and Other Statutory Approvals*” beginning on page 258 of the Draft Red Herring Prospectus. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. Further, we have not experienced any instances in last 3 year related to the inadvertently fail to comply with such applicable regulations.

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

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

We have not experienced any accidents in past, so there was no material effect on business, financial condition and profitability of the issuer company. Further, no assurance can be given that we will not experience such instances in future.

29. We are required to obtain consents under certain environmental laws, which are critical for operating our Manufacturing Facility.

We require certain statutory and regulatory permission, licenses and approvals to operate our business. We believe that we have obtained all the requisite permission and licenses which are adequate to run our business. However, there is no assurance that there are no other statutory/ regulatory requirements which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permission, licenses and approvals. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations.

We have not 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.

There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

For further details, kindly refer chapter titled “Government and Other Statutory Approvals” beginning on page 258 of the Draft Red Herring Prospectus.

30. 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.

32. If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. We make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines.

We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations and financial condition. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation. Further, we have not experienced any instances in last 3 year related to the anti-corruption laws and regulations.

33. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected. Further, we have not experienced any instances in last 3 year related to the employee misconduct, errors or fraud.

37. We benefit from our relationship with some of our Promoters and our business and growth prospects may decline if we cannot benefit from this relationship in the future.

We benefit in many ways from our relationship with some of our individual Promoters, Mr. Raj Kumar Gupta, Mr. Deepak Kumar, Mr. Gaurav Gupta and Mr. Vishal Gupta as a result of their reputation, experience and knowledge of the Stainless-steel Pipes and Tubes industry. Our Promoters, who has been associated with this sector for aggregating over 4 decades, has been primarily responsible for the direction and growth of our business and has been instrumental in our strategic planning, including identifying our on-going production & orders. Our growth and future success are influenced, in part, by our continued relationship with them. We cannot assure you that we will be able to continue to take advantage of the benefits from this relationship in the future. If we lose our relationship with our promoters for any reason, our business and growth prospects may decline and our financial condition and results of operations may be adversely affected.

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

Our business is capital intensive business, the funds that we will receive would be utilized for the Objects of the Issue as has been stated in the chapter titled “*Objects of the Issue*” beginning on page 105 of the Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

In case of any delay, our Company will follow the applicable laws to reschedule any of the objects or implementations of any of the objects.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

The sub-section titled “Underwriting Agreement” beginning on page 69 of the Draft Red Herring Prospectus shall be updated to include the following in the Red Herring Prospectus:

UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on December 26, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter | No. of shares Underwritten | Amount Underwritten (Rs. in Lakhs) | % of the total Issue Size Underwritten |
|--|----------------------------|------------------------------------|--|
| KHAMBATTA SECURITIES LIMITED Address: #1 Ground Floor, 7/10, Botawala Building, 9 Bank Street, Horniman Circle, Fort, Mumbai - 400001 Maharashtra, India. Tel: 0120-4415469 Email: ipo@khambattasecurities.com Contact Person: Mr. Chandan Mishra Mr. Sunil Kantilal Shah Website: www.khambattasecurities.com SEBI Registration No.: INM000011914 | 20,20,000 | Upto 2,525.00* | 100.00 |
| Total | 20,20,000 | 2,525.00 | 100.00 |

**Subject to finalisation if issue price.*

CAPITAL STRUCTURE

The sub-section titled “Details of Shareholding of Promoters” beginning on page 81 of the Draft Red Herring Prospectus, shall be read with the following additional disclosures.

DETAILS OF SHAREHOLDING OF PROMOTERS

- Ms. Nikita Gupta

| Date of Allotment/ Transfer | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition / Transfer price (Rs.) | Nature of Transactions | Pre-issue shareholding % | Post- issue shareholding % | No. of Shares Pledged | % of Shares Pledged |
|--------------------------------|-------------------------|-------------------------------|---|---|-----------------------------|----------------------------------|--------------------------|------------------------|
| March 16, 2010 | 2,000 | 10 | 10 | Transfer of Shares from Sunil Kumar | 0.04 | [●] | - | - |
| May 05, 2011 | 2,550 | 10 | 100 | Further Issue | 0.05 | [●] | - | - |
| March 27, 2012 | 1,000 | 10 | 100 | Further Issue | 0.02 | [●] | - | - |
| March 29, 2013 | 4,250 | 10 | 100 | Further Issue | 0.08 | [●] | - | - |
| March 25, 2015 | 6,140 | 10 | 114 | Private Placement | 0.11 | [●] | - | - |
| March 29, 2016 | 1,833 | 10 | 120 | Private Placement | 0.03 | [●] | - | - |
| March 28, 2018 | 1,908 | 10 | 131 | Private Placement | 0.03 | [●] | - | - |
| April 05, 2023 | 5,000 | 10 | 100 | Transfer of Shares from Azad Singh | 0.09 | [●] | - | - |
| April 06, 2024 | 1,97,448 | 10 | - | Bonus Issue in the ratio of 8:1 | 3.58 | [●] | - | - |
| Total | 2,22,129 | | | | 4.03 | [●] | - | - |

The sub-section titled “Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoter’s Contribution” beginning on page 87 of the Draft Red Herring Prospectus stands replaced with the following:

Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoter’s Contribution are set forth in the table below:

| Date of Allotment/Transf er | No. of Equity Shares Locked- in* | Face Value | Issue/ Acquisition Price | Nature of Allotment | % of Pre-Issue Capital | % of Post Issue Capital | Date up to which the Equity Shares are subject to lock-in |
|-----------------------------------|--|------------|-----------------------------|------------------------|---------------------------|----------------------------|--|
| Mr. Raj Kumar Gupta (A) | | | | | | | |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

| | | | | | |
|--|-----|-----|-----|-----|-----|
| Total (A) | [•] | | [•] | [•] | |
| Mr. Deepak Kumar (B) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (B) | [•] | | [•] | [•] | |
| Mr. Gaurav Gupta (C) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (C) | [•] | | [•] | [•] | |
| Mr. Vishal Gupta (D) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (D) | [•] | | [•] | [•] | |
| Ms. Nikita Gupta (E) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (E) | [•] | | [•] | [•] | |
| M/s Raj Kumar HUF (F) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (F) | [•] | | [•] | [•] | |
| M/s Deepak Kumar HUF (G) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (G) | [•] | | [•] | [•] | |
| M/s Gaurav Gupta HUF (H) | | | | | |
| [•] | [•] | [•] | [•] | [•] | [•] |
| Total (H) | [•] | [•] | [•] | [•] | [•] |
| Grand Total (A+B+C+D+E+F+G+H) | [•] | | [•] | [•] | |

*Subject to finalization of Basis of Allotment.

The sub-section titled “Details of Shareholding of Promoters” on page 92 of the Draft Red Herring Prospectus stands replaced with the following:

Shareholding of our Promoters and Promoter Group

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

| Sr. No. | Name of the Shareholder | Pre – Issue | | Post – Issue | |
|------------------------|-------------------------|----------------------|------------------------|----------------------|-------------------------|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
| (I) | (II) | (III) | (IV) | (V) | (VI) |
| Promoters | | | | | |
| 1. | Raj Kumar Gupta | 10,76,814 | 19.51 | 10,76,814 | [•] |
| 2. | Deepak Kumar | 5,50,017 | 9.97 | 5,50,017 | [•] |
| 3. | Gaurav Gupta | 5,97,294 | 10.82 | 5,97,294 | [•] |
| 4. | Vishal Gupta | 7,89,480 | 14.31 | 7,89,480 | [•] |
| 5. | Nikita Gupta | 2,22,129 | 4.03 | 2,22,129 | [•] |
| 6. | Raj Kumar HUF | 5,91,201 | 10.71 | 5,91,201 | [•] |
| 7. | Deepak Kumar HUF | 4,90,977 | 8.90 | 4,90,977 | [•] |
| 8. | Gaurav Gupta HUF | 4,03,506 | 7.31 | 4,03,506 | [•] |
| Promoters Group | | | | | |
| 9. | Punita Gupta | 2,49,291 | 4.52 | 2,49,291 | [•] |
| 10. | Jyoti Gupta | 2,75,886 | 5.00 | 2,75,886 | [•] |

| | | | | | |
|-----|------------------|------------------|---------------|------------------|------------|
| 11. | Vishal Gupta HUF | 2,71,719 | 4.92 | 2,71,719 | [●] |
| | Total | 55,18,314 | 100.00 | 55,18,314 | [●] |

The sub-section titled “The average cost of acquisition of or subscription to Equity Shares by our Promoters” on page 92 of the Draft Red Herring Prospectus stands replaced with the following:

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

| Sr. No. | Name of the Promoters | No. of Shares held | Average cost of Acquisition (in Rs.) |
|---------|-----------------------|--------------------|--------------------------------------|
| 1. | Raj Kumar Gupta | 10,76,814 | 12.22 |
| 2. | Deepak Kumar | 5,50,017 | 11.26 |
| 3. | Gaurav Gupta | 5,97,294 | 12.29 |
| 4. | Vishal Gupta | 7,89,480 | 10.91 |
| 5. | Nikita Gupta | 2,22,129 | 11.12 |
| 6. | Raj Kumar HUF | 5,91,201 | 12.72 |
| 7. | Deepak Kumar HUF | 4,90,977 | 11.23 |
| 8. | Gaurav Gupta HUF | 4,03,506 | 11.30 |

Other Confirmations:

1. The Company is in the compliance with the Companies Act, 1956 & Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of the Draft Red Herring Prospectus.

SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The sub-section titled “Reason for high Inventories” beginning on page 99 of the Draft Red Herring Prospectus stands replaced with the following:

Reason for high Inventories:

Our Company usually keep high level of inventory to mitigate the impact of price fluctuation of raw material and enjoy the benefit of turnover discount on purchase of high level of raw material. The inventory majorly includes raw material and finished goods in addition to work-in-progress, stores & spares and scrap.

The composition of inventory is as follows:

(Rs. in lakhs)

| Particulars | As at March 31,2024 | % to the total inventory | As at March 31,2023 | % to the total inventory | As at March 31,2022 | % to the total inventory |
|-------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
| Raw Materials | 1,121.70 | 52.09 | 2,973.31 | 67.12 | 1,191.63 | 60.18 |
| Finished Goods | 728.04 | 33.81 | 1,081.34 | 24.41 | 360.47 | 18.20 |
| Stores and Spares | 260.20 | 12.08 | 212.54 | 4.80 | 180.95 | 9.14 |
| Scrap | 25.44 | 1.18 | 56.77 | 1.28 | 31.25 | 1.58 |
| Work in Progress | 17.81 | 0.83 | 105.97 | 2.39 | 215.90 | 10.90 |
| Total | 2,153.19 | 100.00 | 4,429.92 | 100.00 | 1,980.20 | 100.00 |

Apart from the above reasons, we manufacture the products as per the demand of the client & keep the finished goods with us, we deliver the finished goods to the client either on advance payment or on credit. The inventory days for our Company in F.Y. 2022, F.Y. 2023 and F.Y. 2024 were 40 days, 72 days and 26 days and is expected to be 45 days in the F.Y 2025 due to the following reasons:

- to protect our self from sudden jump in raw material prices especially Stainless Steel, it also helps us to improve our margins and reduce the chances of loss due to price escalation.
- to receive higher discount on purchase of raw material. As per the terms and condition of the MoU signed between our Company and Jindal Stainless Limited, we receive turnover discount on purchase of higher quantity of raw material. The turnover discount ranges from Rs. 900 to Rs. 2,850 per M.T. on purchase of 75-125 M.T to 1,750 MT & above, respective-ly.
- timely fulfilment of the orders.

We predominantly procure raw material from Jindal Stainless Limited and few other private players on every 1-3 days basis to stock sufficient raw material for smooth operations, as the pricing of stainless steel is so much dependent on international market & very important factor for Company’s margins. As our sales increases every year, we have to keep high inventory in the facility that helps us to manage the inventories effectively. It’s usually takes 15-30 days to convert raw material into finished goods & transport the finished goods to the buyer.

Inventories as compare to the revenue from operations:

(Rs. in lakhs)

| Particulars | As at March 31,2024 | As at March 31,2023 | As at March 31,2022 |
|-------------------------------------|------------------------|------------------------|------------------------|
| Inventories | 2,153.19 | 4,429.92 | 1,980.20 |
| Revenue from Operations | 29,774.93 | 22,542.65 | 17,971.82 |
| As % to the Revenue from Operations | 7.23% | 19.65% | 11.02% |

In FY 2023 we kept good stock of raw material worth Rs. 2,973.31 lakhs as compare to the FY 2022 to safeguard our Company from price fluctuation in domestic as well as in international market. In FY 2022 & FY 2024, inventories were inline with the revenue.

Between FY22 and FY23, our inventory rises significantly by 123.7%, from Rs. 1,980.20 lakhs in FY22 to Rs. 4,429.92 lakhs in FY23. This increase is the result of strategic planning to improve operational efficiency and wider the range of product to cater customer satisfaction and stability.

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|-------------|-------------------------|-------------------------|-------------------------|
| Inventory | 2,153.19 | 4,429.92 | 1,980.20 |

Company has focus on wider the range of product in term of Sizes and thickness during the year FY 2022-23. To cater these diverse requirements, we stock a broader product range. This enables us to meet orders quickly and build trust with our clients by ensuring timely delivery, even for customized requirements.

The cost of raw materials is highly volatile, and prices rises significantly in short periods. To avoid the impact of price increases, we purchase materials in bulk when prices are favourable. This allows us to stabilize production costs and maintain competitive pricing for our customers.

Also, there are consistent growth in revenue over the years, with a 25% increase in FY23 and 32.08% in FY24. To support this growth, we need sufficient inventory to meet rising demand.

(Rs. in Lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|-------------------------|------------|------------|------------|
| Revenue from Operations | 29,774.93 | 22,542.65 | 17,971.82 |
| Change in Revenue | 7,232.28 | 4,570.83 | 4,297.10 |
| % Change | 32.08% | 25.43% | 31.42% |

Moreover, Company has a Memorandum of Understanding (MOU) with Jindal Stainless Limited (JSL). JSL offers volume-based discounts for achieving specific procurement targets. To capitalize on these benefits, we have optimized our raw material procurement to maximum levels. This approach not only drives significant cost savings but also boosts profitability, enabling us to maintain a competitive edge through more strategic pricing. Purchases made from JSL has been described herein below in absolute figure as well as in %:

(Rs. in Lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|---|------------------|------------------|------------------|
| Purchases for Manufacturing (A) | 16,675.69 | 21,199.81 | 15,531.99 |
| Purchases for Trading (B) | 8,768.60 | 2,236.73 | 531.37 |
| Total Purchases (A+B) | 25,444.29 | 23,436.54 | 16,063.36 |
| Jindal Stainless Limited [including Jindal Stainless (Hisar) Limited] | 24,346.61 | 22,606.93 | 15,244.76 |
| % of Total Purchases | 95.69 | 96.46 | 94.91 |

Purchases made from Jindal Stainless Limited:

For the period ended on March 31, 2024: -

| Name of Supplier | Quantity (in MT) | Amount (in Lakhs) | % of Total Purchases |
|--------------------------|---------------------|----------------------|-------------------------|
| Jindal Stainless Limited | 18,239.17 | 24,346.61 | 95.69 |
| Total | 18,239.17 | 24,346.61 | 95.69 |

For the period ended on March 31, 2023: -

| Name of Supplier | Quantity (in MT) | Amount (in Lakhs) | % of Total Purchases |
|----------------------------------|---------------------|----------------------|-------------------------|
| Jindal Stainless (Hisar) Limited | 10,489.34 | 17,174.41 | 73.28 |
| Jindal Stainless Limited | 3353.57 | 5,432.52 | 23.18 |
| Total | 13,842.91 | 22,606.93 | 96.46 |

For the period ended on March 31, 2022: -

| Name of Supplier | Quantity (in MT) | Amount (in Lakhs) | % of Total Purchases |
|----------------------------------|---------------------|----------------------|-------------------------|
| Jindal Stainless (Hisar) Limited | 7,591.75 | 12,129.18 | 75.51 |
| Jindal Stainless Limited | 2,215.89 | 3,115.58 | 19.40 |
| Total | 9,807.64 | 15,244.76 | 94.91 |

The sub-section titled “Estimated Working Capital Requirements” beginning on page 98 of the Draft Red Herring Prospectus, following shall be read with the following additional disclosures.

Trade Receivables as compare to the revenue from operations:

(Rs. in lakhs)

| Particulars | As at March 31,2024 | As at March 31,2023 | As at March 31,2022 |
|-------------------------------------|------------------------|------------------------|------------------------|
| Trade Receivables | 1,507.08 | 1,398.90 | 1,420.89 |
| Revenue from Operations | 29,774.93 | 22,542.65 | 17,971.82 |
| As % to the Revenue from Operations | 5.06% | 6.21% | 7.91% |

There is a slight increase in trade receivables in FY 2025 as compared to FY 2024, our Company usually sells goods in credit to the Customers. The credit days offered to the customers ranges from 15 to 30 days, depending on case-to-case basis. The debtor’s days in the F.Y. 2024, F.Y 2023 and F.Y. 2022 were 18 days, 23 days and 29 days respectively and our Company expect the debtor days to be 25 days in the F.Y. 2025. Our Company will offer higher credit period in F.Y. 2025, in order to add new customers and grow business.

Our Company is operating through its dealer network. The dealer network in FY 2024-25 (till October 31, 2024) is mentioned as follows:-

| Sr. No. | State | No. of Dealer |
|---------|-----------------|---------------|
| 1 | Uttar Pradesh | 17 |
| 2 | Haryana | 07 |
| 3 | Punjab | 06 |
| 4 | Madhya Pradesh | 05 |
| 5 | Delhi | 04 |
| 6 | Rajasthan | 04 |
| 7 | Bihar | 02 |
| 8 | Tamil Nadu | 01 |
| 9 | Maharashtra | 01 |
| 10 | Jharkhand | 01 |
| 11 | Telangana | 01 |
| 12 | Jammu & Kashmir | 01 |
| 13 | Karnataka | 01 |
| | Total | 51 |

Our Company in order to increase its turnover has started the business development process and wide the dealer network across the country. Presently, the major focus of our Company is in the northern region of India i.e. Uttar Pradesh, Haryana, Delhi, Punjab, Madhya Pradesh and Rajasthan.

Region wise turnover of our Company in the last 3 FY is mentioned as follows:

(Rs. in Lakhs)

| Region | Turnover in FY 2023-24 | Turnover in FY 2022-23 | Turnover in FY 2021-22 |
|--------------|------------------------|------------------------|------------------------|
| East | 401.57 | 409.09 | 300.77 |
| North | 24,935.77 | 16,598.18 | 13,859.38 |
| South | 1,137.11 | 1,337.90 | 772.35 |
| West | 3,300.48 | 4,197.51 | 3,039.37 |
| Total | 29,774.93 | 22,542.69 | 17,971.87 |

The industries scenario of credit to customer is of approx. 45-60 days. However, our company with its high standard of quality be able to sell its product with lessor credit period. Our Company is expecting that in order to establish new market for its product our Company has to provide more credit period to its customers.

The reason for decrease in the net working capital requirements as a percentage of Revenue from 18.4% of revenue in FY 2022 to 16.64% of revenue in FY23 is described as follows:-

(Rs. in Lakhs)

| Particulars | FY 2023-24 Audited | FY 2022-23 Audited | FY 2021-22 Audited |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| Working Capital Requirements | 4,382.55 | 3,751.98 | 3,306.24 |
| Revenue from Operations | 29,774.93 | 22,542.65 | 17,971.82 |
| As % to the Revenue from Operations | 14.72% | 16.64% | 18.40% |

The reduction in our Company's net working capital requirements, as a percentage of revenue, from 18.40% in FY22 to 16.64% in FY23, was achieved through a combination of strategic financial decisions and operational efficiencies.

The following factors were the key contributors to this improvement:

- ✓ **Increase in Trade Payables:** In FY23, our Company's trade payables increased significantly from Rs. 509.27 lakhs in FY22 to Rs. 2,703.32 lakhs in FY23 a substantial 430.70% rise. By procuring raw materials on credit, our Company effectively delayed cash outflows, which reduced its immediate working capital needs. Additionally, this strategy protected our Company from market fluctuations in raw material prices, providing a buffer against potential price increases. Consequently, the reliance on supplier credit helped our Company optimize cash flow and reduce net working capital requirements.
- ✓ **Increase in Inventories:** Our Company's inventory levels also saw a notable increase, growing from Rs. 1,980.20 lakhs in FY22 to Rs. 4,429.92 lakhs in FY23 an increase of 123.8%. This rise in inventories was driven by a strategic decision to procure raw materials in bulk to secure more favourable prices and improve margins. Despite the significant increase in inventory levels, our Company efficiently managed its inventory turnover, preventing the build-up of excess or obsolete stock. This efficient inventory management allowed our Company to maintain liquidity while benefiting from bulk purchases and achieving better profit margins.
- ✓ **Reduction in Customer Credit Period:** One of the most significant improvements was in the credit period extended to customers. Our Company successfully reduced the average credit period from 29 days in FY22 to 23 days in FY23 a reduction of around 20.7%. This decrease in the credit period directly impacted our Company's debtor's turnover ratio, leading to quicker collections from customers. As a result, our Company was able to reduce trade receivables by approximately Rs. 300.00 lakhs. This improvement in receivables management not

only enhanced our Company's cash flow but also allowed it to maintain lower net working capital requirements relative to revenue.

- ✓ **Stable Revenue Growth:** During FY23, our Company's revenue from operations increased from Rs. 17,971.82 lakhs in FY22 to Rs. 22,542.65 lakhs in FY23, reflecting a growth of approximately 25.4%. This strong revenue growth contributed to a lower percentage of working capital requirements as revenue expanded faster than the increase in working capital. When revenue grows more rapidly than working capital, the ratio of net working capital to revenue naturally decreases. In this case, while our Company's working capital increased by Rs. 445.74 lakhs, the growth in revenue by Rs. 4,570.83 lakhs resulted in a lower working capital percentage.

Detailed rationale for the decrease in the net working capital requirements as a percentage of Revenue from 16.64% of revenue in FY23 to 14.72% of revenue in FY24.

The reason for decrease in the net working capital requirements as a percentage of Revenue from 16.64% of revenue in FY23 to 14.72% of revenue in FY24 is described as follows: -

(Rs. in Lakhs)

| Particulars | FY 2023-24 Audited | FY 2022-23 Audited | FY 2021-22 Audited |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| Working Capital Requirements | 4,382.55 | 3,751.98 | 3,306.24 |
| Revenue from Operations | 29,774.93 | 22,542.65 | 17,971.82 |
| As % to the Revenue from Operations | 14.72% | 16.64% | 18.40% |

The reduction in net working capital requirements as a percentage of revenue from 16.64% in FY23 to 14.72% in FY24 was primarily driven by our Company's significant revenue growth and improved financial management. Below is the detailed analysis:

1. **Revenue Growth:** Our Company's revenue from operations increased from Rs. 22,542.65 lakhs in FY23 to Rs. 29,774.93 lakhs in FY24, reflecting an increase of 32.1%. This substantial growth in revenue outpaced the increase in working capital requirements, leading to a decrease in net working capital as a percentage of revenue.
2. **Efficient Inventory Management:** Despite the rise in revenue, our Company maintained its inventory levels efficiently. This led to a balanced increase in inventories while preventing unnecessary stock build-up. By optimizing inventory turnover, the company avoided excessive holding costs.
3. **Reduction in Customer Credit Period:** The average credit period given to customers was reduced from 23 days in FY23 to even better levels 18 days in FY24. This reduction in the credit period directly impacted the debtors turnover ratio, resulting in faster collections and increased liquidity. Our Company's disciplined receivables management helped reduce the overall working capital requirements. Our Company has able to reduce approx. Rs. 408.00 lakhs of trade receivables in term of Debtor turnover Ratio due to its better management and be able to maintain its working capital requirement at lower level.

Quantitative Explanation:

- i) Revenue from Operations grew by 32.1%, from Rs. 22,542.65 lakhs in FY23 to Rs. 29,774.93 lakhs in FY24, demonstrating our Company's success in scaling its operations.
- ii) Working Capital Requirements increased by 16.8%, from Rs. 3,751.98 lakhs in FY23 to Rs. 4,382.55 lakhs in FY24. However, the increase was less pronounced compared to revenue growth, which led to a reduction in the ratio.
- iii) Net Working Capital as a percentage of Revenue decreased from 16.6% in FY 2023 to 14.7% in FY 2024, a reduction of 1.9%. This improvement highlights the company's successful strategies in managing receivables,

payables, and inventory.

The reason for increase in the estimated working capital requirements of Rs. 53.50 crores in FY25 is described as under:

1. Market Expansion Initiatives and Increased Customer Credit Terms.

- **Customer Retention and Acquisition:** The decision to extend customer credit days from 18 to 25 allows us to attract new clients while retaining existing ones, especially in a competitive environment. Longer credit periods are a common approach for enhancing customer loyalty and building long-term relationships. While this adds to receivables, it's expected to result in increased sales over time.

In past we have given the average credit period of 29 days in FY 2022, 23 days in FY 2023 & 18 days in FY 2024. In light of current market scenario in steel sector, we will have to provide good credit period to retain the customers & also to attract the new customers.

So, on the basis of our estimation, the estimated trade receivables for the FY 24-25 will be Rs. 1,739.73 Lakhs.

Change in Trade Receivables: -

(Rs. in Lakhs)

| Particulars | FY 2024-25 (Projected) | FY 2023-24 Audited | FY 2022-23 Audited | FY 2021-22 Audited |
|------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Trade Receivables | 1,739.73 | 1,507.08 | 1,398.90 | 1,420.89 |
| Changes in Trade Receivables | 232.65 | 108.18 | (21.99) | - |
| Change (%) | 15.44% | 7.73% | (1.55%) | - |

The WCR increased by Rs. 630.57 Lakh i.e. 16.81% in Fiscal 2024 from Fiscal 2023 and from Fiscal 2024 to Fiscal 2025 it is estimated to increase by Rs. 970.84 Lakh i.e. 22.15%, out of which Rs. 232.65 Lakh in fiscal 2025 are increasing due to changes in trade receivables. The growth in trade receivables is expected to align with the anticipated increase in sales of products of the Company, driven by the company's efforts to expand its customer base by utilizing working capital.

We have added following number of new customers in the past financial years:

| Particulars | FY 2023-24 Audited | FY 2022-23 Audited | FY 2021-22 Audited |
|----------------------------------|-----------------------|-----------------------|-----------------------|
| Number of new customers | 119 | 81 | 136 |
| Number of repeated customers | 95 | 98 | 105 |
| Total number of customers | 214 | 179 | 241 |

2. Higher Inventory Levels for Market Responsiveness

- **Enhanced Inventory Readiness:** The decision to increase inventory days to 45 from 26 days is aimed at improving our ability to respond quickly to diverse and urgent customer orders. With a broad customer base across India, any delays from suppliers can disrupt fulfilment. Maintaining a robust inventory mitigates this risk.

Further, the Company has manufactured multiple size and thickness of S. S. Pipe. Company has MOU with Jindal Stainless Ltd and sometimes there are unavailability of various size and thickness of material. Company has PAN India customer and to fulfil customer requirement on time the company has to maintain all the sizes and thickness of material ready even if supply of raw material was delayed by the raw material

supplier. To maintain high inventory, company has strategical edge that in event of urgent requirement of customer demand company will able to fulfil it at the earliest. So, to maintain stock, company requires more working capital as compared to FY 2024. That is why the inventory days for our Company in F.Y. 2022, F.Y. 2023 and F.Y. 2024 were 40 days, 72 days and 26 days respectively and is expected to be 45 days in the F.Y 2025.

The composition of inventory is as follows:

(Rs. in lakhs)

| Particulars | As at March 31,2024 | % | As at March 31,2023 | % | As at March 31,2022 | % |
|-------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| Raw Materials | 1,121.70 | 52.09 | 2,973.31 | 67.12 | 1,191.63 | 60.18 |
| Finished Goods | 728.04 | 33.81 | 1,081.34 | 24.41 | 360.47 | 18.20 |
| Stores and Spares | 260.20 | 12.08 | 212.54 | 4.80 | 180.95 | 9.14 |
| Scrap | 25.44 | 1.18 | 56.77 | 1.28 | 31.25 | 1.58 |
| Work in Progress | 17.81 | 0.83 | 105.97 | 2.39 | 215.90 | 10.90 |
| Total | 2,153.19 | 100.00 | 4,429.92 | 100.00 | 1,980.20 | 100.00 |

*% to the total inventory.

On the basis of above details, the major part of inventories is only the raw materials.

- **Buffer against Supply Chain Fluctuations:** By holding a wider range of stock, the company can avoid the operational interruptions that sometimes arise due to supplier constraints. In recent years, global supply chain issues have necessitated this proactive approach, ensuring the company has the materials needed to meet demand consistently.
- **Growth of Product Range:** Expanding the inventory may also reflect the company's broader product range. As the company caters to specific customer requirements for SS Pipes of varied sizes and thicknesses, this requires them to stock diverse materials to promptly meet each specification.

3. Increase in Other Current Assets due to Regulatory Compliance and Future Growth Plans.

- **Higher Regulatory Commitments:** Rising GST credit, advance income tax, and TDS/TCS receivables reflect increasing regulatory obligations. These requirements demand higher current assets to ensure compliance, contributing to the rise in working capital needs.
- **Advance Payments to Secure Supplies:** In some cases, pre-payments may be necessary to secure essential supplies from key suppliers. This strategy ensures the company has priority access to raw materials, even during shortages, but contributes to higher current assets.

4. Strategic reliance on Supplier Credit to support Cash Flow

- **Improved Supplier Terms:** Increasing trade payables from Rs. 5.08 Lakhs to Rs. 635.54 Lakhs represents a significant shift in the supplier relationships. By negotiating favourable terms, the company can manage better cashflows for raw materials, offsetting some working capital requirements. This approach helps stabilize cash flow and minimizes the immediate impact on working capital.

So, on the basis of our estimation, the estimated trade payables for the FY24-25 will be Rs. 635.54 Lakhs, following are the calculation % of Trade payables to cost of material consumed of the Company:

(Rs. in Lakhs)

| Particulars | FY 2024-25 (Projected) | FY 2023-24 Audited | FY 2022-23 Audited | FY 2021-22 Audited |
|----------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Trade Payables | 635.54 | 5.08 | 2,703.32 | 509.27 |

| | | | | |
|---------------------------|------------|-----------|-----------|-----------|
| Cost of Material Consumed | 21,042.71* | 18,479.65 | 19,386.54 | 16,123.95 |
| % | 3.02% | 0.03% | 13.94% | 3.16% |

*Estimated for the FY 2025.

- **Focus on Cash Flow optimization:** Extending payables without penalties allows the company to hold onto cash for longer, balancing out the rise in other working capital areas. This arrangement with suppliers is designed to synchronize cash inflows with outflows, ensuring the company retains sufficient liquidity to meet operating needs.

5. Inflationary pressure on Raw Materials and Operating Expenses

- **Buffer against Price Fluctuations:** Holding additional inventory at stable prices allows the company to hedge against future cost increases, enabling them to maintain margins even if raw material prices rise. This strategic choice benefits long-term profitability, despite increasing short-term working capital needs.

Change in Inventories: -

(Rs. in Lakhs)

| Particulars | FY 2024-25 (Projected) | FY 2023-24 Audited | FY 2022-23 Audited | FY 2021-22 Audited |
|------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Inventories | 3,131.51 | 2,153.19 | 4,429.92 | 1,980.20 |
| Changes in Inventories | 978.32 | (2,276.73) | 2,449.72 | - |
| Change (%) | 45.44% | (51.39%) | 123.71% | - |

The company plans to use the funds from the IPO to finance its working capital, particularly for purchasing raw materials. This strategy will enable the company to manage inventories more effectively, reducing the risk of incurring additional costs due to price increases in the commodity market. Additionally, purchasing raw materials in larger quantities will allow the company to benefit from turnover discounts. Maintaining a higher level of inventory will provide a cushion against price fluctuations, ultimately helping the company improve its profit margins.

- **Contingency Stock for Demand Spikes:** Maintaining additional stock provides a buffer against sudden spikes in customer demand. With a reputation for reliability, the company can capitalize on urgent, high-value orders without delays.
- **Reduced Lead Time for Fulfillment:** Stocking diverse inventory enables the company to fulfill orders more quickly, leading to improved customer satisfaction. This can be a critical competitive advantage and aligns with the goal of becoming a preferred supplier.

The Reason for significant fluctuations in the Trade Payables of the Company in the past three fiscal years.

The fluctuations in trade payables across FY 2021-22, FY 2022-23, and FY 2023-24 can be explained by strategic decisions taken by the company to align with its business goals.

(Rs. in Lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|----------------|------------|------------|------------|
| Trade Payables | 5.08 | 2,703.32 | 509.27 |

In FY 2023-24 trade payables dropped significantly to Rs. 5.08 lakhs. This change resulted from a deliberate shift in strategy, where the Company chose to make pre-payments to key suppliers to secure essential raw materials and ensure priority access. This move was particularly important to mitigate risks of supply shortages and maintain uninterrupted production.

(Rs. in Lakhs)

| Particulars | FY 2023-24 |
|--|------------------|
| Purchases for Manufacturing (A) | 16,675.69 |
| Purchases for Trading (B) | 8,768.60 |
| Total Purchases (A+B) | 25,444.29 |
| Trade Payables | 5.08 |
| Trade Payables in % of Total Purchases | 0.02% |

In FY 2022-23 trade payables increased significantly to Rs. 2,703.32 lakhs. This rise was primarily due to the company's strategy to diversify its product range, leading to higher procurement volumes. Additionally, the company availed bulk discounts offered by suppliers, resulting in a larger payable balance at year-end. This approach is also evident from the higher closing stock reported during this period.

(Rs. in Lakhs)

| Particulars | FY 2022-23 |
|--|------------------|
| Purchases for Manufacturing (A) | 21,199.81 |
| Purchases for Trading (B) | 2,236.73 |
| Total Purchases (A+B) | 23,436.54 |
| Trade Payables | 2,703.32 |
| Trade Payables in % of Total Purchases | 11.53% |

During FY 2021-22 Trade payables stood at Rs. 509.27 lakhs, reflecting stable operations with a focus on maintaining regular supplier payment terms.

(Rs. in Lakhs)

| Particulars | FY 2021-22 |
|--|------------------|
| Purchases for Manufacturing (A) | 15,531.99 |
| Purchases for Trading (B) | 531.37 |
| Total Purchases (A+B) | 16,063.36 |
| Trade Payables | 509.27 |
| Trade Payables in % of Total Purchases | 3.17% |

These fluctuations are a direct result of evolving strategies to meet operational demands and adapt to market conditions, ensuring business continuity and growth.

The sub-section titled "Interim use of Proceeds" on page 104 of the Draft Red Herring Prospectus stands replaced with the following:

INTERIM USE OF PROCEEDS

Pending utilization for the purposes described above, we intend to deposit the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets. Our management, in accordance with the applicable laws, will deploy the Net Proceeds. Further, our Board of Directors hereby undertakes that full recovery of the said deposit shall be made without any sort of delays as and when need arises for utilization of proceeds for the objects of the issue.

SECTION VI – ABOUT THE COMPANY

OUR BUSINESS

The sub-section titled “Product Applications” on page 156 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Product Applications

Our Company is selling goods to manufacturers as well as traders. These manufacturers produce goods for various industries like railways, rice plants, sugar mills, food processing, machinery equipment, decorative items, furniture and fixtures.

Some of the items produced by these manufacturers include trolleys made of SS pipes, pipes used in plant & machinery on-site in the sugar, rice, and food processing industries. The SS pipes are also used exhaustively in furniture, household items, railings, gates, etc.

Moreover, the SS pipes are also supplied to manufacturers of heat exchangers and boilers.

The industry-wise bifurcation of our Company's sales for the last three financial years in absolute as well as percentage terms are as follows:

| FY 2023-24 | | | | |
|-------------------------|------------------|---------------------|-------------------------|---------------------|
| Sector | QTY (MT) | % of total Quantity | Turnover (Rs. in Lakhs) | % of Total Turnover |
| Trader – Wholesaler | 17,337.39 | 90.02 | 27,012.92 | 90.72 |
| Food industry | 1,231.77 | 6.40 | 1,652.77 | 5.55 |
| Manufacturer | 369.19 | 1.92 | 514.57 | 1.73 |
| Airport authority | 122.61 | 0.64 | 287.01 | 0.96 |
| Service provider | 64.73 | 0.34 | 83.32 | 0.28 |
| Rice plant | 32.75 | 0.17 | 61.17 | 0.21 |
| Auto parts manufacturer | 34.88 | 0.18 | 51.39 | 0.17 |
| Boiler manufacturer | 27.94 | 0.15 | 48.14 | 0.16 |
| Railway vendor | 26.46 | 0.14 | 43.94 | 0.15 |
| Kitchen furniture | 11.85 | 0.06 | 19.00 | 0.06 |
| Furniture manufacturer | 0.47 | 0.00 | 0.69 | 0.00 |
| Total | 19,260.04 | 100.00 | 29,774.93 | 100.00 |
| FY 2022-23 | | | | |
| Sector | QTY (MT) | % of total Quantity | Turnover (Rs. in Lakhs) | % of Total Turnover |
| Trader - Wholesaler | 11,852.24 | 95.27 | 21,534.25 | 95.53 |
| Food industry | 264.03 | 2.12 | 396.36 | 1.76 |
| Furniture manufacturer | 149.67 | 1.20 | 236.78 | 1.05 |
| Manufacturer | 80.45 | 0.65 | 167.32 | 0.74 |
| Airport authority | 18.69 | 0.15 | 48.59 | 0.22 |
| Heat exchanger | 17.86 | 0.14 | 47.94 | 0.21 |
| Railway vendor | 24.09 | 0.19 | 47.56 | 0.21 |
| Auto parts manufacturer | 15.65 | 0.13 | 22.86 | 0.10 |
| Builder | 7.57 | 0.06 | 22.49 | 0.10 |

| Kitchen furniture | 10.16 | 0.08 | 18.53 | 0.08 |
|---------------------------------|------------------|---------------------|-------------------------|---------------------|
| Total | 12,440.42 | 100.00 | 22,542.69 | 100.00 |
| FY 2021-22 | | | | |
| Sector | QTY (MT) | % of total Quantity | Turnover (Rs. in Lakhs) | % of Total Turnover |
| Trader - Wholesaler | 9,447.65 | 88.66 | 15,798.65 | 87.91 |
| Manufacturer | 483.37 | 4.54 | 912.78 | 5.08 |
| Food industry | 295.15 | 2.77 | 471.79 | 2.63 |
| Service provider | 186.37 | 1.75 | 322.76 | 1.80 |
| Furniture manufacturer | 51.23 | 0.48 | 107.85 | 0.60 |
| Fabricator | 46.07 | 0.43 | 73.22 | 0.41 |
| Airport authority | 32.54 | 0.31 | 68.71 | 0.38 |
| Railway vendor | 30.71 | 0.29 | 66.71 | 0.37 |
| Builder | 20.50 | 0.19 | 41.54 | 0.23 |
| Kitchen furniture | 15.11 | 0.14 | 26.09 | 0.15 |
| Households | 11.13 | 0.10 | 25.46 | 0.14 |
| Manufacturer of solar equipment | 18.36 | 0.17 | 23.00 | 0.13 |
| Agriculture equipment | 10.85 | 0.10 | 18.96 | 0.11 |
| Heat exchanger | 3.27 | 0.03 | 9.32 | 0.05 |
| Boiler manufacturer | 3.60 | 0.03 | 4.86 | 0.03 |
| Rice plant | 0.08 | Negligible | 0.16 | Negligible |
| Total | 10,656.01 | 100.00 | 17,971.87 | 100.00 |

The sub-section titled “Our Competitive Strength- Quality Assurance and Standards” on page 162 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

The repeat order percentage of our Company for the past three fiscal years is as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|------------------|----------------------|----------------------|----------------------|
| Repeat Order (%) | 52.00 | 41.00 | 51.44 |

The sub-section titled “Our Competitive Strength- Strong Distribution and Customer Focus” on page 161 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Following are the details in respect of the number of dealers in last 3 financial years:

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|-------------------|----------------------|----------------------|----------------------|
| Number of Dealers | 43 | 42 | 36 |

Revenue earned from the above dealers in last 3 financial years are as under:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | % of total revenue | As at March 31, 2023 | % of total revenue | As at March 31, 2022 | % of total revenue |
|----------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
| Through dealer | 16,456.29 | 55.27 | 15,758.03 | 69.90 | 10,101.44 | 56.21 |
| Direct sales | 13,318.64 | 44.73 | 6,784.62 | 30.10 | 7,870.43 | 43.79 |
| Total | 29,774.93 | 100.00 | 22,542.65 | 100.00 | 17,971.87 | 100.00 |

The sub-section titled “Our Business Strategy- Strengthen our Goodwill” on page 165 of the Draft Red Herring Prospectus stands replaced with the following:

Strengthen our Goodwill

We are in the business of manufacturing of stainless-steel pipes/tubes since approximately last twenty years whereas our peer group industry players/competitors have the benefit of average 30 years 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 own goodwill with the help of Jindal Stainless Limited 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, dealers meet organised by Jindal Stainless Limited. We believe that such initiatives shall improve our brand positioning, overall brand recall value and support us in our growth strategy.

In past we have taken the part in the different exhibitions held in different cities such as Kota, Bhatinda, Gazipur, Varanasi & Gorakhpur etc with the help of JS.

Following are some photographs of exhibitions:



The sub-section titled “Product-Wise Revenue Breakup” beginning on page 169 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Other Goods: Other goods include consumable items which Company procure from third party supplier for own consumption but if any client/customers want that product then Company sells that product to the customer as well, so consumable items are tradable items of our Company.

Following are the details of other goods sold in the last 3 financial years:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|-------------|----------------------|----------------------|----------------------|
| Other Goods | 4.42 | - | - |

Other Services: Other services include the reimbursement of cost incurred by our Company for exhibitions with Jindal Stainless Limited.

Following are the details of Other Services in the last 3 financial years:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2022 |
|----------------|----------------------|----------------------|----------------------|
| Other Services | 8.49 | 0.69 | - |

Job Work: We do the Job works for the customers as per the requirements with the help of our machineries. Job work services include following:

- Slitting of coils
- Polishing the pipes
- Sharping of cutting tools

We would like to elaborate on the job work undertaken by our Company, detailing the revenue generated through job work over the past three fiscal years. The revenue figures from job work are as follows:

(Rs. in Lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|-------------|------------|------------|------------|
| Job Work | 9.60 | 3.21 | 54.21 |

The Promoters of our Company have established another manufacturing unit under the name and style of 'Steelmint Industries Private Limited' in the year 2020. Because the manufacturing unit was not established in the Steelmint Industries Private Limited in the initial year, therefore, the job work for manufacturing of SS pipe was executed by our Company, 'P S Raj Steels Limited'. However, manufacturing unit was established in the F.Y. 2021-22 and started production due to which the said orders of Job work was not repeated in the year 2022-23 & 2023-24.

Details of revenue from Job Work for the last 3 financial years are as under: -

(Rs. in Lakhs)

| Particulars | FY 2023-24 | FY 2022-23 | FY 2021-22 |
|------------------------------------|-------------|-------------|--------------|
| Hisar Stainless Steelpipes Company | - | - | 0.05 |
| Steelmint Industries Pvt. Ltd | - | - | 54.16 |
| Steel India | - | 0.45 | - |
| Raghukul Steel House | - | 0.24 | - |
| Shambhu Industries Private Limited | 0.96 | - | - |
| Hisar Stainless Steelpipes Company | - | - | 0.05 |
| Total | 0.96 | 0.69 | 54.21 |

The sub-section titled "Top 10 Customers" beginning on page 170 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Sales and Distribution Channel: We have direct customers in the states such as Karnataka, Andhra Pradesh, Hyderabad, Chennai, Haryana etc. It's worth noting that none of our customers account for more than 10% of our revenue except 1 customer, indicating a diversified customer base across India with plans to expand further.

Our top ten customers for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

For the period ended on March 31, 2024: -

(Rs. in Lakhs)

| Name of Customer | State/ City | Quantity (in MT) | Amount | % of Total Revenue | Dealer Yes or No |
|------------------|-------------|------------------|------------------|--------------------|------------------|
| Customer-1 | Haryana | 3,712 | 4,938.01 | 16.58% | No |
| Customer-2 | Varanasi | 1,194 | 2,184.97 | 7.34% | Yes |
| Customer-3 | Kanpur | 1,114 | 2,169.56 | 7.29% | Yes |
| Customer-4 | Delhi | 1,387 | 2,094.45 | 7.03% | Yes |
| Customer-5 | Lucknow | 816 | 1,447.34 | 4.86% | Yes |
| Customer-6 | Gwalior | 791 | 1,062.52 | 3.57% | Yes |
| Customer-7 | Karnal | 657 | 860.56 | 2.89% | Yes |
| Customer-8 | Delhi | 689 | 842.48 | 2.83% | No |
| Customer-9 | Sirsa | 537 | 727.81 | 2.44% | Yes |
| Customer-10 | Varanasi | 347 | 646.74 | 2.17% | Yes |
| Total | | 11,244 | 16,974.44 | 57.01% | |

For the period ended on March 31, 2023: -

(Rs. in Lakhs)

| Name of Customer | State/ City | Quantity (in MT) | Amount | % of Total Revenue | Dealer Yes or No |
|------------------|-------------|------------------|------------------|--------------------|------------------|
| Customer-1 | Delhi | 2,107 | 4,030.28 | 17.88% | No |
| Customer-2 | Kanpur | 669 | 1,480.06 | 6.57% | Yes |
| Customer-3 | Lucknow | 766 | 1,471.25 | 6.53% | Yes |
| Customer-4 | Varanasi | 736 | 1,441.09 | 6.39% | Yes |
| Customer-5 | Gwalior | 756 | 1,171.03 | 5.19% | Yes |
| Customer-6 | Kota | 445 | 699.00 | 3.10% | Yes |
| Customer-7 | Kota | 424 | 670.65 | 2.98% | Yes |
| Customer-8 | Varanasi | 284 | 536.67 | 2.38% | Yes |
| Customer-9 | Gorakhpur | 228 | 492.50 | 2.18% | Yes |
| Customer-10 | Hisar | 211 | 414.26 | 1.84% | No |
| Total | | 6,626 | 12,406.79 | 55.04% | |

For the period ended on March 31, 2022: -

(Rs. in Lakhs)

| Name of Customer | State/ City | Quantity (in MT) | Amount | % of Total Revenue | Dealer Yes or No |
|------------------|-------------|------------------|-----------------|--------------------|------------------|
| Customer-1 | Delhi | 1,034 | 2,025.54 | 11.27% | No |
| Customer-2 | Kanpur | 578 | 1,135.26 | 6.32% | Yes |
| Customer-3 | Varanasi | 623 | 1,043.58 | 5.81% | Yes |
| Customer-4 | Lucknow | 589 | 934.46 | 5.20% | Yes |
| Customer-5 | Delhi | 543 | 802.11 | 4.46% | Yes |
| Customer-6 | Gorakhpur | 345 | 573.04 | 3.19% | Yes |
| Customer-7 | Kota | 455 | 561.86 | 3.13% | Yes |
| Customer-8 | Agra | 304 | 460.92 | 2.56% | Yes |
| Customer-9 | Gwalior | 280 | 416.65 | 2.32% | Yes |
| Customer-10 | Mumbai | 226 | 345.77 | 1.92% | No |
| Total | | 4,976 | 8,299.21 | 46.18% | |

The sub-section titled “Our Machineries” beginning on page 171 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

- None of the machineries have been purchased second-hand
- All the machineries are owned by our Company

The sub-section titled “Quality Management” on page 175 of the Draft Red Herring Prospectus stands replaced with the following:

Quality Management

We endeavor to ensure that we maintain stringent quality standards at all stages of our projects. Our aim is to reduce cost and cycle times through effective and efficient use of resources. We have a team of 13 engineers for ensuring quality standards of products at the time of manufacturing and 2 employees are engaged in the quality check of the products before dispatching the final products to the customers. In executing the projects, we monitor and test all materials for conformity, track non-conformities and make rectifications to ensure client satisfaction.

The sub-section titled “Raw Material and Sourcing” beginning on page 175 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

The revenue bifurcation of our Company for the products sold under the JSL Brand and under our Company Brand for the three preceding financial years are as under:

(Rs. in Lakhs)

| Particulars | As at March 31, 2024 | % of total revenue | As at March 31, 2023 | % of total revenue | As at March 31, 2022 | % of total revenue |
|----------------|----------------------|--------------------|----------------------|--------------------|----------------------|--------------------|
| With JSL Brand | 13,657.15 | 45.87 | 14,349.86 | 63.66 | 13,096.52 | 72.87 |
| Company Brand | 16,117.78 | 54.13 | 8,192.79 | 36.34 | 4,875.35 | 27.13 |
| Total | 29,774.93 | 100.00 | 22,542.65 | 100.00 | 17,971.87 | 100.00 |

Following are the product sold under the JSL Brand name by our Company:

- S S Pipe and Tubes

The sub-section titled “Human Resources” beginning on page 179 of the Draft Red Herring Prospectus stands replaced with the following:

Human Resources

We are having strong HR department, as on September 10, 2024, we had 92 permanent employees. We undertake selective and need-based recruitment every year to maintain the size of our workforce, which may otherwise decline as a result of attrition and retirement of employees. Each of our units has different manpower requirements. Based on the type of the production, the manpower is provided by our Human resource (HR) department. Most of the other workers are supervised by the Factory manager except for certain staff which is monitored by separate department’s viz. quality control department and safety department.

The following table illustrates the department wise numbers of our employees as September 10, 2024:

| Department | Talwandi Rukka Plant | Hisar Office | Delhi Office | Total |
|--|----------------------|--------------|--------------|-------|
| | No. of Employees | | | |
| Engineering & Maintenance | 13 | 0 | 0 | 13 |
| Finance & Accounts | 3 | 5 | 0 | 08 |
| Human Resources & Administration | 0 | 1 | 0 | 01 |
| Management including Independent Directors | 0 | 6 | 0 | 06 |

| | | | | |
|--------------------------------------|-----------|-----------|----------|-----------|
| Manufacturing* | 39 | 0 | 0 | 39 |
| Material (Purchase, Store, Dispatch) | 17 | 0 | 0 | 17 |
| Quality Control | 2 | 0 | 0 | 02 |
| Sales and Marketing | 0 | 1 | 4 | 05 |
| Secretarial Department | 0 | 1 | 0 | 01 |
| | 74 | 14 | 4 | 92 |

*Our Company is having 15 employees i.e. labours are on contractual basis.

Attrition rate: As on September 10, 2024, we have 92 permanent employees, and attrition rate approximately is 3%-5% the last three years.

The sub-section titled “Insurance” beginning on page 180 of the Draft Red Herring Prospectus stands replaced with the following:

| Sr. No. | Insurance Company | Policy Number | Period of Insurance | Policy Name | Purpose | Sum Assured (Rs. in Lakhs) | Premium Paid (in Rs.) |
|---------|--|-------------------------------|--------------------------------|---------------------------------------|---|----------------------------|-----------------------|
| 1. | ICICI Lombard General Insurance Co. Ltd. | 1021/302 531239/0 0/000 | 12/08/2024 to 11/08/2025 | MSME Suraksha Kavach | Stock, Building, Plant & Machinery Fire Insurance | 3,025 | 89,237.50 |
| 2. | ICICI Lombard General Insurance Co. Ltd. | 2001/193 516791/0 3/000 | 18/09/2024 to 17/09/2025 | Marine Open Inland Declaration Policy | Steel & Metal Products | 20,000 | 2,36,001 |

The trademark status in sub-section titled “Intellectual Property Rights” beginning on page 181 of the Draft Red Herring Prospectus is mentioned below:

The current status of trademark applications is same as disclosed in the Draft Red Herring Prospectus. Currently we are not facing any material effect on our business due to pending applications of trademark registration.

We have disclosed the Risk factor no. 35 “Any failure to protect or enforce our rights to own or use our trademark could have an adverse effect on our business and competitive position.” on page no. 45 of the Draft Red Herring Prospectus.

The sub-section titled “Immovable Properties” on page 182 of the Draft Red Herring Prospectus stands replaced with the following:

Immovable Properties:

As mentioned below, our Company is using following properties for business operations.

| Sr. No. | Owner | Address | Owned/ Leased | Date of Agreement | Purpose |
|---------|----------------------------------|--|---------------|-------------------|------------------|
| 1. | P S Raj Steels Limited | V & P.O Talwandi Rukka, Hisar-125001, Haryana, India. | Owned | January 02, 2006 | Factory |
| 2. | Sheela Stainless Private Limited | 51, Block-A, IDC, Hisar, Hisar-125001, Haryana, India. | Leased | August 31, 2024 | Corporate Office |
| 3. | R S Infra | Shop 28, Rani Jhansi Road, Near Jhandewalan Mandir, Paharganj, Delhi-110055. | Leased | December 01, 2022 | Marketing Office |

Further, there is no conflict between the lessor & lessee.

The sub-section titled “Immovable Properties” on page 182 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

| Sr. No. | Lessor Name | Lessor Address | Amount involved with the Company | Date of Agreement | Whether the lessor is a related party |
|---------|----------------------------------|--|----------------------------------|-------------------|---------------------------------------|
| 1. | Sheela Stainless Private Limited | 51, Block-A, IDC, Hisar, Hisar-125001, Haryana, India. | Rs. 1.00 Lakh per month | August 31, 2024 | Yes |
| 2. | R S Infra | Shop 28, Rani Jhansi Road, Near Jhandewalan Mandir, Paharganj, Delhi-110055. | Rs. 2.50 Lakh per month | December 01, 2022 | Yes |

Further, all the rent agreements are fully notarised & stamped and all the transaction has been conducted at an arm's length price and there is no conflict of interest between the lessor of the immovable properties and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and Group Company and its directors.

Other Confirmations:

1. There is no conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the company) and the Company, Promoters, Promoter Group, Key Managerial Personnel, Directors and Group Companies and its directors.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

The chapter titled “Our History and Certain Other Corporate Matters” beginning on page 190 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.



Other Confirmations:




1. That there are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision. other than the ones which have already disclosed in the offer document.
2. There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision. other than the ones which have already disclosed in the offer document.
3. No material clause of Article of Association has been left out from disclosure having bearing on the IPO/disclosure.
4. There are no special rights available to the Promoters/Shareholders of the Company.


OUR MANAGEMENT

The sub-section titled “Brief biographies of our Directors” beginning on page 201 of the Draft Red Herring Prospectus stands replaced with the following:

BRIEF BIOGRAPHIES OF OUR DIRECTORS

| | |
|---|---|
|  | <p>Mr. Deepak Kumar</p> <p>Mr. Deepak Kumar, aged 47, is the Managing Director of our Company bringing over 28 years of extensive business experience to the Company. He has been the driving force behind the Company since joining his father's business in 1996. Mr. Kumar holds a Master of Science degree in Applied Psychology (2001) and a Bachelor of Laws (LLB) degree (2000). His academic background has equipped him with a unique blend of analytical skills and legal expertise, which he leverages in his role as Managing Director.</p> <p>As the key figure in the Company, Mr. Kumar is responsible for overseeing the core business operations, ensuring that all strategic initiatives align with the Company’s vision and goals. His leadership is marked by creativity, a strong work ethic, and a commitment to innovation, which have been instrumental in the company's growth.</p> <p>Under his stewardship, P S Raj Steels Limited continues to capitalize on market opportunities, driving sustained success and profitability. Mr. Kumar’s vision and hands-on approach make him an indispensable leader in the organization.</p> |
|  | <p>Mr. Gaurav Gupta</p> <p>Mr. Gaurav Gupta, aged 43, serves as the Whole-time Director of our Company. He holds a Bachelor's degree in Computer Applications and brings over 20 years of extensive business experience in the stainless-steel industry and he is associated with the Company since December 15, 2005.</p> <p>In his role, Mr. Gupta is responsible for overseeing production, dispatch, and the procurement of raw materials. Known for his effective technical skills and innovative approach, he has consistently developed and implemented strategies that have positively impacted the organization, enhancing operational efficiency and driving growth.</p> <p>Mr. Gupta's ability to leverage his technical expertise, combined with his strategic insight, ensures that P S Raj Steels Limited remains competitive and continues to advance toward its organizational goals.</p> |

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|  | <p>Ms. Nikita Gupta</p> <p>Ms. Nikita Gupta, aged 38, is the Non-executive Director of our Company. With 7 years of business experience in stainless steel industry, She is working with the Sheela Stainless Private Limited since June 2017. she brings a unique blend of creativity and strategic vision to the Company. Ms. Gupta earned her Bachelor of Science in Fashion Design in 2007, which has honed her creative instincts and attention to detail.</p> <p>She is known for her strong work ethic, effective leadership skills, and a talent for innovation. Her adaptive nature and commitment to excellence make her an invaluable asset to the company, consistently driving growth and success.</p> <p>Ms. Gupta's dedication to excellence, combined with her innovative approach, continues to propel P S Raj Steels Limited towards new heights of success.</p> |
|  | <p>Mr. Raj Kumar Dewan</p> <p>Mr. Raj Kumar Dewan, aged 73, has been appointed as an Independent Director of our Company, bringing with him 36 years of extensive experience in the field of engineering. He holds a Bachelor of Science degree in Mechanical Engineering from Kurukshetra University, completed in 1973.</p> <p>Mr. Dewan's career began in 1976 when he joined the Irrigation Department of Haryana as an Engineer. Over the years, he made significant contributions to the department, ultimately retiring in 2009 as the Engineer-in-Chief. His vast experience in managing large-scale engineering projects and his deep understanding of the public sector have been integral to his successful career. Known for his creativity, adaptability, and strong work ethic, Mr. Dewan has consistently demonstrated effective leadership throughout his career. His determination and commitment to excellence have earned him a respected reputation in his field.</p> <p>Mr. Dewan's association with the Company is expected to provide valuable guidance and strategic direction, helping the Company achieve new heights of success.</p> |
|  | <p>Mr. Dinesh Vinayak</p> <p>Mr. Dinesh Vinayak, aged 48, has been appointed as an Independent Director of the Company. With 17 years of experience in the banking sector, he brings valuable insights and expertise to the board.</p> <p>Mr. Vinayak holds a Master of Science degree from Guru Jambheshwar University, completed in 1999, and an MBA from Sikkim Manipal University, obtained in 2007. His career in banking began with ICICI Bank in 2007, where he served as Manager - 1 until 2011. He then joined HDFC Bank as Assistant Vice President, a position he held from 2011 to 2016.</p> <p>Following his tenure at HDFC Bank, Mr. Vinayak served as Deputy Vice President - 1 at IndusInd Bank from 2016 to 2018, and subsequently at Axis Bank until 2023. Known for his strong work ethic and determination, Mr. Vinayak has consistently demonstrated leadership and strategic thinking in</p> |

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| | <p>his roles.</p> <p>His association with the Company is expected to bring new perspectives and contribute significantly to the Company's continued growth and success.</p> |
|  | <p>Mr. Alok Kumar Jain</p> <p>Mr. Alok Kumar Jain, aged 57, has been appointed as an Independent Director of our Company. He brings over 34 years of extensive experience in the field of law. He completed his Bachelor of Laws (LLB) from Ajmer University in 1989 and has been practicing as an advocate since 1990. Known for his strong work ethic and determination, Mr. Jain has built a distinguished career in legal practice, where his creativity and dedication have been consistently evident.</p> <p>Mr. Jain's association with P S Raj Steels Limited is poised to bring invaluable insights and strategic direction, helping the company achieve new heights of success.</p> |

The sub-section titled “Relationship between our Directors” beginning on page 203 of the Draft Red Herring Prospectus stands replaced with the following:

RELATIONSHIP BETWEEN OUR DIRECTORS

There is no relationship between Promoter of our Company with other Directors except as described below:

| Name of Director | Designation | Relation |
|-------------------------|-----------------------------------|--|
| Mr. Deepak Kumar | Promoter & Managing Director | <ul style="list-style-type: none"> - Son of our Promoter - Mr. Raj Kumar Gupta; - Brother of our Promoter cum Whole-Time Director - Mr. Gaurav Gupta; - Brother-in-law of our Promoter cum Non-Executive Director – Ms. Nikita Gupta; and - Brother of our Promoter - Mr. Vishal Gupta. |
| Mr. Gaurav Gupta | Promoter & Whole-Time Director | <ul style="list-style-type: none"> - Son of our Promoter - Mr. Raj Kumar Gupta; - Brother of our Promoter cum Managing Director - Mr. Deepak Kumar; - Brother-in-law of our Promoter cum Non-Executive Director - Ms. Nikita Gupta; and - Brother of our Promoter - Mr. Vishal Gupta. |
| Ms. Nikita Gupta | Promoter & Non-Executive Director | <ul style="list-style-type: none"> - Daughter-in-law of our Promoter - Mr. Raj Kumar Gupta; - Sister-in-law of our Promoter cum Managing Director - Mr. Deepak Kumar; - Sister-in-law of our Promoter cum Whole-Time Director - Mr. Gaurav Gupta; and - Wife of our Promoter – Mr. Vishal Gupta. |

The sub-section titled “Composition of Nomination and Remuneration Committee” beginning on page 210 of the Draft Red Herring Prospectus stands replaced with the following:

Composition of Nomination and Remuneration Committee

| Name of the Director | Status | Nature of Directorship |
|-----------------------------|---------------|-------------------------------|
| Mr. Raj Kumar Dewan | Chairman | Independent Director |
| Mr. Alok Kumar Jain | Member | Independent Director |
| Mr. Dinesh Vinayak | Member | Independent Director |

The Company Secretary and Compliance Officer of our Company acts as the Secretary to the Committee.

Meeting of Nomination and Remuneration Committee and Relevant Quorum

1. The Committee is required to meet at least once a year.
2. The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater.

Role of Nomination and Remuneration Committee are:

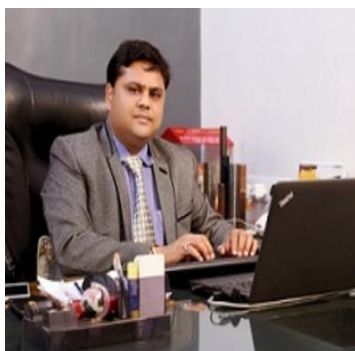
The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. Use the services of an external agencies, if required;
 - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks

Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

The sub-section titled “Key Managerial Personnel” beginning on page 212 of the Draft Red Herring Prospectus stands replaced with the following:

Details of Key Managerial Personnel of our Company as per the Companies Act 2013 -

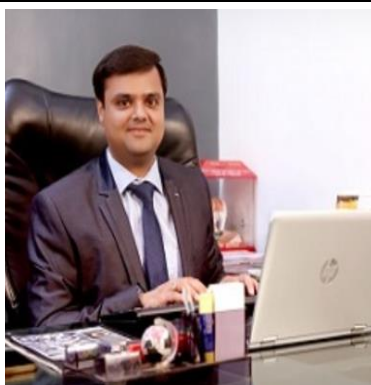


Mr. Deepak Kumar

Mr. Deepak Kumar, aged 47, is the Managing Director of our Company bringing over 28 years of extensive business experience to the Company. He has been the driving force behind the Company since joining his father's business in 1996. Mr. Kumar holds a Master of Science degree in Applied Psychology (2001) and a Bachelor of Laws (LLB) degree (2000). His academic background has equipped him with a unique blend of analytical skills and legal expertise, which he leverages in his role as Managing Director.

As the key figure in the Company, Mr. Kumar is responsible for overseeing the core business operations, ensuring that all strategic initiatives align with the Company's vision and goals. His leadership is marked by creativity, a strong work ethic, and a commitment to innovation, which have been instrumental in the company's growth.

Under his stewardship, P S Raj Steels Limited continues to capitalize on market opportunities, driving sustained success and profitability. Mr. Kumar's vision and hands-on approach make him an indispensable leader in the organization.



Mr. Gaurav Gupta

Mr. Gaurav Gupta, aged 43, serves as the Whole-time Director of our Company. He holds a Bachelor's degree in Computer Applications and brings over 20 years of extensive business experience in the stainless-steel industry and he is associated with the Company since December 15, 2005.

In his role, Mr. Gupta is responsible for overseeing production, dispatch, and the procurement of raw materials. Known for his effective technical skills and innovative approach, he has consistently developed and implemented strategies that have positively impacted the organization, enhancing operational efficiency and driving growth.

Mr. Gupta's ability to leverage his technical expertise, combined with his strategic insight, ensures that P S Raj Steels Limited remains competitive and continues to advance toward its organizational goals.

OUR PROMOTERS AND PROMOTER GROUP

The Chapter titled “Our Promoters and Promoter Group” beginning on page 215 of the Draft Red Herring Prospectus stands replaced with the following:

OUR PROMOTERS

1. Mr. Raj Kumar Gupta
2. Mr. Deepak Kumar
3. Mr. Gaurav Gupta
4. Mr. Vishal Gupta
5. Ms. Nikita Gupta
6. M/s Raj Kumar HUF
7. M/s Deepak Kumar HUF
8. M/s Gaurav Gupta HUF

DETAILS OF OUR PROMOTERS

1. Mr. Raj Kumar Gupta



Mr. Raj Kumar Gupta, aged about 66 years, is the Promoter of our Company.

Mr. Raj Kumar Gupta brings over 47 years of extensive experience in the steel industry. His deep understanding of the industry dynamics has been pivotal in driving the company’s success.

Mr. Gupta is actively engaged in the business activities. He is a leading trader of hot rolled and cold rolled carbon steel, stainless steel coils, sheets, and plates. In addition to these ventures, he established a manufacturing unit specializing in stainless steel pipes and tubes of various grades to meet the needs of his customers.

His commitment to “Transforming Potentials into Performance” has been a key factor in positioning P S Raj Steels Limited as one of the leading Company in the stainless-steel sector situated at Hisar, Haryana. Mr. Gupta's strategic vision and focus on innovation continue to propel the company towards sustained growth and market leadership.

Date of Birth: June 08, 1958

Nationality: Indian

PAN: ACFPK1740C

Residential Address: H. No. 163, Sector 9-11, Hisar-125005, Haryana.

2. Mr. Deepak Kumar



Mr. Deepak Kumar, aged about 47 years, is the Promoter and Managing Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “Our Management” on page 198 of the Draft Red Herring Prospectus.

Date of Birth: November 17, 1976

Nationality: Indian

PAN: ABCPK4758Q

Residential Address: H. No. 164, Sector 9-11, Hisar-125005, Haryana.

3. Mr. Gaurav Gupta



Mr. Gaurav Gupta, aged about 43 years, is the Promoter and Whole-Time Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “Our Management” on page 198 of the Draft Red Herring Prospectus.

Date of Birth: April 05, 1981

Nationality: Indian

PAN: AELPG4234K

Residential Address: H. No. 163, Sector 9-11, Hisar-125005, Haryana.

4. Mr. Vishal Gupta



Mr. Vishal Gupta, aged about 40 years, is the Promoter of our Company.

Mr. Vishal Gupta, son of Mr. Raj Kumar Gupta, brings 20 years of experience in the steel industry. He oversees the marketing functions of our company, where his deep understanding of market dynamics has been invaluable.

A hardworking and self-motivated individual, Mr. Gupta possesses strong leadership skills that have been instrumental in driving the company's growth. His creativity and strategic insight enable him to navigate challenges effectively at all levels, always maintaining a positive approach.

Mr. Gupta's extensive knowledge of the market scenario, combined with his commitment to excellence, ensures that P S Raj Steels Limited remains competitive and well-positioned for continued success in the industry.

Date of Birth: October 12, 1983

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| | <p>Nationality: Indian</p> <p>PAN: AFPPG6542P</p> <p>Residential Address: House No. 112, 3rd Floor, Deepali Enclave, Pitampura, Delhi-110034.</p> |
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5. Ms. Nikita Gupta



Ms. Nikita Gupta, aged 38, is the Promoter and Non-executive Director of our Company.

For details of her educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “Our Management” beginning on page 198 of the Draft Red Herring Prospectus.

Date of Birth: July 13, 1986

Nationality: Indian

PAN: ASRPG9818P

Residential Address: House No.-112, 3rd Floor, Deepali Enclave, Pitampura, North West Delhi, Delhi-110034

6. M/s Raj Kumar HUF

Raj Kumar HUF came into existence on April 10, 1999 under the Income Tax Act, 1961. Karta of this HUF is Mr. Raj Kumar Gupta.

PAN: AAFHR5093B

As on the date of this Draft Red Herring Prospectus, M/s Raj Kumar HUF holds 5,91,201 equity shares representing 10.71% of the pre-issued, subscribed and paid-up equity share capital of our Company.

7. M/s Deepak Kumar HUF

Deepak Kumar HUF came into existence on February 20, 2001 under the Income Tax Act, 1961. Karta of this HUF is Mr. Deepak Kumar and the co-parceners are Mrs. Punita Gupta, Jaideep Gupta and Khushank Gupta.

PAN: AAEHD7721F

As on the date of this Draft Red Herring Prospectus, M/s Deepak Kumar HUF holds 4,90,977 equity shares representing 8.90% of the pre-issued, subscribed and paid-up equity share capital of our Company.

8. M/s Gaurav Gupta HUF

Gaurav Gupta HUF came into existence on June 06, 2006 under the Income Tax Act, 1961. Karta of this HUF is Mr. Gaurav Gupta and the coparceners are Mrs. Jyoti Gupta, Parth Gupta and Vedash Gupta.

PAN: AAEHG3909G

As on the date of this Draft Red Herring Prospectus, M/s Gaurav Gupta HUF holds 4,03,506 equity shares representing 7.31% of the pre-issued, subscribed and paid-up equity share capital of our Company.

DECLARATION

1. We confirm that the Permanent Account Number, Bank Account number, Passport number, Driving License number Aadhaar Card number of our individual Promoters shall be submitted to the Stock Exchange at the time of filing of the Draft Red Herring Prospectus with the Stock Exchange.
2. Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters or fraudulent borrowers by the RBI or any other governmental authority.
3. Our Promoters have not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.
4. No violations of securities law have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or is currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.
5. Our Promoters are not and has never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page 198 of the Draft Red Herring Prospectus.

INTEREST OF OUR PROMOTERS

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by them or their relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on pages 71, 231 and 198 respectively of the Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please see chapter titled “*Restated Financial Statements*” beginning on page 231 of the Draft Red Herring Prospectus.

Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Except as stated in the heading titled “*Properties*” under the chapter titled “*Our Business*” and “*Restated Financial Statements*” beginning on page 181 and 231 respectively, of the Draft Red Herring Prospectus, our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of the Draft Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on page 155 of the Draft Red Herring Prospectus, our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as member of a firm or company where any sum has been paid or agreed to be paid to him or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoters

Our Promoters, Mr. Deepak Kumar, Mr. Gaurav Gupta and Ms. Nikita Gupta serve as the Managing Director, Whole-Time Director and Non-Executive Director respectively, of our company, therefore, may deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Except as mentioned in this chapter and chapters titled “*Our Business*”, “*Our History and Certain Other Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 155, 190, 198 and 231 respectively, of the Draft Red Herring Prospectus our Promoters do not have any other interest in our Company.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters and the members of the Promoter Group collectively hold interest in Sheela Stainless Private Limited, Steelmint Industries Private Limited and GV Stainless LLP which are in the same line of business as that of our Company. There may be conflict of interest between the Company and the Promoter Group.

PAYMENTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS

Except as stated in the chapter titled “*Restated Financial Statements*” beginning on page 231 of the Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus.

MATERIAL GUARANTEES

Except as stated in the “*Restated Financial Statements*” beginning on page 231 of the Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any of the companies/ partnership firms during preceding three years except as follows: -

| Sr. No. | Name of the Promoters | Name of Concern | Date of Disassociation | Reason |
|----------------|------------------------------|----------------------------------|-------------------------------|----------------------|
| 1. | Mr. Deepak Kumar | Sheela Stainless Private Limited | April 18, 2023 | Due to pre-occupancy |

| | | | | |
|----|---------------------|--------------------------------------|----------------|-------------------------|
| 2. | Mr. Raj Kumar Gupta | P S Raj Steels Limited | April 18, 2023 | Due to personal reasons |
| 3. | Mr. Vishal Gupta | Steelmint Industries Private Limited | April 18, 2023 | Due to personal reasons |
| 4. | Mr. Vishal Gupta | P S Raj Steels Limited | March 01, 2022 | Due to personal reasons |

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(pp) of SEBI (ICDR) Regulations includes the following persons:

a) Natural persons who are part of our Individual Promoter Group:

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

| Sr. No. | Relationship | Mr. Raj Kumar Gupta | Mr. Deepak Kumar | Mr. Gaurav Gupta | Mr. Vishal Gupta | Ms. Nikita Gupta |
|---------|----------------|---|--|---|---|---|
| 1. | Father | Late Sher Singh | Mr. Raj Kumar Gupta | Mr. Raj Kumar Gupta | Mr. Raj Kumar Gupta | Mr. Pawan Kumar Shah |
| 2. | Mother | Late Kalawati Devi | Late Sushila Devi | Late Sushila Devi | Late Sushila Devi | Late Anju Shah |
| 3. | Spouse | Late Sushila Devi | Mrs. Punita Gupta | Mrs. Jyoti Gupta | Mrs. Nikita Gupta | Mr. Vishal Gupta |
| 4. | Brother | - | 1. Mr. Gaurav Gupta 2. Mr. Vishal Gupta | 1. Mr. Deepak Kumar 2. Mr. Vishal Gupta | 1. Mr. Deepak Kumar 2. Mr. Gaurav Gupta | Mr. Vivek Shah |
| 5. | Sister | 1. Late Bimla Devi 2. Late Shukantla Devi | Mrs. Jyoti Rani | Mrs. Jyoti Rani | Mrs. Jyoti Rani | - |
| 6. | Children | 1. Mr. Deepak Kumar 2. Mr. Gaurav Gupta 3. Mr. Vishal Gupta 4. Mrs. Jyoti Rani | 1. Jaideep Gupta 2. Khushank Gupta | 1. Parth Gupta (Minor) 2. Vedash Gupta (Minor) | 1. Yashika Gupta (Minor) 2. Vani Gupta (Minor) | 1. Yashika Gupta (Minor) 2. Vani Gupta (Minor) |
| 7. | Spouse Father | Late Munshi Ram | Late Mohan Lal Aggarwal | Mr. Ramesh Kumar Bansal | Mr. Pawan Kumar Shah | Mr. Raj Kumar Gupta |
| 8. | Spouse Mother | Late Ramkali Devi | Mrs. Santosh Devi | Mrs. Urmila Devi Gupta | Late Anju Shah | Late Sushila Devi |
| 9. | Spouse Brother | - | 1. Mr. Vikash Kumar Sahewal | 1. Mr. Vishal Bansal 2. Mr. Suraj Bansal | Mr. Vivak Shah | 1. Mr. Deepak Kumar 2. Mr. Gaurav Gupta |

| | | | | | | |
|-----|------------------|---|-----------------------------|---|---|-----------------|
| | | | 2. Mr. Nitesh Kumar Sahewal | | | |
| 10. | Spouse Sister | 1. Mrs. Parvatidevi Jagdishprasad 2. Mrs. Kusum Devi | - | - | - | Mrs. Jyoti Rani |

b) Companies related to our Promoter Company:

| Nature of Relationship | Name of Entities |
|--|------------------|
| Subsidiary or holding company of Promoter Company | NA* |
| Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | NA* |
| Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer. | NA* |

*Our Company does not have any promoter company.

c) Companies, Proprietary concerns, HUF's related to our promoters

| Nature of Relationship | Name of Entities |
|--|--|
| Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member. | 1. Sheela Stainless Private Limited 2. Steelmint Industries Private Limited 3. GV Stainless LLP |
| Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital. | NA |
| Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoters and his immediate relatives is equal to or more than twenty percent. | 1. Raj Kumar HUF 2. Deepak Kumar HUF 3. Gaurav Gupta HUF 4. Vishal HUF 5. R S Infra (Partnership Firm) |

For further details refer chapter titled “*Group Entities*” beginning on page 222 of the Draft Red Herring Prospectus.

OUTSTANDING LITIGATIONS

There is no other outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigations and Material Developments*” beginning on pages 26 and 249 respectively of the Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Except as disclosed in the schedule titled “*Related Party Transactions*” in the chapter titled “*Restated Financial Statements*” beginning on page F-27 of the Draft Red Herring Prospectus, our Company has not entered into any related party transactions with our Promoters.

OUR GROUP ENTITIES

The sub-section titled “Details of our Group Entities” beginning on page 223 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

STEELMINT INDUSTRIES PRIVATE LIMITED

Product Sold to Steelmint Industries Private Limited: Steelmint Industries Private Limited is solely into trading of finished products. Hence, products sold to Steelmint Industries Private Limited are the finished products i.e. Stainless Steel Pipes and Tubes.

Structure of our Company and Steelmint Industries Private Limited: The Promoters and/ or Promoter Group of our Company holds significant control over Steelmint Industries Private Limited.

The rationale behind the significant related party transactions with Steelmint Industries Private Limited: Steelmint Industries Private Limited is in the business of trading of products i.e. Stainless Steel Pipes and Tubes. Hence, our Company sells finished goods i.e. Stainless Steel Pipes and Tubes. Revenue earned from the Group Companies ensures timely realization of payments, thereby enhancing cash flow stability.

SHEELA STAINLESS PRIVATE LIMITED

Product Sold to Sheela Stainless Private Limited: Sheela Stainless Private Limited is in the same line of business as that of our company i.e. manufacture of Stainless Tubes and Pipes. Hence, our Company sells raw material i.e. Stainless Steel Coils and Sheets to Sheela Stainless Private Limited to manufacture finished good i.e. Stainless Steel Tubes and Pipes.

Structure of our Company and Sheela Stainless Private Limited: The Promoter and/ or Promoter Group of our Company holds significant control over Sheela Stainless Private Limited.

The rationale behind the significant related party transactions with Sheela Stainless Private Limited: Sheela Stainless Private Limited is engaged in the manufacturing of Stainless Steel Pipes and Tubes. Through a Memorandum of Understanding with Jindal Stainless Limited (JSL), our Company benefits from discounts on bulk purchases of raw materials. To maximize this advantage, our Company procures larger quantities of raw materials, and the excess is then sold to our Group Company for its production needs. This arrangement not only allows us to earn additional revenue but also ensures timely realization of payments, thereby enhancing cash flow stability.

Our Company has not entered any non-compete agreements with the Group Companies, engaged in the similar line of business, including Steelmint Industries Private Limited and Sheela Stainless Private Limited.

SECTION VII – FINANCIAL INFORMATION

MANAGEMENTS’ DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The sub-section titled “Fiscal 2024 compared to Fiscal 2023” beginning on page 241 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Detailed rationale for the 32% increase in Revenue of the Company in FY24.

The reason of increase in revenue in FY 2024 is described as follows: -

(Value: Rs. in Lakhs)

| Particulars | FY 2023-24 | | FY 2022-23 | | % Change | |
|------------------------------------|-----------------|------------------|-----------------|------------------|----------|---------------|
| | Qty (MT) | Value | Qty (MT) | Value | Qty (MT) | Value |
| Sale of Manufacturing Goods | 12,514.298 | 20,571.01 | 10941.963 | 20,015.42 | 14.37% | 2.78% |
| Sale of Trading Goods | 6,425.149 | 8,866.13 | 1282.499 | 2,260.47 | 400.99% | 292.22% |
| Sale of Scrap | 319.020 | 273.66 | 217.580 | 228.15 | 46.62% | 19.95% |
| Sale of Consumable Goods | - | 4.42 | - | - | - | - |
| Freight | - | 49.06 | - | 34.70 | - | - |
| Job Work Charges | - | 0.96 | - | 0.69 | - | - |
| Cutting Charges | - | 0.05 | - | - | - | - |
| Other Charges | - | 1.15 | - | - | - | - |
| Other Service | - | 8.49 | - | 3.21 | - | - |
| Total | 19258.47 | 29,774.93 | 12442.04 | 22,542.65 | - | 32.00% |

Our Company achieved 32.23% increase in revenue in the FY 2024, with total revenue reaching Rs. 29,774.93 lakhs compared to Rs. 22,542.65 lakhs in FY 2023. This growth can be attributed to various factors, including increased sales volumes, changes in product mix, enhanced operational efficiencies and external market conditions. Below are the key reasons for this significant revenue growth:

1. Increased Sales of Manufacturing Goods

Sales Volume: Increased from 10,941.963 MT in FY 2023 to 12,514.298 MT in FY 2024, representing a growth of 14.37% in volume.

2. Substantial Growth in Trading Goods Sales

Sales Volume: Increased significantly from 1282.499MT to 6425.149 MT, representing a staggering growth of 401% and revenue soared from Rs. 2,260.47 lakhs to Rs. 8,866.13 lakhs, a remarkable 292.22% increase. This explosive growth is largely attributed to the addition of new customers and enhanced marketing efforts.

This growth is due to our Company’s successful strategy to capture a larger market share and expand its customer base.

3. New Customer Acquisition and Market Expansion

Our Company actively pursued new customers and expanded its market reach, particularly in regions with high demand for stainless steel products. This proactive approach allowed our company to penetrate untapped markets, contributing significantly to the revenue growth.

4. Strategic Partnerships and Supplier Agreements

Our Company established strategic partnerships and agreements with key suppliers, which enabled it to procure raw materials at competitive prices. This not only improved profit margins but also facilitated timely deliveries, ensuring customer satisfaction and repeat orders.

5. Enhanced Marketing and Sales Efforts

Improved marketing and sales strategies led to enhanced brand visibility and customer engagement. Our Company's efforts to promote its product lines through marketing and exhibitions/ training session resulted in a higher volume of inquiries and conversions.

Detailed rationale for the 72% Growth in PAT of our Company in FY24 despite a 32% Growth in Revenue as compared to FY23.

The reason for 72% growth in PAT of our Company in FY24 despite a 32% growth in Revenue as compared to FY23 is described as under: -

(Rs. in Lakhs)

| Particulars | FY 2024 | FY 2023 | % In respect to total income | | Remark |
|---|------------------|------------------|------------------------------|--------------|--------|
| Total Income | 29,776.39 | 22,544.28 | - | - | |
| Expenses | | | | | |
| Cost of material Consumed | 27,248.25 | 21,623.27 | 91.51% | 95.91% | Note 1 |
| Changes in inventories | 472.78 | (636.44) | - | - | |
| | | | | | |
| Gross Profit | 2,055.37 | 1,557.46 | 6.90% | 6.91% | |
| | | | | | |
| Employee benefit expenses | 136.19 | 97.42 | 0.46% | 0.43% | |
| Finance costs | 152.17 | 127.85 | 0.51% | 0.57% | |
| Depreciation and amortization expenses | 82.41 | 80.32 | 0.28% | 0.36% | |
| Other expenses | 837.61 | 756.13 | 2.81% | 3.35% | Note 2 |
| Total expenses | 1208.38 | 1061.72 | 4.06% | 4.71% | |
| Profit before exceptional, extraordinary and prior period items and tax | 846.98 | 495.74 | 2.84% | 2.20% | |
| Profit before tax | 846.98 | 495.74 | - | - | |
| Current tax | 216.90 | 127.78 | - | - | |
| Deferred tax | (3.58) | (2.88) | - | - | |
| Profit for the period | 633.67 | 370.84 | 2.14% | 1.62% | |

Note 1

As we compare the cost of material consumed to revenue from operation was 91.51% in F.Y. 2024 as compared to 95.91% in F.Y. 2023, decreasing 4.41% between the years. That is why the PAT increased in FY 2024.

Note 2

Also, the other expenses to revenue from operation was 2.81% in F.Y. 2024 as compared to 3.35% in F.Y. 2023, decreasing 0.54% between the years. Additionally, the profit margins were 2.14% in F.Y. 2024 as compared to 1.62% in F.Y. 2023, increasing 0.52% between the years. Hence, reason in increase in profit/ profit margins is primarily attributable to decrease in other expenses.

The sub-section titled “Fiscal 2023 compared to Fiscal 2022” beginning on page 244 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Detailed rationale for the 25% increase in Revenue of our Company in FY23.

The reason of increase in revenue in FY 2023 is described as follows:-

(Value: Rs. in Lakhs)

| Particulars | FY 2022-23 | | FY 2021-22 | | % Change | | Remark |
|-----------------------------|------------------|------------------|------------------|------------------|----------|---------|--------|
| | Qty (MT) | Value | Qty (MT) | Value | Qty (MT) | Value | |
| Sale of Manufacturing Goods | 10,941.96 | 20,015.42 | 10,038.22 | 16,985.11 | 9.00% | 17.84% | Note 1 |
| Sale of Trading Goods | 1282.50 | 2,260.47 | 344.50 | 536.79 | 272.29% | 321.11% | Note 2 |
| Sale of Scrap | 217.58 | 228.15 | 317.84 | 344.34 | -31.54% | -33.74% | |
| Sale of Consumable Goods | - | - | - | 0.03 | - | - | |
| Freight | - | 34.7 | - | 51.33 | - | - | |
| Job Work Charges | - | 0.69 | - | 54.21 | - | - | |
| Other Service | - | 3.21 | - | - | - | - | |
| Total | 12,442.04 | 22,542.65 | 10,700.55 | 17,971.82 | - | - | |

Note 1

Increased Sales Volume and Value of Manufacturing Goods

The sales volume increased from 10038 MT in FY 2021-22 to 10942 MT in FY 2022-23, resulting in a revenue increase from Rs. 16985.11 lakhs to Rs. 20015.42 lakhs, reflecting a percentage change of 17.84% in value.

Note 2

Growth in Trading Goods Sales

The revenue from S.S. sheets and coils increased dramatically, with sales rising from Rs. 536.79 lakhs in FY 2021-22 to Rs. 2260.47 lakhs in FY 2022-23. This reflects an impressive 321.11% increase, supported by a significant volume increase from 344.494 MT to 1282.499MT.

Detailed rationale for the decrease in PAT Margin of our Company in FY23.

(Value: Rs. in Lakhs)

| Particulars | FY 2023 | FY 2022 | % in respect to total income | | Remark |
|---------------------------|------------------|------------------|------------------------------|--------------|--------|
| Total Income | 22,544.28 | 17,989.39 | - | - | |
| Expenses | | | | | |
| Cost of material Consumed | 21,623.27 | 16,655.32 | 95.91% | 92.58% | Note 1 |
| Changes in inventories | (636.44) | (139.33) | - | - | |
| Gross Profit | 1,557.46 | 1,473.39 | 6.91% | 8.19% | |
| Employee benefit expenses | 97.42 | 118.08 | 0.43% | 0.66% | |

| | | | | | |
|--|---------------|---------------|--------------|--------------|---------------|
| Finance costs | 127.85 | 121.91 | 0.57% | 0.68% | |
| Depreciation and amortization expenses | 80.32 | 94.02 | 0.36% | 0.52% | |
| Other expenses | 756.13 | 647.49 | 3.35% | 3.60% | |
| Total expenses | 1,061.72 | 981.50 | 4.71% | 5.46% | |
| Profit before tax | 495.74 | 491.89 | - | - | |
| Tax expenses | 0.00 | 0.00 | - | - | |
| Current tax | 127.78 | 125.69 | - | - | |
| Deferred tax | (2.88) | (5.49) | - | - | |
| Profit for the period | 370.84 | 371.69 | 1.64% | 2.07% | Note 2 |

Note 1

As we compare the cost of material consumed to revenue from operation was 95.91% in F.Y. 2023 as compared to 92.58% in F.Y. 2022, increasing 3.33% between the years. Due to increased cost of material our PAT decreased as compared to the previous year.

Note 2

The gross profit ratio of 6.91% in Fiscal 2023 as compared to 8.19% in Fiscal 2022. This is due to the sale of products at competitive price to attract new customers for growth of our Company.

SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The sub-section titled “Criminal Litigation against our Company” beginning on page 251 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Case No. CRR 59 of 2020 Goods and Service Tax Commissionerate against P S Raj Steels Private Limited (Now P S Raj Steels Limited) and 2 others before the Hon’ble District and Sessions Judge, Rohtak, Haryana.

Facts of the case

1. A Complaint act Case No. COMA 1271 of 2018 was filed by the Central Excise Department against P S Raj Steels Private Limited (Now P S Raj Steels Limited) and two directors Vishal Gupta and Deepak Gupta for offences punishable under Section 9 and 9-AA of the Central Excise Act, 1944.
2. The present matter was also adjudicated before the CESTAT in the Final Order No. A/63225- 63234/2018 – EX [DB] vide order dated 5.10.2018 and as against the demand of Rs. 4,72,73,240/- which was confirmed by the Adjusting Authority vide OIO No. 12/CE/Commr./VMJ/RTK/2017-18 dated 29.01.2018, the CESTAT ultimately upheld the demand of Rs. 28,13,716/- on account of under valuation along-with interest and since PS Raj Steels Private Limited (Now P S Raj Steels Limited) had already paid a sum of Rs.39,50,000/- during the course of investigation, the penalty amount imposed upon PS Raj Steels Private Limited (Now P S Raj Steels Limited) has been reduced to 25% of the duty confirmed. Apart from this, the other contentions regarding admissibility of a pen-drive containing the relevant data as well as the clandestine removal of goods were also found by the CESTAT to be not proved on record.
3. The Government of India, Ministry of Finance, Department of Revenue, Central Board of Excise & Customs issued a circular No. 201/11/2016-Service Tax dated 30.09.2016 and as per para no. 7.1 of the circular, the monetary limits for arrests and prosecution in Central Excise was fixed in respect of the amount exceeding Rupees 2 crores.
4. In view of the findings of the CESTAT vis-a-vis the circular no. 201/11/2016-Service Tax dated 30.09.2016, the Hon’ble Court of Addl. Civil Judge (Sr. Division) cum Chief Judicial Magistrate (“Hon’ble Court”) held that the prosecution against PS Raj Steels Private Limited (Now P S Raj Steels Limited) and the accused persons/directors in respect of the present matter was not sustainable in the law. It was not denied on behalf of the complainant/department that aforesaid circular is not applicable to the present case. The only contention raised on behalf of the department was that the matter is pending before the Hon’ble High Court of Punjab & Haryana by way of appeal in CEA 74 of 2019 (disclosed herein) against the order dated 5.10.2018 passed by CESTAT. Since, the operation of the aforesaid order was not stayed by the Hon’ble High Court of Punjab & Haryana, it was held that the prosecution of the Accused Company/persons in the case was not sustainable in view of the circular of the department no. 201/11/2016- Service Tax dated 30.09.2016.
5. Accordingly, P S Raj Steels Private Limited (P S Raj Steels Limited) and the two directors, Deepak Gupta and Vishal Gupta who were accused in the matter were discharged from their offences under Section 9 and 9-AA of the Central Excise Act, 1944 vide an order dated 14.01.2020 passed by the Learned Addl. Civil Judge Sr. Division cum Chief Judicial Magistrate, Rohtak and their bail bonds and surety bonds stood discharged.
6. Being aggrieved by the aforesaid discharge order passed by the Learned Addl. Civil Judge Sr. Division cum Chief Judicial Magistrate, Rohtak, the Goods and Service Tax Commissionerate has filed the present criminal revision petition bearing CRR 59 of 2020 before the Hon’ble District and Sessions Judge, Rohtak, Haryana, against PS Raj Steels Private Limited (Now P S Raj Steels Limited) and two Directors which is pending.

Charges involved in depth

1. The original complaint was filed by the Central Excise Dept. against P S Raj Steels Private Limited (Now PS Raj Steels Limited) and two directors- Vishal Gupta and Deepak Gupta for evasion of duty under Section 9 (Punishment for evasion of tax duty and contravention of other provisions of the Central Excise Act, 1944) and Section 9AA (Offences by Companies) of the Central Excise Act, 1944.
2. On the basis of two pen drives recovered during the searches from the possession of one Ms. Priyanka Jain, Office executive of the Company, it was summarised that P S Raj Steels Private Limited (Now PS Raj Steels Limited) was engaged in clandestine removal of goods from their head office at Hisar as well as their office at New Delhi.
3. It was also alleged that P S Raj Steels Private Limited (Now PS Raj Steels Limited) was engaged in issuing good less invoices enabling to avail inadmissible Cenvat credit. It was also alleged that P S Raj Steels Private Limited (Now PS Raj Steels Limited) had undervalued their goods and that P S Raj Steels Private Limited (Now PS Raj Steels Limited) had received cash in their daily account and therefore the cash received has been taken as the receipt of the goods cleared clandestinely by P S Raj Steels Private Limited (Now PS Raj Steels Limited).

As P S Raj Steels Private Limited (Now PS Raj Steels Limited) and the two directors were discharged from the offences under Section 9 and Section 9AA of the Central Excise Act, 1944 by Learned Add. Civil Judge Sr. Division cum Chief Judicial Magistrate, Rohtak dated 14.01.2020, being aggrieved by the aforesaid discharge order of P S Raj Steels Private Limited (P S Raj Steels Limited) and the two directors, Deepak Gupta and Vishal Gupta from their offences under Section 9 and 9-AA of the Central Excise Act, 1944 passed by the Learned Addl. Civil Judge Sr. Division cum Chief Judicial Magistrate, Rohtak, the Goods and Service Tax Commissionerate has filed the present criminal revision petition bearing CRR 59 of 2020 before the Hon'ble District and Sessions Judge, Rohtak, Haryana under Section 397 of the Code of Criminal Procedure, 1973. The Hon'ble District and Sessions Judge, Rohtak, Haryana is yet to decide the criminal revision petition which has been filed against the said order of the Learned Addl. Civil Judge Sr. Division cum Chief Judicial Magistrate, Rohtak.

Amount involved

The Adjudicating Authority had imposed a demand of Rs. 4,72,73,240/- vide OIO No. 12/CE/Commr./VMJ/RTK/2017-18 dated 29.01.2018. However, in an appeal filed by P S Raj Steels Private Limited (P S Raj Steels Limited) before the CESTAT, the CESTAT in its final order No. A/63225-63234/2018 – EX [DB] vide order dated 5.10.2018 ultimately upheld the demand of Rs. 28,13,716/- on account of under valuation along-with interest and since P.S Raj Steels Private Limited (PS Raj Steels Limited) had already paid a sum of Rs. 39,50,000/- during the course of investigation itself, therefore the penalty was reduced to 25% of the duty confirmed.

P. S Raj Steels has thereafter made a request dated 15.11.2018 to the Commissioner, Central Excise & Service Tax, Rohtak Haryana to adjust the amount of Rs. 38,52,302/- (i.e. Rs. 28,13,716/- plus Rs. 7,03,429/- plus Rs. 3,35,157/-) from the amount of Rs. 39,50,000/-already deposited by P S Raj Steels Private Limited (Now PS Raj Steels Limited) and refund the balance amount to P S Raj Steels Private Limited (Now PS Raj Steels Limited). It has been stated in the request letter that interest calculation may kindly be re-verified and in case there is any variance, the same may kindly be adjusted from Rs. 39,50,000/- under intimation to P S Raj Steels Private Limited (Now PS Raj Steels Limited).

Present status

The revision matter was last heard on 18.10.2024 and presently posted for arguments. On the request of the counsels, the matter was adjourned to 21.04.2025 for arguments. Presently the matter is pending.

Materiality

This matter does not have material impact on the business of our Company as per the Materiality Policy adopted by our Company by passing Board Resolution dated September 02, 2024.

The sub-section titled “Civil Litigations against our Group Entities” beginning on page 253 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Arbitration Case, Terras Empire Prefab LLP v. Steelmint Industries Private Limited before the Hon’ble Arbitrator Mrs. Justice Sabina, (Retd.) former Acting Chief Justice of the Himachal Pradesh High Court, House No.1842, Sector 34-D, Chandigarh.

Facts of the Case

1. Terras Empire Prefab LLP (“Claimant”) and Steelmint Industries Private Limited (“Respondent”) entered into an Agreement dated 12.11.2020 pertaining to Pre-Engineered Factory Shed and various related works at VPO Talwandi Rukka, Hisar, Haryana to be executed by the Claimant i.e. Terras Empire Prefab LLP (TEP) at the site of the Respondent i.e. Steelmint Industries Private Limited (SIPL). The above-said Agreement dated 12.11.2020 was accepted by the Letter of Confirmation dated 12.11.2020.
2. The Claimant has claimed that as per the terms of the Agreement, it has successfully supplied and satisfactorily complied with the work of the Factory Shed at Village Talwandi Rukka, District Hisar, however the Respondent has failed to adhere to the terms of payment of the Agreement dated 12.11.2020. It has been also claimed by the Claimant that due to the wrongful acts of the Respondent and intentional delays in releasing the due payments on time, the Claimant had to shut down its operations in August 2021 and further due to the acts of the Respondent, the sales/turnover of the Claimant firm became negligible.
3. It has been asserted by the Claimant that the State Of Haryana and State Of Uttar Pradesh declared lockdown in the month of April, 2021 & May, 2021 due to spread of Covid-19 pandemic and stopped all supplies of raw material, oxygen cylinder for manufacturing and despite the same the Claimant used its reserved stock of oxygen cylinder, raw steel material, welding equipments, etc. for successful supply and installation of the Factory Shed-1.
4. It has been also alleged that the Claimant has requested the Respondent on various occasions to release balance final payment as agreed by the Respondent and as per the applicable clauses of the work order, but all such requests of the Claimant were not answered by the Respondent.
5. It has been alleged that the Claimant informed the Respondent repeatedly about the balance payment via email, verbally, telephonically as per the clause under head "Payment Terms" mentioned in the agreement. The Respondent threatened the Claimant and started blackmailing the Claimant against illegally possessed security cheques of the Claimant (the Respondent threatened to file false case related to cheques). The Respondent avoided meetings for final accounts, settlement and finally refused to pay final balance payment on 15.12.2021.
6. It has been alleged that the Claimant made a number of attempts to contact the Respondent by email, whatsapp, from August 2021 to December 2021 for settlement of accounts but the concerned persons of the Respondent avoided taking calls of the Claimant and also gave lame excuses to avoid the meetings. Although the Respondent fixed dates for meetings, no person appeared on behalf of the Respondent. The Claimant claims that the Respondent has also violated the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 as the Claimant falls within the purview of an MSME firm.
7. Since the dispute between the Claimant and Respondent had arisen in respect of the Agreement, the Claimant invoked the arbitration clause in the Agreement dated 12.11.2020 and approached the Hon’ble High Court of Punjab & Haryana for the appointment of arbitrator under Section 11(6) of the Arbitration and Conciliation Act,

1996. Thereafter, in the Arbitration Case No. ARB 405 of 2022 filed by the Claimant for the appointment of arbitrator, the Hon'ble High Court of Punjab and Haryana vide an order dated 19.03.2024 has appointed Mrs. Justice Sabina, (Retd.) former Acting Chief Justice of the Himachal Pradesh High Court, House No.1842, Sector 34-D, Chandigarh as the Arbitrator in the dispute between Terras Empire Prefab LLP and Steelmint Industries Private Limited arising out of the contract agreement dated 12.11.2020.

8. In the arbitration claim filed by Terras Empire Prefab LLP before the Hon'ble Arbitrator, the Claimant has made a claim for a total amount of Rs. 1,39,24,337/- + 18 % interest till realization, which is segregated in the table hereunder:

| Sr. No. | Claim Head | Amount (in Rs.) |
|---------|--|--------------------|
| 1. | Claim on account of Balance Payment for Factory Shed 1 | 81,87,587 |
| 2. | Claim on account of Miscellaneous Loss/Damages | 30,00,000 |
| 3. | Claim on account of litigation expenses | 6,00,000 |
| 4. | Claim on account of breach of payment terms of the Agreement | 21,36,750 |
| | Total | 1,39,24,337 |

Charges involved in depth

Terras Empire Prefab LLP has raised claims emanating out of the Agreement dated 12.11.2020 executed between the parties and under the Indian Contract Act, 1872. The matter being of a civil nature, broadly the charges involved are of non-payment of consideration and delay in performance of obligations by the Respondent.

The description of the Claims in the Claim Statement (as amended) is as under:

1. Claim No. 1 (Claim on account of Balance Payment for Factory Shed 1):

- (i) The price for the Supply & Erection of the Pre-Engineered Building as per the Agreement dated 12.11.2020 was Rs. 77 Per KG measuring the Total Weight of Building to be 370 M.T. (\pm 5% (supply 77/Rs. per kg for supply and Installation + 18% GST = Rs. 2,84,90,000 + 18 % GST = Rs. 3,36,18,200/- including GST) with a possibility of price escalation in the light of Clause 3, Clause 5, Clause 6 of the Agreement dated 12.11.2020.
- (ii) The Respondent made additional changes/modifications in the design and the extra weight of modification was about 43MT. The modification included addition of canopies projection/covering wall openings, changes in design of shutter etc.
- (iii) The total weight of the factory shed-1 at Village Talwandi Rukka was enhanced to 413 Metric Ton from 370MT after modifications. Therefore, the calculations after modification as per the Agreement for 413 Metric Ton is $413000 \times \text{Rs. } 90.86 (77 + 18\% \text{ (GST)}) = \text{Rs. } 3,75,25,180/-$.
- (iv) The Respondent after meeting in the month of May, 2021 agreed to increase the price/rate on 145 Metric Ton supplied and erected post May 2021 @ Rs. 27/KG or Rs. 27000/MT (increase in base raw material price of Rs. 42000/MT to Rs. 69000/MT). Therefore, the calculations for price escalation of 145 Metric Ton is $145000 \times \text{Rs. } 31.86 (\text{Rs. } 27 + 18\% \text{ GST}) = \text{Rs. } 46,19,700/-$
- (v) The Claimant has received Rs. 3,33,26,472/- from the Respondent for supply & installation of Factory Shed 1 out of the Total due amount of Rs. 4,21,44,880/- and Rs.6,30,821/- was deducted by Respondent as TDS hence the balance amount as on the date of satisfactory completion of work on Factory Shed-1 is Rs. 81,87,587/- which is due. The Respondent allegedly failed to pay the balance payment at the time of final closure of accounts and Rs. 81,87,587/- along with 18 % interest was due from 01.08.2021 i.e. the date of final completion of the Factory Shed-1 till its realization.

2. Claim No. 2 (Claim on account of Miscellaneous Loss/Damages)

The Claimant has alleged that due to the wrongful acts of the Respondent and intentional delays in releasing the due payments on time, the Claimant had to shut down its operations in August 2021 and due to the acts of the Respondent, the sales/turnover of the Claimant firm became negligible and hence the estimated loss for the period of 3 years is about Rs.30,00,000/- and hence the Respondent is liable to pay an amount of Rs. 30,00,000/- with 18% interest as claim on account of Miscellaneous loss/damages.

3. Claim No. 3 (Claim on account of litigation expenses)

The Claimant has alleged that due to the wrongful acts and conduct of the Respondent and non-settlement of the final accounts, the Claimant had to invoke the arbitration clause and the Claimant was forced to incur legal costs for engaging advocates and for their fees, for which an amount of Rs. 6,00,000/- was due from the Respondent along with 18% interest till realization.

4. Claim No. 4 (Claim on account of breach of payment terms of the Agreement)

- (i) The Respondent was bound to make payment strictly as per the provision under the head "Payment terms" of the Agreement dated 12.11.2020 but the Respondent intentionally violated the payment terms to cause loss to the Claimant. The Respondent paid Rs. 21 Lakhs advance with the Work Order/Letter of Acceptance & Rupees 7 lakhs after submission of General Arrangement Drawing of the Factory Shed-1, is 10% of the Contract value.
- (ii) Initially as a part payment of about 10% of the Agreement an amount of Rs. 28 Lakhs approx. (Rs. 21 Lakhs + 7 Lakhs) was received by the Claimant which was not to be deducted against the running bills. But it has been alleged that the Respondent with malafide intention deducted the said amount cleverly and intentionally for his unlawful gains from running bills produced by the Claimant. The entire payment terms of the Agreement have not been adhered to by the Respondent
- (iii) There is a violation of the contract and intentional breach of the "Payment Terms" by the Respondent and the Respondent is liable to pay 7.5% (Rs. 21,36,750/-) of the total amount of Agreement dated 12.11.2020 of 370 M.T. X Rs. 77.00/- i.e. Rs. 2,84,90,000/- without GST. The Claimant has prayed that the Claim should be allowed in favour of the Claimant and the Respondent may be held liable to pay Rs. 21,36,750/- with 18% interest till its realization.

Allegations made by the Claimant against the Respondent

The following are the allegations made by the Claimant against the Respondent:

- (i) It has been alleged that due to the wrongful acts of the Respondent and intentional delays in releasing the due payments on time, the Claimant had to shut down its operations in August 2021 and due to the acts of the Respondent, the sales/turnover of the Claimant firm became negligible and hence the estimated loss for the period of 3 years is Rs.30,00,000/- and hence the Respondent is liable to pay an amount of Rs. 30,00,000/- as claim on account of Miscellaneous loss/damages.
- (ii) It has been alleged that there is a violation of the contract and intentional breach of the "Payment Terms" by the Respondent and the Respondent is liable to pay 7.5% (Rs. 21,36,750/-) of the total amount of Agreement dated 12.11.2020 of 370 M.T. X Rs. 77.00/- i.e. Rs. 2,84,90,000/- without GST and the Claimant has prayed that the Claim should be allowed in favour of the Claimant and the Respondent may be held liable to pay Rs. 21,36,750/- with 18% interest till its realization.
- (iii) The Claimant has alleged that the Respondent from the start of the Project was not making regular payments against the supply & installation of pre-engineered factory shed and was not adhering to the conditions of the Agreement.

- (iv) The Claimant has alleged that there was inordinate delay on the part of the Respondent and his civil contractor to complete construction of the foundation work of Factory Shed 1.
- (v) The Claimant has alleged that the Respondent had asked the Claimant to make modifications in the design and asked for addition of canopies projection/covering wall openings, changes in design of shutter that affected the fabrication of the factory sheds material.
- (vi) The Claimant has alleged that the Respondent made no arrangement for storage of Factory Shed-I material from November 2020 to March 2021 and caused intentional delay in supply of Factory Shed –I material.
- (vii) It has been alleged that the Respondent made additional changes/modification in the design and the extra weight of such modification was about 43 Metric Ton. The modification included addition of canopies projection/covering wall openings, changes in design of shutter etc. Due to these modifications, the total weight of the Factory Shed-1 at Village Talwandi Rukka was revised to 370 M.T. + 43 M.T. = 413 Metric Ton.
- (viii) The Claimant has alleged that even after successful supply and installation of Factory Shed-1 in July, 2021, the Respondent refused to return the post-dated security cheques (not for encashment) of project that were to be returned in the month of January 2021. The Claimant then requested on various occasions to release balance final payment as agreed by the Respondent and as per the applicable clauses of the work order which was not answered by the Respondent.
- (ix) The Claimant has alleged that the Claimant informed the Respondent repeatedly about the balance payment via email, verbally, telephonically as per the clause under head "Payment Terms" mentioned in the Agreement. The Respondent threatened the Claimant and started blackmailing the Claimant against illegally possessed security cheques of the Claimant as the Respondent threatened to file false case related to cheques). It has been also alleged that the Respondent avoided meeting for final accounts, settlement and finally refused to pay final balance payment on 15.12.2021.
- (x) It has been alleged that the Claimant made a number of attempt to contact the Respondent by email, whatsapp, from August 2021 to December 2021 for settlement of accounts but the concerned persons of the Respondent avoided taking calls of the Claimant and also gave lame excuses to avoid the meetings. Although the Respondent fixed dates for meetings, no person appeared on behalf of the Respondent and the Respondent gave excuses and did not come for the settlement of the final accounts.
- (xi) It has been alleged that the Respondent made a payment of only Rs. 3,33,26,472/- to the Claimant during this period against the work of 413 Metric Tonne of the Respondent's Factory Shed-1 and the Respondent has also deducted Rs. 6,30,821/- as TDS against the supply & installation of 413 Metric Tonne with regard to Factory Shed-1 from the account of the Claimant and therefore the Respondent has deducted TDS on the gross amount of the taxed invoices with mala-fide intention which is against the rules and regulation of Income Tax Department, Government of India.
- (xii) The Claimant has alleged that the Respondent has also violated the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 as the Claimant falls within the purview of an MSME firm and has violated Sections 15 (Liability of the Buyer to make payment), Section 16 (Date from which and the rate at which interest is payable and Section 17(Recovery of the Amount due)

Amount involved.

The Claimant has made a claim for a total amount of Rs. 1,39,24,337/- + 18 % interest till realization, which is segregated in the table hereunder:

| Sr. No. | Claim Head | Amount (in Rs.) |
|---------|--|-----------------|
| 1. | Claim on account of Balance Payment for Factory Shed 1 | 81,87,587 |
| 2. | Claim on account of Miscellaneous Loss/Damages | 30,00,000 |
| 3. | Claim on account of litigation expenses | 6,00,000 |

| | | |
|----|--|--------------------|
| 4. | Claim on account of breach of payment terms of the Agreement | 21,36,750 |
| | Total | 1,39,24,337 |

Additionally, it has been prayed to award cost in the light of Section 31A of the Arbitration and Conciliation Act, 1996.

The Respondent has also filed a counter claim in the matter for an amount of Rs. 21,36,750/- plus 18% interest and future interest.

Present status

The matter has been last heard by the Learned Arbitrator on 13.10.2024. Claimant has filed the soft copy of the amended statement of claim. The Respondent has filed a counter claim in the matter and the Counsel for the Claimant has sought time to file rejoinder and reply to the counter claim. The matter now stands posted to 09.01.2025.

Materiality

This matter is considered to be material as per the Materiality Policy adopted by our Company by passing Board Resolution dated September 02, 2024.

GOVERNMENT AND OTHER STATUTORY APPROVALS

The disclosures in sub-section titled “Business Related Certifications/Licenses” beginning on page 260 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

Business Related Certifications/ Licenses

| Sr. No. | Nature of License / Approvals / Ratings | Issuing Authority | Particulars of License / Approvals / Certificate no. | Date of Issue | Validity Period |
|---------|---|---|--|-------------------|-----------------|
| 1. | Importer-Exporter Certificate* | Directorate General of Foreign Trade, Ministry of Commerce and Industry | 3306005177 | February 01, 2007 | Perpetual |

*Since the Company imports machinery, spare parts, tools, and consumables from China, it is required to obtain an Importer-Exporter Certificate (IEC).

The details of the Shops and Establishment Certificate for all offices of our Company are provided herein below:

- a) For our Registered Office and Manufacturing Plant located at V & P.O Talwandi Rukka, Hisar, Haryana-125001, India.

| Nature of License / Approvals / Ratings | Issuing Authority | Particulars of License / Approvals / Certificate no. | Date of Issue | Validity Period |
|--|-------------------------------|--|--------------------|-----------------|
| Registration Certificate of Establishment under Punjab Shops & Commercial Establishments Act, 1958 | Department of Labour, Haryana | PSA/REG/HSR//033 7754 | September 05, 2024 | Perpetual |

- b) For Corporate Office located at 51, Block A, IDC, Hisar, Haryana-125005, India.

| Nature of License / Approvals / Ratings | Issuing Authority | Particulars of License / Approvals / Certificate no. | Date of Issue | Validity Period |
|--|-------------------------------|--|---------------|-----------------|
| Registration Certificate of Establishment under Punjab Shops & Commercial Establishments Act, 1958 | Department of Labour, Haryana | PSA/REG/HSR/LI-Hsr-III/0306729 | July 21, 2023 | Perpetual |

- c) For our Delhi Marketing Office located at Shop 28, Rani Jhansi Road, Near Jhandewalan Mandir, Paharganj, Delhi – 110055, India, we have not obtained a Shops and Establishment Certificate as no trading activities are conducted from this office; therefore, it is not required for this location.

The sub-section titled “Approvals/Licenses in relation to the Business of our Company” beginning on page 260 of the Draft Red Herring Prospectus shall be read with the following additional disclosures.

- there are no such material approvals or renewals for which applications are currently pending before relevant authorities;
- there are no such material approvals expired and renewal yet to be applied for by our Company;
- there are no such material approvals required but not obtained or applied for by our Company.

SECTION IX – ISSUE INFORMATION

ISSUE PROCEDURE

The sub-section titled “Signing of the underwriting agreement and the RoC filing” on page 328 of the Draft Red Herring Prospectus shall be updated with the following in the Red Herring Prospectus:

SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

- a. Our Company and the Underwriter has entered into an Underwriting Agreement dated December 26, 2024.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The sub-section titled “Material Contracts to the Issue” beginning on page 354 of the Draft Red Herring Prospectus shall be updated with the following in the Red Herring Prospectus:

MATERIAL CONTRACTS TO THE ISSUE

1. Underwriting Agreement dated December 26, 2024 between our Company and the Underwriter.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE MANAGING DIRECTOR OF OUR COMPANY:

| Name | DIN | Designation | Signature |
|--------------|----------|-------------------|-----------|
| Deepak Kumar | 00677030 | Managing Director | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE WHOLE-TIME DIRECTOR OF OUR COMPANY:

| Name | DIN | Designation | Signature |
|--------------|----------|---------------------|-----------|
| Gaurav Gupta | 00593822 | Whole-Time Director | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE NON-EXECUTIVE DIRECTOR OF OUR COMPANY:

| Name | DIN | Designation | Signature |
|--------------|----------|------------------------|-----------|
| Nikita Gupta | 10645088 | Non-Executive Director | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

| Name | DIN | Designation | Signature |
|-----------------|----------|----------------------|-----------|
| Raj Kumar Dewan | 02663208 | Independent Director | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

| Name | DIN | Designation | Signature |
|----------------|----------|----------------------|-----------|
| Dinesh Vinayak | 10765895 | Independent Director | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE INDEPENDENT DIRECTOR OF OUR COMPANY:

| Name | DIN | Designation | Signature |
|-----------------|----------|----------------------|-----------|
| Alok Kumar Jain | 05282469 | Independent Director | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

| Name | PAN | Designation | Signature |
|-------------|------------|-------------------------|-----------|
| Vinod Kumar | AUYPK8754D | Chief Financial Officer | Sd/- |

Date: December 31, 2024

Place: Hisar

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, guidelines / regulations issued by the Government of India and the rules, guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, and or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Addendum are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

| Name | PAN | Designation | Signature |
|-------|------------|--|-----------|
| Suman | IGCPS2108P | Company Secretary & Compliance Officer | Sd/- |

Date: December 31, 2024

Place: Hisar