



LOHA ISPAAT LIMITED



Our Company was incorporated as Loha Ispat Private Limited on December 20, 1988 under the Companies Act, bearing Registration No. 050107 having its Registered Office in Mumbai, Maharashtra. For further details regarding the changes in our name and registered office, kindly refer to the Chapter titled “History and Certain Corporate Matters” beginning on page 157 of this Red Herring Prospectus. The Company’s Corporate Identity Number is U27200MH1988PLC050107.

Registered and Corporate Office: 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

Tel.: +91 22 67577000; **Fax:** +91 22 67577001; **Email:** ipo@loha.in; **Website:** www.loha.in

Company Secretary and Compliance Officer: Ms. Shobhana Sinkar

PROMOTER OF THE COMPANY: MR. RAJESH PODDAR
PUBLIC ISSUE OF 26,705,476 EQUITY SHARES OF A FACE VALUE ₹ 10 EACH OF LOHA ISPAAT LIMITED (THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ [●] MILLION (THE “ISSUE”). THE ISSUE WILL CONSTITUTE 26.44% OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.
PRICE BAND: ₹ 77 TO ₹ 80 PER EQUITY SHARES OF FACE VALUE ₹ 10 EACH.
THE FLOOR PRICE IS 7.7 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 8.0 TIMES OF THE FACE VALUE.
In case of any revision in the Price Band, the Issue Period shall be extended for a minimum three additional Working Days after such revision of the Price Band, subject to the total Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Issue Period, if applicable, shall be widely disseminated by notification to the BSE Limited (the “BSE”) and the National Stock Exchange of India Limited (the “NSE”), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the other members of the Syndicate and by intimation to Self Certified Syndicate Banks (“SCSBs”).
This Issue is being made in terms of regulation 26(1) of the SEBI (ICDR) Regulations, 2009 (as amended from time to time), through the 100% Book Building Process wherein 10% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIB”) Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 30% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 60% of the Issue shall be available for allocation to Retail Individual Bidders. The allotment of Equity Shares to each retail individual bidder shall not be less than the minimum bid lot, subject to availability of shares in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Potential investors, may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details, kindly refer to the Section titled “Issue related Information” beginning on page 289 of this Red Herring Prospectus.
RISKS IN RELATION TO THE FIRST ISSUE
This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Face Value of the Equity Shares is ₹ 10 each and the Floor Price and the Cap Price is 7.7 times and 8.0 times of the Face Value respectively. The Price band (as determined by our Company in consultation with the Book Running Lead Manager (“BRLM”) as stated in “Basis for Issue Price” beginning on page 87 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.
GENERAL RISKS
Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. Specific attention of the investors is invited to the Section titled “Risk Factors” beginning on page 12 of this Red Herring Prospectus.
ISSUER’S ABSOLUTE RESPONSIBILITY
Our Company having made all reasonable inquiries, accepts responsibility for, and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
IPO GRADING
This Issue has been graded by Credit Analysis and Research Limited and has been assigned the “CARE IPO Grade 3” indicating average fundamentals in its letter dated February 14, 2014. For more information on IPO Grading, kindly refer to the Chapter titled “General Information” beginning on page 52 of this Red Herring Prospectus.
LISTING
The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received in-principle approvals from the BSE and the NSE, for the listing of our Equity Shares pursuant to their letters dated February 05, 2013 and February 12, 2013, respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE Ltd.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
	
ARYAMAN FINANCIAL SERVICES LIMITED 60, Khatau Building, Gr. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001, Maharashtra, India Tel: +91 22 22618264; Fax: +91 22 22630434 Email: ipo@afsl.co.in; Investor Grievance Email: feedback@afsl.co.in Website: www.afsl.co.in SEBI Registration No.: MB / INM000011344 Contact Person: Ms. Nehar Sakaria / Ms. Ambreen Khan	BIGSHARE SERVICES PRIVATE LIMITED E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072, Maharashtra, India Tel: +91 22 4043 0200; Fax: +91 22 2847 5207 Email: ipo@bigshareonline.com; Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com SEBI Registration No.: MB / INR000001385 Contact Person: Mr. Ashok Shetty
BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON: MARCH 11, 2014	BID/ISSUE CLOSES ON: MARCH 20, 2014

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SECTION I: GENERAL
DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires the following terms in this Red Herring Prospectus have the meaning given below:

General Terms

Term	Description
“We”, “us”, “our”, “the Issuer”, “the Company”, “our Company” or “LIL”	Unless the context otherwise indicates or implies, refers to Loha Ispaat Limited.

Company Related Terms

Term	Description
Articles	Articles of Association of our Company.
Auditors	The statutory auditors of our Company being, A. John Moris & Co.
Audit Committee	The audit committee constituted by our Board of Directors on December 12, 2012.
Board / Board of Directors	The Board / Board of Directors of our Company
Corporate / Registered Office	The Corporate / Registered Office situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Directors	The Directors of our Company, unless otherwise specified
Group Companies	Dhanidevi Processors Private Limited; Loha Investments Private Limited; Loha International Limited; Poddar Renaissance Realty Private Limited; Poddar Advantage Advisors Private Limited; Poddar Finin Consultancy Private Limited; Loha Power and Infrastructure Limited; Poddar Charitable Trust; Rajesh Poddar Family Trust; Dhanidevi Family Private Trust, Loha Commodities Singapore Pte Ltd., Loha Commodities (HK) Ltd.
Key Management Personnel	The personnel listed as Key Management Personnel in the Chapter titled “ <i>Our Management</i> ” beginning on page 163 of this Red Herring Prospectus.
Memorandum/ Memorandum of Association	The Memorandum of Association of our Company, as amended
Preference / Redeemable Preference Shares	8% redeemable preference shares of ₹ 10 each.
Promoter	Promoter of our Company being Mr. Rajesh Poddar.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations as disclosed in the Chapter titled “ <i>Our Promoter, Promoter Group and Group Companies</i> ”.
Remuneration Committee	The remuneration committee constituted by our Board of Directors on December 12, 2012.
Shareholders’/Investors’ Grievance Committee	The Shareholders’ / Investors’ Grievance committee constituted by our Board of Directors on December 12, 2012.
Subsidiaries	The Subsidiaries of our Company as listed out in the Chapter titled “ <i>Our Subsidiaries</i> ” beginning on 161 of this Red Herring Prospectus

Issue Related Terms and Abbreviations

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Issue to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid authorising an SCSB to block the Bid Amount in the specified Bank Account maintained with such SCSB. ASBA is mandatory for QIBs and Non-Institutional Bidders participating in the Issue
ASBA Account	Account maintained by an ASBA Bidder with a SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	Prospective Investors in this Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are Clearing Members and registered with SEBI as Banker to an issue with whom the Escrow Account(s) will be opened and in this case being Axis Bank Ltd., HDFC Bank Ltd., ICICI Bank Ltd., and The Federal Bank Ltd.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the Chapter titled “ <i>Issue Procedure</i> ” on page 295 of this Red Herring Prospectus
Bid	An indication to make an offer during the Bid/Issue Period by a prospective investor pursuant to submission of Bid cum Application Form, to subscribe for or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid/Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in an English National Daily, a Hindi National Daily and a regional language newspaper each with wide circulation
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English National Daily, a Hindi National Daily and a regional language newspaper each with wide circulation
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid
Bid cum Application Form	The form in terms of which the Bidder (including a ASBA Bidder) shall make an offer to subscribe for the Equity Shares and which will be considered as the application for Allotment for the purposes of the Prospectus
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which Prospective Bidders can submit their Bids, inclusive of any revisions thereof
Bid Lot	175 Equity Share
Bidder	Any Prospective Investor (including an ASBA Bidder) who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Book Building Process / Method	The book building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLM/Book Running Lead Manager/AFSL	The Book Running Lead Manager to the Issue, in this case being Aryaman Financial Services Ltd.
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted. In this case being ₹ 80 per share.
CARE	Credit Analysis and Research Ltd.
Category III FPI	Investors including endowments, charitable societies, charitable trusts, foundations, corporate bodies, trust, individuals and family offices which are not eligible for registration under Category I and II under the SEBI (Foreign Portfolio Investors) Regulations
Controlling Branches	Such Branches of the SCSBs which co-ordinate Bids by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at

Term	Description
	http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLM, which can be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details.
Depositories	NSDL and CDSL
Depository Participant or DP	A Depository Participant as defined under the Depositories Act.
Designated Branches	Such Branches of the SCSBs which shall collect the Bid cum Application Forms used by the Bidders applying through the ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Issue.
Designated Stock Exchange	BSE Limited
DRHP / Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated December 14, 2012 issued in accordance with Section 60B of the Companies Act, 1956 and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
Eligible NRIs	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered thereby
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Equity Shares	Equity shares of our Company of ₹ 10/- each
Escrow Account(s)	An Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into among our Company, the Registrar to the Issue, the BRLM, the Syndicate Member, the Escrow Collection Bank(s) and the Refund Bank for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted. In this case being ₹ 77 per share.
FIIIs	Foreign Institutional Investors holding a valid certificate of registration under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as repealed, and who are deemed to be Foreign Portfolio Investors.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as repealed.
Foreign Portfolio Investor or FPI	Foreign portfolio investor under the SEBI (Foreign Portfolio Investors) Regulations.
ICRA	ICRA Ltd.
IPO Grading Agency	CARE (Credit Analysis & Research Ltd.)
Issue	Public Issue of 26,705,476 Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million by Loha Ispaat Limited.
Issue Price	The final price at which the Equity Shares will be Allotted in terms of the Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the

Term	Description
	Pricing Date
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds kindly refer to the Chapter titled “ <i>Objects of the Issue</i> ” beginning on page 81 of this Red Herring Prospectus
Listing Agreement	Equity Listing Agreements to be entered into by our Company with the Stock Exchanges.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Funds Portion	5% of the QIB Portion available for allocation to Mutual Funds only
Net Proceeds	The Issue proceeds less the Issue expenses
Non-Institutional Bidders	All Bidders, including Eligible QFIs, sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 8,011,643 Equity Shares available for allocation to Non-Institutional Bidders on a proportionate basis
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Pre-IPO Investors	The investors who have been allotted Equity Shares under the Pre-IPO Placement namely, M/s Passage to India Master Fund Limited, M/s Prograss Investments Limited and M/s. Pacatulus Opportunity Limited.
Pre-IPO Placement	The allotments made by our Company, after filing of the Draft Red Herring Prospectus with the Securities and Exchange Board of India, of 3,535,844 Equity Shares at a price of ₹ 78 per Equity Share to the Pre-IPO Investors aggregating to ₹ 275.80 million.
Price Band	Price Band with a minimum price of ₹ 77 (Floor Price) and the maximum price of ₹ 80.
Pricing Date	The date on which our Company, in consultation with the BRLM, finalises the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013, after the Closure of the Bid/Issue, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors / QFIs	Person who has opened a dematerialized account with a qualified depository participants as a qualified foreign investor, holding a valid certificate of registration and and who are deemed to be Foreign Portfolio Investor under the SEBI (Foreign Portfolio Investors) Regulations.
QIB Portion	The portion of the Issue being 10% of the Issue consisting of 2,670,547 Equity Shares to be made available for allocation to QIBs on a proportionate basis
Qualified Institutional Buyers / QIBs	As defined under Regulation 2(1)(zd) of the SEBI Regulations, and includes Public Financial Institutions as specified in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than Category III Foreign Portfolio Investor, Scheduled Commercial Banks, Mutual Funds registered with SEBI, FIIs and Sub-accounts registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), Multilateral and Bilateral Development Financial Institutions, Venture Capital Funds registered with SEBI, foreign venture capital investors registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with IRDA, Provident Funds with minimum corpus of ₹ 250 million, Pension Funds with minimum corpus of ₹ 250 million, the National Investment Fund set up by the Government of India, Insurance Funds set up and managed by army, navy or air force of the Union of India and Insurance Funds set up and managed by the Department of Posts, India
Red Herring Prospectus	The Red Herring Prospectus dated February 25, 2014 issued in accordance with Section 32 of the Companies Act, 2013 which will not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring

Term	Description
	Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Refund Banker(s), from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount shall be made
Refund Bank	HDFC Bank Ltd.
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	Bigshare Services Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their Karta and Eligible NRIs) who have not Bid for Equity Shares for an amount of more than ₹ 200,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Issue being not less than 16,023,286 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders (including ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	Registrar of Companies, 100, Everest, Marine Drive, Mumbai - 400002
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Self Certified Syndicate Bank(s) or SCSB(s)	A Bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Stock Exchanges	BSE Limited and National Stock Exchange of India Limited
Syndicate	The BRLM and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among our Company and the Syndicate in relation to the collection of Bids in this Issue (including Bids from ASBA Bidders applying through the bidding centres of the Syndicate in the Specified Cities)
Syndicate Member	Aryaman Financial Services Ltd and Aryaman Broking Ltd (now known as Aryaman Capital Markets Ltd)
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Bid
Underwriters	[●] to be appointed later
Underwriting Agreement	The Agreement amongst our Company and the Underwriters to be entered into on or after the Pricing Date
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Day	All days other than a Sunday or a public holiday on which Commercial Banks in Mumbai are open for business, provided however during the Bidding Period, a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday.

Conventional / General Terms / Abbreviations

Term	Description
AED	United Arab Emirates Dirham
B. Com.	Bachelor of Commerce
BG	Bank Guarantee
BSE	BSE Limited
CAPEX	Capital Expenditure
CDSL	Central Depository Services (India) Limited
CENVAT Rules	CENVAT Credit Rules, 2004
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the

Term	Description
	sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013, applicable to the extent of the provisions notified by MCA till the date of this Red Herring Prospectus.
Competition Act	The Competition Act, 2002, as amended
CS	Company Secretary
D / E	Debt to Equity
DGFT	Directorate General of Foreign Trade
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
Factories Act	The Factories Act, 1948, as amended
FDI Circular	Circular 1 of 2013 which consolidates the policy framework on FDI, with effect from April 05, 2013
FIPB	Foreign Investment Promotion Board of the Government of India
Fiscal / Financial Year / FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign venture capital investor registered under the FVCI Regulations
GM	General Manager
H1N1	Hemagglutinin Type 1 and Neuraminidase Type 1
H5N1	Hemagglutinin Type 5 and Neuraminidase Type 1
HKD	Hong Kong Dollar
HUF	Hindu Undivided Family
ICDR / SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
IEC	Importer Exporter Code
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999
ISP	Integrated Steel Plant
IT Act	Income Tax Act, 1961, as amended
Kg	Kilo Grams
Km	Kilometres
KV	Kilo Volt
KWh	Kilo Watt Hour
LC	Letter of Credit
MAT	Minimum Alternate Tax
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mm	Mille metres
MNC	Multi National Corporation
MoU	Memorandum of Understanding
MPCB	Maharashtra Pollution Control Board
MRSS	Main Receiving Sub Station
MSEB	Maharashtra State Electricity Board
MT	Metric Tonnes
NAV	Net Asset Value
NECS	National Electronic Clearing System
NI Act	Negotiable Instruments Act, 1881, as amended
No.	Number
NOC	No Objection Certificate
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account

Term	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OEM	Original Equipment Manufacturer
p.a.	Per Annum
P/E	Price/Earnings Ratio
P.O.	Purchase Order
Q1	First Quarter
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act, as amended
RM	Raw Material
RoNW	Return on Net Worth
Rs. / Rupees / ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended
Sq. ft.	Square Feet
Sq. mt.	Square Meter
SSC	Steel Service Centre
Sr.	Senior
Sr. No.	Serial Number
STT	Securities Transaction Tax
Steel Policy	National Steel Policy, 2005, as amended
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, as repealed, and who can continue to buy, sell or otherwise deal in securities under the SEBI (Foreign Portfolio Investor) Regulations, 2014.
TAN	Tax Deduction Account Number allotted under the Income Tax Act
U.S. / US / U.S.A / United States	The United States of America, together with its territories and possessions
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 and the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
VP	Vice President
WTD	Whole Time Director

Industry or Technical Terms and Abbreviations

Term	Description
AMIE	Associate Member of the Institution of Engineers
BSI	Board of Standards & Inspection
CAPEX	Capital Expenditure
COD	Commercial Operation Date

Term	Description
CR	Cold Rolled
CRCA	Cold Rolled Closed Annealed
CRCC	Cold Rolled Colour Coated
CRFH	Cold Rolled Full Hard
CRNGO	Cold Rolled Non-Grain Oriented
CRGO	Cold Rolled Grain Oriented
CRGP	Cold Rolled Galvanized Plain
CRM	Cold Rolling Mill
CTL	Cut To Length
HR	Hot Rolled
HRPO	Hot Rolled Pickled & Oiled
GP	Galvanized Plain
KVA	Kilo Volt Ampere
LIE	Lender's Independent Engineer
MTPA	Metric Tonnes Per Annum
SAIL	Steel Authority of India Limited
SBI	State Bank of India
TPA	Tonnes per annum
TSL	Tata Steel Limited
TSPDL	Tata Steel Processing & Distribution Limited

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Red Herring Prospectus are to the Republic of India. In this Red Herring Prospectus, our Company has presented numerical information in “million” units. One million represents 1,000,000.

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our audited financial statements as on the six months period ended September 30, 2013 and for the Fiscal Years ended March 31, 2013, 2012, 2011, 2010 and 2009, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Red Herring Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Red Herring Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the Section and the Chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 12, 38 and 235 of this Red Herring Prospectus, respectively, and elsewhere in this Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

Currency, Units of Presentation and Exchange Rates

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America. All references to “HK\$” or “HKD” or “HK Dollars” are to the Hongkong Dollars, the official currency of Hongkong. All references to “AED” or “UAE Dirham” are to the United Arab Emirates Dirham, the official currency of UAE.

This Red Herring Prospectus contains conversions of certain US Dollar, HK Dollars, UAE Dirham and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Definitions

For definitions, kindly refer to the Chapter titled “*Definitions and Abbreviations*” on page 1 of this Red Herring Prospectus. In the Section titled “*Main Provisions of the Articles of Association of our Company*” on page 332 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

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

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

FORWARD-LOOKING STATEMENTS

All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

- Our inability to manage our growth effectively, especially as we expand to new cities;
- Our inability to maintain or enhance our brand recognition;
- Our inability to retain the services of our senior management, key managerial personnel and capable employees;
- Our inability to renew leases for our Office Premises/MIDC Plots or conclude new lease arrangements on commercially acceptable terms;
- Inability to adequately protect our trademarks;
- Changes in consumer demand and steel product use trends;
- Failure to successfully upgrade our products and service portfolio, from time to time; and
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner.

For further discussions of factors that could cause our actual results to differ, kindly refer to the Section and the Chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 12, 114 and 235 of this Red Herring Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Red Herring Prospectus. Our Company, our Directors, the BRLM, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in equity securities involves a high degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing all or a part of their investment. Investors should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment. To obtain a complete understanding, investors should read this section in conjunction with “Our Business” on page 114 of this Red Herring Prospectus, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investor must rely on their own examination of our Company and terms of the Issue, including the merits and risks involved. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risk and uncertainties described below are not the only risks that we currently face. Additional risk and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. Investors should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. The financial and other implications of material impact of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However there are a few risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information and data in this Red Herring Prospectus is derived from the Company’s unconsolidated and consolidated audited financial statements for the six months period ended on September 30, 2013 and for the fiscals 2013, 2012, 2011, 2010 and 2009, prepared in accordance with the Indian GAAP which are set out under the Section titled “Financial Information” beginning on page 191 of this Red Herring Prospectus.

Internal Risk Factors

1. ***There are certain legal proceedings and claims involving our Company and our Promoter Director and the same are pending at different stages before the Judicial / Statutory authorities. Any rulings by such authorities against our Company and our Promoter Director may have an adverse material impact on their operations.***

Our Company and our Promoter Director thereof are involved in certain legal proceedings and claims, which are pending at different stages before the Judicial / Statutory authorities. A summary of the pending proceedings is set forth below. The amounts claimed in these litigations have been disclosed to the extent ascertainable. Any developments in the proceedings or any rulings by such authorities against our Company and/or our Promoter Director may have an adverse material impact on our goodwill, results of operations and financial condition:

a. Litigations / Proceedings filed against our Company and our Promoter Director

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable) (₹ in million)
1	Litigation involving Civil Laws	4	4.49
2	Litigation involving Criminal Laws	1*	-*

b. Litigations / Proceedings initiated by our Company

Sr. No.	Nature of Matter	No. of Matters	Amount (to the extent quantifiable) (₹ in million)
1	Litigation involving Civil Laws	4^	24.80
2	Litigation involving Criminal Laws	3	22.06
3	Complaints under Section 138 of the Negotiable Instruments Act, 1881 (“the N.I. Act”)	8	18.23

* Amount has been accounted for under Section b(2) above.

^ Amount in respect of Company Petition No. 178 of 2010 has been accounted for under Section b(2) above.

^ Amount in respect of Civil Writ Petition No.9282 of 2011 has been accounted for under Section a(1) above.

For more information regarding litigations, kindly refer to the Chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 256 of this Red Herring Prospectus.

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

As of September 30, 2013, we had the following Contingent Liabilities that have not been provided for in our Consolidated Restated Financial Statements:

Particulars	Amount (₹ in million)
Guarantee given to Bank in respect of credit facilities (NFB) sanctioned to subsidiary	250.00
Fixed deposit with Banks for issue of BG favouring DGFT for export commitment against refund to be availed for procurement of capital goods under Duty Drawback Scheme of Central Excise & Customs Department	53.15
Outstanding Dues of income tax on account of dispute under IT Act, 1961	11.22
Total	314.37

In the event any of these contingent liabilities materialize, our business, results of operations, financial condition and prospects may be adversely affected. For details, kindly refer to the Section titled “*Financial Information*” beginning on page 191 of this Red Herring Prospectus.

3. *The Income of our company and certain members of our Promoter’s Group is subject to being reassessed pursuant to a search and seizure operation carried out in the premises of our company and our Promoters Group in February 2012. The Income shall be reassessed based on returns to be filed u/s 153 A of the Income Tax Act, 1961 and in case any liability or disputes arise thereafter, the same may adversely affect our financial condition.*

During February 2012, the Issuer Company and its Promoters Group Members were subjected to a search and seizure proceedings by the Income Tax Department under section 132 of the Income Tax Act, 1961. During the course of the search and seizure, the Income Tax Authorities have taken custody of certain documents/records and recorded statements of certain officials of the company. Subsequently, in November 2012, our Company and relevant Promoters Group members have received notices under Section 153A of the Income Tax Act, wherein it has been asked to file their respective returns u/s 153A of the Income Tax Act, 1961 for the Assessment Years 2006-07 to 2011-12 pursuant to the above mentioned search operations carried out by the Income Tax Department. Our Company and Promoters Group members have filed these returns along with necessary particulars and pursuant to which the Income Tax Liabilities for the above mentioned year shall be reassessed for all the entities. The Tax liability, if any, in respect of the reassessed income is presently not ascertainable. These returns and subsequent re-assessment may result in litigations with the Income Tax Department and any liability so ascertained may adversely affect our as well as our promoters group’s financial condition and goodwill. For further details regarding the persons to whom these notices have been issued, kindly refer to “*Outstanding Litigations and Material Developments*” beginning on page 256 of this Red Herring Prospectus.

4. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.*

We require certain statutory and regulatory permits and approvals to operate our existing and proposed business. For more information on the status of our material statutory and regulatory permits, kindly refer to the Chapter titled “*Government and Other Key Approvals*” beginning on page 266 of this Red Herring Prospectus. We are required to renew certain permits and approvals, and also obtain new permits and approvals for our proposed expansion and vertical integration.

Following is the list of important approvals and sanctions pending at various stages as on the date of this Red Herring Prospectus:

- **Environment Clearance:** The plant of the Company located at Village Ransai, Taluka –Khalapur, District Raigad requires prior environmental clearance from State Environmental Impact Assessment Authority since the area under construction (24,000 sq. mt.) exceeds 20,000 sq. mt. as mandated by the notification of the Ministry of Environment and Forests dated September 14, 2006. The Company has applied for the same through its environmental consultant, Mahabal Enviro Engineers Private Limited.
- **Existing licenses up for renewal:** Certain contract labour related licenses and factory premises related licenses have expired in the normal course of business and we have filed applications for the purpose of renewing such licenses. For further details regarding the applications filed for the expired licenses, kindly refer to the chapter titled “Government and other Key Approvals” beginning on page 266 of this Red Herring Prospectus.

Also, certain Intellectual Property Registrations are pending for approval. For further details regarding the risks pertaining to the same, kindly refer to Risk Factor 28 on page 23 of this Red Herring Prospectus.

While we believe that we will be able to renew or obtain the required permits and approvals as and when required; there can be no assurance that the relevant authorities will issue any or all requisite permits or approvals in the time-frame anticipated by us, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations or delay or prevent our expansion plans and may have a material adverse effect on our business, financial condition and results of operations.

5. The Steel Industry is cyclical in nature and factors affecting the demand for, and requirement of processing steel products, in particular, global economic conditions, may adversely affect our business, financial condition, results of operations and prospects.

We operate a Steel Service Centre (“SSC”). The Steel business is cyclical in nature. Even though we are not directly involved in the Steel Business as a primary producer and hence to some extent we are insulated from the Steel Industry Cycles, our operating margins and results of operations are nonetheless influenced by a variety of factors relating to the steel industry, including but not limited to fluctuations in demand and supply of steel and steel products, both domestically and internationally, general economic conditions, changes in the international prices of steel and steel products that we stock, downturns in requirements of processed steel by traditional bulk steel end users or their customers, and slowdowns in our core buying industries such as Automobile, Infrastructure, General & Heavy Engineering, Home Appliances and Construction.

Historically, market prices for steel and steel products have been cyclical and sensitive to changes in supply and demand. Demand for steel and steel products is linked to economic activity, including growth in the economy, level of operating activities in core sectors as mentioned above. The supply of steel and steel products is dependent upon capacity additions, domestically and internationally, which involve long gestation periods. Significant capacity additions in the steel industry, if not matched by a corresponding growth in demand, may result in downward pressure on steel prices. Since the slowdown in global economic conditions in 2008, prices of steel have fallen significantly and also have been very volatile. Being a Steel Service Centre, we are usually able to pass on the increase or decrease in prices of steel to our customers; however, prolonged reduction in prices of steel could adversely affect the value of the inventory being maintained by us, and this could adversely affect our results or operations and financial condition for such periods. As on the FY ended 2011, 2012, 2013, and six months period ended September 30, 2013, the amount of inventory on our books as per the Consolidated Restated Financial Statements was valued at ₹ 5067.77 million, ₹ 7101.09 million, ₹ 7066.60 million and ₹ 9,008.85 million respectively.

Due to uncertainty in the supply and demand balances, market conditions and other factors relating to the steel industry, our business, prospects, financial condition and results of operation may be adversely affected.

6. Ours is a High Volume-Low Margin Business. Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results, debt service capabilities and financial conditions.

The primary competence of an Independent Steel Service Centre like ours is the ability to provide all kinds of customized steel products readily available to end users of steel and hence exploit the benefits of variety, economies

of scale and waste reduction in the Steel Supply Chain. However, due to the commodity nature of the products we sell, we may not be able to charge higher margins on our products as compared to Integrated Manufacturers of Steel and Steel Products. Hence, our business model is heavily reliant on our ability to effectively grow our turnover and manage our key processes including but not limited to raw material procurement, stocking, timely sales / order execution and continuous cost control of non core activities. The Net Profit (after tax) Margins of our Company for the last six reporting periods (i.e. FY 2009, 2010, 2011, 2012, 2013 and six months period ended September 30, 2013) have averaged 2.22%, with the highest being 3.02% and the lowest being 1.43%. The following table below, details our Operating Margins and relevant results in the last six reporting periods:

Particulars	6 months period ended Sept 30, 2013*	FY 2013*	FY 2012*	FY 2011*	FY 2010*	FY 2009**
Total Income (₹ in million)	20,244.10	34357.24	29209.02	20865.91	15237.57	9444.83
EBITDA Margins (%)	6.96%	6.91%	5.80%	6.34%	6.98%	6.17%
PBT Margins (%)	2.74%	3.07%	2.25%	3.56%	4.40%	3.65%
PAT Margins (%)	1.92%	2.05%	1.43%	2.49%	3.02%	2.43%

*Source: Consolidated Restated Financial Statements

** Source: Unconsolidated Restated Financial Statements

For further details regarding the discussions and explanations for our past results, kindly refer to the Chapter titled “Management Discussions and Analysis of Results of Operations and Financial Condition” on page 235 of this Red Herring Prospectus.

We propose to improve our margins through our backward integration project, wherein we have recently set up a Cold Rolling Mill (CRM) Complex at Taloja and further we plan to continuously upgrade our processes and product lines as well as enter into value added processing activities of other metals in the future in order to diversify and grow the business. Our inability to effectively control costs, manage our key business processes and sufficiently grow the business of the company could lead to lower operating profitability and hence we may not be able to service our debt, pay dividends to shareholders and ensure reasonable liquidity position of the Company.

- 7. The capacity of the current plants is not fully utilized, consecutively, if there is also any under-utilization of our proposed expanded capacities, this in turn could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

Even though the capacity utilization of our plants has been increasing on a year on year basis in the last three years, the capacities of various product lines at our current Plants have not been fully utilized over the last three financial years. For details regarding the existing installed and utilised capacity, kindly refer to “Our Business – Capacity” on page 131 of this Red Herring Prospectus.

Further, we propose to expand our production capacities based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

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

Our Company’s business is Working Capital Intensive and hence inventories and trade receivables form a major part of our current assets and net worth. The results of operations of our SSC business are dependent on our ability to effectively manage our inventory (raw material and finished goods) and trade receivables.

We believe that our existing Inventory and Trade Receivables are valued in a fair and proper manner. For further details regarding the same, kindly refer to “Inventories and Trade Receivables” in the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 241 of this Red Herring Prospectus.

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

To effectively manage our trade receivables, we must be able to accurately evaluate the credit assessment of our customers and ensure that suitable terms and conditions are given to them in order to ensure the profitability of each transaction done. However, if our management fails to evaluate the credit assessment of our customers accurately, it may lead to bad receivables or delays in recoveries and the same could lead to a liquidity crunch and a higher interest burden, thereby adversely affecting our business and results of operations.

9. The Implementation Schedule of our current expansion projects at Khopoli and Taloja have been revised and various phases of the projects are hence delayed from their original targets. Any further delay in fully commissioning of these facilities could adversely affect our results of operations and financial conditions.

While the on-going expansion projects of our company were in process, we appointed Mr. B. N. Chakraborty as a Whole Time Director (Technical & Projects). His appointment resulted into certain project configuration changes. As Mr. B.N. Chakraborty has past experience of setting up of more than 10 SSCs, he has, based on his actual working experience modified few lines and equipments to enhance the productivity, efficiency and optimum utilization of space. While the changes have resulted into delay in project commissioning, however we believe that it made sense to make the changes in the initial period itself. It was also noted by LIE, that post these technical upgradation actual capacity of production might increase by 15-20% approximately than initially projected capacity. Some of the changes made were as below:

- Installation one On-line weighing machine;
- Installation of SAP Systems by IBM;
- Electrical Automation into our Production Lines;
- Installation of Rotary Shear Function into the production lines; and;
- Certain other technical modifications to Shed Design and other relevant aspects of the project.
- Scada system

Both the facilities commissioned initial commercial production in September 2012. All the lines in the Taloja division have started commercial production. However, a certain portion of the expanded capacity at Khopoli is delayed in Hot Commissioning due to internal design changes, delays in delivering of equipments and other such exigencies. Even though we believe that based on our capacity utilization targets for fiscal 2014-15, adequate lines have been hot commissioned and the remaining implementation should be smoothly completed before the next capacity utilization target stage is reached.. However, this implementation schedule is subject to delays and other risks, including, among other things, contractor performance shortfalls, unforeseen engineering or technical problems, disputes with workers, force majeure events, and delays in obtaining certain government approvals and consents, any of which could give rise to further delays, and/or a breach of the financial covenants imposed by our lenders. Our inability to effectively execute the projects and begin the complete commercial production of the plants as per the revised schedule could materially adversely affect our results of operations and financial conditions.

10. We plan to foray into manufacturing of Cold Rolled Products as part of our backward integration project which has been recently commissioned. Our lack of experience in running an in-house CRM Complex may affect our plans of expansion and in turn could affect our business operations.

Historically, our Company has been purchasing Cold Rolled Products from ISPs and further processing them through our CTL, Slitting and Shearing facilities at the Khopoli Plant, or we have been outsourcing the conversion of HR products into CR to outsiders on job-work basis. While we expect to continue to source these CR products from outsiders, we have already embarked upon setting up a Cold Rolling Mill (CRM) Complex at MIDC, Taloja with a capacity of 30,000 TPA. Although the manufacture of Cold Rolled Products is an extension of our existing activity and we have experience of operating and processing these products, we lack experience in running a CRM/Skin Pass Mill, Rewinding Line and Bell Annealing Furnace. We may not be able to anticipate or evaluate

technical and business risks, especially in a volatile economic scenario. Our strategy to enter into this activity is motivated by being able to provide a wider range of steel processing facilities under one roof to our customers, but the same involves understanding of market demand for these facilities and products and building up in-house expertise and resources for the same. If we are unable to successfully operate and exploit this new venture in which we have and plan to invest large amounts or implement strategies as planned and turn profitable in the anticipated timeframe, then our business operations and financial condition may be materially and adversely affected.

11. Any inability to effectively execute our expansion plans or to successfully implement our business plan and growth strategy may have an adverse effect on our business, results of operations and financial condition.

Currently, our company operates from two locations in Western Maharashtra, i.e. at Khopoli and Talaja, both of which are within a range of 100 kms from Mumbai. The existing Khopoli Unit provides various lines for Slitting and CTL facilities and has been operating an installed capacity of 900,000 MTPA, which would stand further augmented to 2,181,900 MTPA post the current expansion project which has started initial commercial production in September 2012. The Talaja Unit operates manual pickling of HR sheets and plates (annual capacity of 1,05,000 TPA) and we have also commissioned a Cold Rolling Mill (CRM) Complex with a capacity of 30,000 TPA (which will include Push-Pull Pickling, CRM/Skin Pass Mill, Rewinding Line and Bell Annealing Furnace) at nearby locations in M.I.D.C, Talaja. The proposed CRM complex had started commercial production with the automatic push-pull pickling division in September 2012 and the remaining lines have also started commercial production in the first quarter of FY 2013-14. For further details regarding our current expansion project, kindly refer to the Chapter titled “*Objects of the Issue*” beginning on page 81 of this Red Herring Prospectus.

We believe that implementation of our expansion plan will enable us to achieve significant higher operating profits through a wider range of in-house processing capabilities, and also improve our overall productivity and financial flexibility. However, the execution of our expansion plans and the implementation of our business plan and growth strategy may be subject to the receipt of various regulatory approvals and Lender or third party consents as well as necessary funding for our working capital needs and future capital expenditure (whether through debt or equity, or a combination of both), and will place significant demands on our management, financial, technical and other resources, mechanisms and controls.

Further, continued expansion increases the challenges involved in recruitment, training and retention of skilled and experienced technical and management personnel and developing our internal administrative infrastructure and controls. If we fail to install these systems and controls on a timely basis, or if there are weaknesses in such systems and controls that result in inconsistent internal standard operating procedures, we may not be able to meet our expected schedule of implementation or may exceed budgeted expenditure. We cannot be certain that our existing or future management, operational and financial resources, infrastructure and controls will be adequate to support our present and proposed operations as well as identify, assess and develop viable business opportunities in the future.

12. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

India is our primary market and we face competition in our business from domestic as well as international SSCs. Due to the commodity nature of most of our product sales, competition in these markets is based primarily on demand and price. As a result, to remain competitive in our market, we must continuously strive to reduce our production, transportation and distribution costs, improve our operating efficiencies and secure our raw materials requirements. If we fail to do so, other SSCs or manufacturers of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Increased consolidation in the steel industry means that many of our competitors may benefit from greater economies of scale, including the ability to negotiate preferential prices for products or receive discounted prices for bulk purchases of raw materials that may not be available to us. Also, if the primary steel producers from whom we procure our raw materials were to set up their in-house SSCs, we would face stiff competition for selling those specific/comparable products at competitive rates and this could materially adversely affect our operating margins.

Further, we cannot assure you that our current or potential competitors will not offer products comparable or superior to our products.

13. Our indebtedness, in terms of various conditions and restrictions imposed on us by our financing agreements, could adversely affect our ability to react to changes in our business. Moreover, if we are unable to comply with the terms of our loan agreements, our liquidity, business and results of operations could be adversely affected.

As on September 30, 2013, as per the consolidated restated accounts, our outstanding indebtedness totaled to ₹ 8623.41 million. Some of our financing agreements contain requirements to maintain specified security margins and financial ratios and also contain restrictive covenants, including but not limited to, requirement of lender consent for, among others things, issuance of new shares, making material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking guarantee obligations, declaring dividends in case of default or incurring capital expenditures beyond certain limits. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we may incur in the future has important consequences. For example, such debt could:

- ✓ increase our vulnerability to adverse economic and industry conditions;
- ✓ limit our ability to fund future working capital;
- ✓ require us to dedicate a substantial portion of our cash flow from operations to service our debt;
- ✓ limit our flexibility to react to changes in our business and in the industry in which we operate;
- ✓ place us at a competitive disadvantage with respect to any of our competitors who have less debt or whose cost of debt is lower;
- ✓ require us to meet additional financial covenants;
- ✓ limit our ability to borrow additional funds; and
- ✓ lead to circumstances that result in an event of default, if not waived or cured.

A default under one debt agreement may also trigger cross-defaults under other debt agreements. Any of these developments could adversely affect our business, financial condition and results of operations. For more information, kindly refer to the Section titled “*Financial Information*” beginning on page 191 of this Red Herring Prospectus.

We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they come due. In addition, under certain circumstances, we may need to refinance all or a portion of our debt on or before maturity. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financings on terms acceptable to us, our business, financial condition and results of operations may be adversely affected.

14. Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers’ discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products.

In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Any delay, modification, cancellation of order by our large customers may have material adverse effect on our financial condition and results of operations.

15. Our business is dependent on the delivery of an adequate and uninterrupted supply of electric power at a reasonable cost and any supply insufficiency or interruption could adversely affect our business, financial condition and results of operations.

Since we are not primary producers of steel, our business is not as energy intensive as other steel manufacturers. However, we are dependent on adequate and uninterrupted supply of electric power at a reasonable cost. Power is supplied through an overhead line of 22 KV from MSEB to MRSS at plant boundary at both our locations - Khopoli and Talaja. Power is stepped down to 415 V through a transformer for catering to the respective existing loads. For details regarding respective load sanctioned and load proposed from MSEB for all our locations, kindly refer to “Our Business – Power” on page 135 of this Red Herring Prospectus. Further, we have installed three Diesel Generators of 500 KVA, 160 KVA and 62.5 KVA for back-up power for administrative use at Khopoli location.

We are, hence, dependent on public utilities for all of our power requirements. An adequate, uninterrupted and cost effective supply of electrical power is critical to our operations. India suffers from significant energy shortages and power outages. While we believe that our current supply of electricity will be sufficient to meet our existing and future requirements, we cannot assure you that we will have an adequate, uninterrupted or cost effective supply of electrical power, the lack of which could adversely affect our business, financial condition, results of operations and prospects.

16. We rely on contractors for the implementation of various aspects of our regular as well as expansion activities, and are therefore exposed to execution risks, including in relation to the timing or quality of their services, equipment or supplies.

We rely on the availability of skilled and experienced contractors for certain portion of our regular semi-skilled and unskilled workforce at our steel processing facilities. Until recently, we employed a staff of 150 and 23 Contracted Labour stationed at our Units in Khopoli and Talaja, respectively. However due to the increase in automated processes at our plants, currently, our Contract labourers have been discontinued. We may however re-employ Contract labourers depending upon our future requirements.

Also, certain portion of the implementation of our expansion plans is to be carried out by Third Party Contractors. We do not have direct control over the timing or quality of the services and supplies provided by such third parties. Third party contracts for our regular as well as expansion activities could expose us to various risks, including credit risk, settlement risk, operational risk, legal risk and reputation risk. The execution risks we face include the following:

- contractors hired by us may not be able to complete construction and installation on time, and within budgeted costs or to the agreed specifications and standards;
- as we expand, we may have to use contractors with whom we are not familiar, which may increase the risk of cost overruns or lower or no return on capital, construction defects and failures to meet scheduled completion dates;
- and our regular labor contractors may engage contract laborers and although we do not engage such laborers directly, we may be held responsible under applicable Indian Laws for wage payments to such laborers should our contractors default on wage payments.

Further, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be required to retain such contract laborers as our employees. Any requirement to fund such payments and any such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

Further, as a result of increased industrial development in India in recent years, the demand for contractors and agencies with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of services of such contractors and agencies. We cannot be certain that such skilled and experienced contractors and agencies will continue to be available to us at reasonable rates in the future. Any deterioration in our relationships with our identified suppliers or our failure to renegotiate acceptable terms may result in our incurring substantial additional costs, beyond our budgeted expenditure, in identifying and entering into alternative arrangements with other suppliers.

Further, third party defaults that disrupt or otherwise affect our operations and that are not adequately resolved or cured in a timely manner may render us liable to regulatory intervention, cause damage to our reputation, and adversely affect our business, results of operations and financial condition.

17. If we do not continue to invest in new technologies and equipment, our technologies and equipment may become obsolete and our cost of processing may increase relative to our competitors, which may have an adverse impact on our business, results of operations and financial condition.

Our profitability and competitiveness depend in large part on our ability to maintain a low cost of operations, including our ability to process and supply sufficient quantities of our products as per the agreed specifications. If we are unable to respond or adapt to changing trends and standards in technologies and equipment, or otherwise adapt our technologies and equipment to changes in market conditions or requirements, in a timely manner and at a reasonable cost, we may not be able to compete effectively and our business, results of operations and financial condition may be adversely affected.

18. We have issued Equity Shares during the last 1 (one) year at a price that may be below the Issue Price.

We have, in the last twelve months prior to the date of this Red Herring Prospectus, issued Equity Shares at a price that may be lower than the Issue Price. The price at which the Equity Shares have been issued in the last one year is not indicative of the price at which they will be issued or traded. Details of these issuances are set forth in the table below:

Name of the Allottee / Transferee	Part of Promoter Group	Date of Allotment	No. of Equity Shares issued	Price (per Equity Share) (in ₹)	Reasons for allotment
M/s Passage to India Master Fund Limited	No	December 24, 2013	1,187,844	78	Pre-IPO Placement
M/s Progruss Investments Limited	No	January 15, 2014	975,000	78	Pre-IPO Placement
M/s Progruss Investments Limited	No	January 28, 2014	840,000	78	Pre-IPO Placement
M/s Pacatolus Opportunity Limited	No	February 04, 2014	533,000	78	Pre-IPO Placement

The funds raised by way of the Pre-IPO Placement shall be utilised towards the Objects of the Issue. For further details, kindly refer to the Chapter titled “*Objects of the Issue*” beginning on page 81 of this Red Herring Prospectus.

19. We are dependent on third party transportation providers for the delivery of raw materials and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services for our products, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.

We use third party transportation providers for the supply of most of our raw materials and for delivery of our products to our customers. Transportation strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. Non-availability of ships, barges, trucks and railway cars could also adversely affect our receipt of raw materials and the delivery of our products.

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

In addition, India’s physical infrastructure is less developed than that of many developed nations, and problems with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India’s physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

20. *Our operations may be adversely affected by strikes, work stoppages or increased wage demands by our or our contractors' workforce or any other industrial unrest or dispute.*

While we have not experienced any major industrial unrest or dispute in the past, we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased wage demands in the future. Further, if our or our contractor's work force unionizes in the future, collective bargaining efforts by labor unions may divert our management's attention and result in increased costs.

We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Any shortage of skilled and experienced workers caused by such industrial unrest or disputes may adversely affect our business, results of operations and financial condition. Further, under Indian law, we may be held liable for wage payments or benefits and amenities made available to contract workers engaged by our independent contractors, if any of our contractors default on their obligations to provide such wages, benefits and amenities. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the contract workforce on our own rolls may adversely affect our business, results of operations and financial condition.

21. *Conflicts of interest may arise out of common business objects shared by our Company and certain of our Group Entities.*

Our Promoter has interests in other companies and entities that may compete with us, including other Group Entities that conduct businesses with operations that are similar to ours. Our Promoter is a Director on the Board of certain other Group Companies as well. For details on his other Directorships, kindly refer to the Chapter titled "Our Management" beginning on page 163 of this Red Herring Prospectus. There is no requirement or undertaking for our Promoter, Promoter Group or Group Entities or such similar entities to conduct or direct any opportunities in the steel or other commodities business only to or through us. As a result, conflict of interests may arise in allocating or addressing business opportunities and strategies amongst our Company and our Group Entities in circumstances where our interests differ from theirs. In cases of conflict, our Promoter may favor other Companies in which our Promoter has an interest.

Further, the Memorandum of Association of certain of our Group Companies, including, Dhanidevi Processors Pvt. Ltd. and Loha International Ltd., entitle such Companies to undertake and carry out businesses that are similar or related to our business. There can be no assurance that such Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. As a result, a conflict of interest may occur between our business and the businesses of our Group Companies which could have an adverse effect on our business, financial condition, results of operations and prospects.

22. *Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.*

Our Company has entered into certain related party transactions with its Promoter / Promoter Group / Directors / Subsidiary Companies / Group Companies. While we believe that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that our Company could not have achieved more favorable terms had such transactions not be entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. Kindly refer to the Chapter titled "Related Party Transactions" beginning on 175 of this Red Herring Prospectus for further details on the Related Party Transactions of our Company.

23. *Our success depends significantly upon our senior management team and key managerial personnel of our Company. Any inability on our part to attract and retain any or all the key members of our management team could have an adverse effect on our business, results of operations and financial condition.*

We are highly dependent on our senior management and key managerial personnel for our business. Our business model is reliant on the efforts and initiatives of our key managerial personnel. Our ability to successfully function and meet future business challenges depends on our ability to attract and retain them. Our future performance will depend upon the continued services of these persons. We cannot assure you that we will be able to retain our skilled

senior management or managerial personnel or continue to attract new talents in the future. The loss of the services of any key member of our management team could have an adverse effect on our business, results of operations and financial condition. For details of our key managerial personnel, kindly refer to the Chapter titled “*Our Management*” beginning on page 163 of this Red Herring Prospectus.

24. Our funding requirements and deployment of the Net Proceeds are based on management estimates and have not been independently appraised.

Our funding requirements and the deployment of the Net Proceeds are based on management estimates and have not been appraised by any Bank or Financial Institution. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programs and an increase or decrease in our proposed expenditure for a particular matter. Further, the Net Proceeds are to be deployed at the sole discretion of our Board and are not subject to monitoring by any independent agency.

25. We have experienced negative cash flows in the past.

We have experienced negative operating as well as financial cash flows, in the past. Our net cash from / (used in) operating activities amounted to ₹ (838.71) million in fiscal 2012, ₹ (422.00) million in fiscal 2011 and ₹ (679.41) million in fiscal 2010 as per the Consolidated Restated Financial Statements, and ₹ (472.53) million in fiscal 2009, as per the Unconsolidated Restated Financial Statements. Our net cash from / (used in) financing activities amounted to ₹ (827.26) million for the six months period ended on September 30, 2013.

Our net cash from / (used in) investment activities amounted to ₹ (268.88) million for the six months period ended on September 30, 2013, ₹ (1785.42) million in fiscal 2013, ₹ (580.85) million in fiscal 2012, ₹ (121.59) million in fiscal 2011 and ₹ (699.76) million in fiscal 2010 as per the Consolidated Restated Financial Statements, and ₹ (240.58) million in fiscal 2009, as per the Unconsolidated Restated Financial Statements.

Any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares. During the course of our business, we have entered into various capital commitments. In the event that the proposed Issue is not completed or is delayed and we are unable to make other alternative arrangements to raise funds to meet our cash flows requirements, it could have an adverse effect on our business, financial condition and results of operations.

26. Our Company does not currently own the premises at which its Registered Office and its International Offices at Dubai and Hong Kong are located.

Our Company does not own the premises where its Registered Office and its Subsidiaries’ offices at Dubai and Hong Kong are located. Our Company pays an annual rent of ₹ 240,000 p.a. for its Registered Office in Mumbai, AED 40,000 p.a. for its office in Dubai and HKD 2,000 p.a. for its office in Hong Kong, and the lease of these premises terminates on April 30, 2017, November 08, 2014 and March 31, 2014 respectively. In the event that our Company is unable to renew such lease and is required to vacate the premises on which its Offices are situated, it shall be required to make alternative arrangements for office space and related infrastructure at short notice and for a price that may be higher than what we are currently paying, which may affect our ability to conduct our business or increase our operating costs. For further details, kindly refer to “*Our Business - Property*” on page 137 of this Red Herring Prospectus.

27. Our Taloja facilities are being operated on lands which have been taken on long lease basis from M.I.D.C, Taloja.

We lease substantially all of the land and property at our Units in Taloja from MIDC. In general, these lease arrangements are for periods of 95 years and grant our Company the right to use the leased land for the purpose of carrying on its business. Under their lease arrangements, we may require the prior written consent of the lessor for any further assignment of the lease. The lessor may terminate the agreement pursuant to specified notice periods if the lessee is in arrears of lease rental payments.

A loss of our Company’s leasehold interests, including through actual or alleged non-compliance with the terms of these lease arrangements and MIDC requirements, the termination of leases by lessors, or an inability to secure





renewal thereof on commercially reasonable terms when they expire, would interfere with our ability to operate our current operations thus affecting financial performance. The cost of relocating a site is significant. We may not be able to pass these costs on to our customers and any such relocation could cause disruption to our customers. In addition, we may not always have the ability to access, analyse and verify all information regarding titles and other issues prior to entering into lease arrangements in respect of our leased sites, and to the extent there is any defect in the titles of any of such leased sites, our ability to continue operating at such leased sites may be adversely affected.

28. We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.

Our business requires a significant amount of working capital. In many cases, significant amounts of working capital is required to finance the purchase of materials and the processing of the same before payments are received from customers. Our working capital requirements may increase from time to time, for e.g. for certain higher volume clients, we may be required to extend additional credit considering the same on case to case basis. In addition, our working capital requirements have increased in recent years due to the heavy growth in our volumes and liquidity issues in certain sectors to whom we supply our goods. All of these factors may result, or have resulted, in increases in our working capital requirements.

29. Our company logo and trademarks have not been registered. Consequently we may not be able to effectively protect our intellectual property.

We have filed applications for registration of our company logo and trademarks which are currently pending with the relevant authorities. The details regarding the applications filed and pending as on the date of this Red Herring Prospectus are as below:

Sr. No.	Particulars of Mark	Word/ Label Mark	Applicant	Application No.	Date of Filing	Class
1		Label	Loha Ispaat Limited	Application No. 2060982	November 30, 2010	35
2		Label	Loha Ispaat Limited	Application No. 1705881	July 02, 2008	6
3		Label	Loha Ispaat Limited	Application No. 2282103	February 13, 2012	6
4		Label	Loha Ispaat Limited	Application No. 2191582	August 17, 2011	12

*Our Company has subsequently filed Correction No. 185795 for amending the logo of the Company on April 19, 2011.

#Mr. Rajesh Gaurishankar Poddar has filed Form TM-16 dated March 31, 2010, with the Trademarks Registry requesting for change of user from “Mr. Rajesh Gaurishankar Poddar” to “Loha Ispaat Limited”. The Company has also filed Form TM-16 with the Trademarks Registry for amendment of the logo on April 17, 2011.

There is no assurance that the applications will be approved by the relevant authorities. In addition, our applications for the registration of such logo and trademarks may be opposed by third parties. In the event we are not able to obtain registrations in respect of such trade mark applications, we may not be able to obtain statutory protections available under the Trade Marks Act, 1999, as otherwise available for registered logos and trademarks. Consequently, we are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Except as mentioned above, we have not applied for any other form of intellectual property protection.

30. Our steel-processing operations are hazardous processes that can cause personal injury and loss of life, severe damage to and destruction of property and equipment and environmental damage, as a result of which we could suffer material liabilities, loss of revenues and increased expenses.

Our steel processing operations are subject to various risks associated with the inherently hazardous production of steel. Hazards associated with our steel-making operations include accidents involving moving machinery, on-site transport, forklifts and overhead cranes; explosions, and resulting fires, in annealing furnaces, Push-Pull Pickling or Shearing Lines, fires in control rooms, electrical switch rooms, laboratories, transformers and lubricating oil rooms; and exposure to, through inhalation or contact with, hazardous chemicals including acids, ammonia, asbestos, carbon monoxide and various dusts such as coal dust and silica. These hazards may cause severe damage to and destruction of property and equipment, environmental damage and personal injury or even fatalities among our personnel. Any of these may result in temporary or lengthy interruptions of operations, damage to our business reputation and corporate image and the imposition of civil and criminal liabilities. Our employees, members of the public or government authorities may bring claims against us arising out of these hazardous production processes. There has been an instance of death due to accident on site at our Steel Service Centre in Khopoli in August 2007, however, there is no outstanding legal formality or dispute pertaining to the same as on date and the relevant checks and balances have been put in place and no such incidents have occurred since then. Although we have tried to ensure that such accidents are duly investigated and avoided in future and we have put in place measures such as 24/7 “In-house Ambulance”, Safety Equipments etc., we cannot assure you that our contractors or we shall not be subject to legal proceedings or liabilities pursuant thereof, in the future for any such incidents. Such events may also adversely affect public perception of our business and the perception of our suppliers, customers and employees, leading to an adverse effect on our business.

In the event that it is determined by the appropriate authorities that provisions and measures for safety within our premises are inadequate, the licenses granted to us for operations at such premises may be revoked, thereby adversely affecting our business and results of operations.

31. Our business is dependent on our operating facilities. The loss or shutdown of our facilities could have a material adverse effect on our business, financial condition and results of operations.

Our facilities at Taloja and Khopoli are subject to operating risks, such as shutdowns due to the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, adequate utilization rates, obsolescence of equipment, labor disputes, strikes, lockouts, industrial accidents, disruption by extremist groups, or any other reason, and the need to comply with the directives and regulations of the Government of India (“GoI”) and relevant state government authorities. Moreover, we are required to carry out planned shutdowns of our facilities for scheduled maintenance, statutory inspections and testing. During our planned shutdowns, however, our processing of steel is diminished and our results of operations may be adversely affected. Further, our operations involve a significant degree of integration, and our results of operations are dependent on the successful operation of each facility. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition, results of operations and prospects may be adversely affected by any disruption of operations at our facilities.

32. We will be controlled by our Promoter so long as he controls a majority of our Equity Shares.

After the completion of this Issue, our Promoter will control, directly or indirectly (including Promoter Group), a majority of our outstanding Equity Shares (i.e. 70.06%). As a result, our Promoter will continue to exercise significant control over us, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoter may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoter and members of our Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour. If our Promoter sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares

could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoter will not be sold any time after the Issue / lapse of lock-in period, which could cause the price of the Equity Shares to decline.

33. Certain Equity Shares of our Company held by our Promoter i.e. Mr. Rajesh Poddar are pledged.

Our Company has availed finance from certain banks to part finance the working capital requirements (post expansion at Khopoli and Taloja). For details, kindly refer to the chapter titled “*Financial Indebtedness*” beginning on page 250 of this Red Herring Prospectus. The said finance has been secured by pledge of 17,689,670 equity shares by the promoter of our company, namely, Mr. Rajesh Poddar. In the event there is a default by our company in repaying the loan availed from these Banks, the Banks shall have the right to sell the shares pledged with it. If the Banks were to sell such equity shares, the shareholding of the Promoter in our company would stand reduced, which in turn would reduce his ability to exercise control over the operations & management of our Company. For further details kindly refer to the chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.

34. Our Promoter and Promoter Group Entities have given personal guarantees in relation to certain debt facilities provided to us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

Our Promoter and Promoter Group Entities have given personal guarantees in relation to certain debt facilities provided to us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

35. Our ability to access capital depends on our credit ratings.

The cost and availability of capital, amongst other factors, is also dependent on our credit ratings. The details regarding our credit ratings are as below:

Name of Agency	Ratings/Facility	Definition of such rating by the Rating Agency	Last updated/ modified in
CARE ⁽¹⁾	CARE BBB+ (for long term bank facilities)	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.	January 2014
	CARE A2+ (for Short term bank facilities)	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk	January 2014
ICRA ⁽²⁾	ICRA BBB+ (for term loans and fund-based bank facilities)	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.	December 2012
	ICRA A2+ (for non-fund based limits)	Instruments with this rating are considered to have strong degree of safety regarding timely payment of financial obligations. Such instruments carry low credit risk.	December 2012

⁽¹⁾These ratings are subject to surveillance/review by the relevant rating agencies from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year. Further, these rating may be suspended/revised/withdrawn by the Rating Agency as and when they may deem fit.

⁽²⁾ Valid upto July 2013. Further, these rating may be suspended/revised/withdrawn by the Rating Agency as and when they may deem fit. The company is in the process of renewing the same.

Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade of our credit ratings would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business. In addition,

downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

36. Our insurance policies provide limited coverage and we may not be insured against some business risks.

Our insurance policies cover physical loss or damage to our stock, cash, machineries, building and other fixed assets arising from a number of specified risks including fire, landslides and other perils. As on the date of this Red Herring Prospectus, the total sum insured by our Company under these policies aggregates to ₹ 5623.04 million. Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an accident that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could materially and adversely affect our financial condition and results of operations. For further details, kindly refer to “Our Business – Insurance” on page 141 of this Red Herring Prospectus.

37. Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. Our business is working capital as well as capital intensive. We further propose to incur capital expenditure in setting up more facilities for forward as well as backward integration. We are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

38. The agreements entered into by us with respect to our office premises, and other leasehold premises, are not adequately stamped and registered, resulting in making them inadmissible as evidence in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

The agreements entered into by us with respect to the following office properties are not adequately stamped and registered –

LOCATION OF PROPERTY	UTILITY
9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051	Registered and Corporate Office
802/803, Tulip Building, Regency Garden, Plot No. 10, Sector 6, Kharghar, Navi Mumbai	Properties leased for our employees’ accommodation
Office No. S10123O003, Jebel Ali, Dubai, United Arab Emirates	Office for our Subsidiary based in Dubai
Flat/RMA 30/F, Rhine Terrace, 28, Castle Peak Road, Sham Tseng Hong Kong	Office for our Subsidiary based in Hong Kong
Plot No. E-19	Taloja Factory Units
Plot No. A-69	
Plot No. A-79	
Plot No. E-6/1	

For further details regarding the lease/rental arrangements for the above mentioned premises kindly refer to the chapter titled “Our Business” beginning on page 114 of this Red Herring Prospectus. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

39. Any penalty or action taken by any regulatory authorities in future for non-compliance of Section 383A of the Companies Act, 1956 could impact financial position of the Company to that extent.

Our Company has not complied with the provisions of Section 383A of the Companies Act, 1956 during the period beginning January 24, 2004 till December 25, 2005 as the Company had not appointed any Company Secretary during the said period. Thereby there was a non-compliance of Section 383A of the Act for a total period of One year Eleven months. This may attract a liability as per the provisions of the Act. No show cause notice in respect of the above has been received by the Company from the office of Registrar of the Companies till date. Any penalty imposed for such non-compliance in the future by any regulatory authority could affect our financial conditions to that extent.

40. We have not made any provisions for decline in value of our Investments.

As on September 30, 2013, we have made investments in Quoted and Unquoted Equity Instruments aggregating to ₹ 2.00 million and ₹ 0.47 million, respectively, as per Consolidated Restated Financial Statements. We have not made any provision for the decline in value of these investments and hence as and when these investments are liquidated, we may book losses based on the actual value we can recover for these investments and the same could adversely affect our results of operations.

41. Some of our group companies have incurred losses in FY 2013 and FY 2012. Sustained losses by group companies could adversely affect our promoter's financial condition.

Some of our group companies have incurred losses in the recent past, as detailed below:

Sr. No.	Name of Group Company	PAT (₹ in million) in FY 2013	PAT (₹ in million) in FY 2012
1.	Dhanidevi Processors Pvt. Ltd.	Negligible	(0.23)
2.	Loha Investments Pvt. Ltd.	(0.59)	(0.32)
3.	Poddar Renaissance Realty Pvt. Ltd.	(0.90)	N.A.*
4.	Poddar Advantage Advisors Pvt. Ltd.	(0.47)	N.A.*
5.	Poddar Finin Consultancy Pvt. Ltd.	(0.43)	N.A.*
6.	Loha Power and Infrastructure Ltd.	(2.55)	N.A.*

*Poddar Renaissance Realty Pvt. Ltd., Poddar Advantage Advisors Pvt. Ltd., Poddar Finin Consultancy Pvt. Ltd. and Loha Power and Infrastructure Ltd. were incorporated in October 2011, January 2012, January 2012 and March 2012, respectively, and hence the Annual Reports for the financial year 2011-12 of these Companies are not available.

Even though these losses pertain primarily to Pre-Operative expenses and regular administration costs, and are not a substantial figure, however, sustained losses by group companies could adversely affect our promoter's financial condition.

42. The new Companies Act, 2013 is in the process of being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Red Herring Prospectus as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 has been published on August 29, 2013 and Section 1 of the said Act was notified on August 30, 2013 while further / another 98 Sections were notified on September 12, 2013. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Red Herring Prospectus, any further notifications by the MCA after our filing of this Red Herring Prospectus may be material with respect to the disclosures to be made in this Red Herring Prospectus as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 is expected to replace the existing Companies Act, 1956. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The

Companies Act, 2013 is expected to be complemented by a set of rules that shall set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Issue, and on the business, prospects and results of operations of the Company.

External Risk Factors

43. Environmental regulation imposes additional costs and may affect the results of our operations.

We, like other producers, are subject to various central, state and local environmental, health and safety laws and regulations concerning issues such as damage caused by air emissions, wastewater discharges, solid and hazardous waste handling and disposal, and the investigation and remediation of contamination. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations or clean up liability on generators of hazardous waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities.

44. Our Company is subject to risk arising from changes in interest rates and banking policies.

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

45. We depend primarily on the Indian market for sales of our steel products and processing facilities and, accordingly, adverse economic and financial developments in India may have an adverse effect on our business, financial condition and results of operations.

We focus and depend primarily on the Indian market for sales of our steel products. Our Domestic Sales for the fiscal 2013 and fiscal 2012 was ₹ 34036.35 million and ₹ 29025.09 million out of our total Sales of ₹ 34290.15 million and ₹ 29202.95 million, respectively. In addition, we procure our raw materials domestically and we depend on the supply and market price of raw materials in India. Demand for our products may be adversely affected by factors such as changes in India's economic, fiscal, export-import and monetary policies, political and financial instability, decline in growth rates of the economy, decreases in import duties on steel products, changing consumer preferences and excess capacity. As a result, a decrease in demand for the products we sell in India or the industries we service such as the Automobile, Infrastructure, General & Heavy Engineering, Home Appliances and Construction Industry could have a significant adverse impact on our business, financial condition and results of operations. Further, India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods and drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. India has experienced significant natural disasters and spread of pandemic diseases such as the H5N1 avian flu and the H1N1 swine flu, in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and infrastructure. Future natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

In addition, the Indian economy is in a state of transition. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy could adversely affect our business, results of operations, financial condition and prospects.

46. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other

countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

47. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

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

48. Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects.

We are incorporated in India and most of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business is also impacted by regulation and conditions in the various states in India where we operate. Since 1991, successive Governments have pursued policies of economic liberalisation and financial sector reforms. However, there can be no assurance that such policies will be continued. Any political instability could affect the rate of economic liberalisation, specific laws and policies affecting foreign investment, the Steel industry or investment in our Equity Shares. A significant change in the Government's policies, in particular, those relating to the Steel industry in India, could adversely affect our business, results of operations, financial condition and prospects and could cause the price of our Equity Shares to decline.

49. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

50. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to it without stringent conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

51. There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Red Herring Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us, our shareholders or Group Companies;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of Indian Steel Processing companies generally;
- Performance of our competitors in the Indian Steel / Steel Processing industry and the perception in the market about investments in the Steel sector;
- Significant developments in the regulation of the Steel industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share
- Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

52. Economic developments and volatility in securities markets in other countries may cause the price of the Equity Shares to decline.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the financial crisis in the United States and European countries, lead to a global financial and economic crisis that adversely affected the market prices in the securities markets around the world, including Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

53. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory

bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

54. *Our ability to pay dividends in the future will depend upon future earnings, financial conditions, cash flows, working capital requirements and capital expenditures.*

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. There can be no assurance that we will be able to pay dividends. Additionally, we may be prohibited by the terms of our future debt financing agreements to make any dividend payments until a certain time period as may be agreed with lenders.

55. *The proposed adoption of the International Financial Reporting Standards (“IFRS”) could result in our financial condition and results of operations appearing materially different than under Indian GAAP.*

Public companies in India, including our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, IFRS announced by the Ministry of Corporate Affairs, GoI through a press note released in January 2010. The Ministry of Corporate Affairs, on February 25, 2011, announced that it will implement converged accounting standards in a phased manner. The date of implementing such converged Indian accounting standards has not yet been determined, and will be notified by the Ministry of Corporate Affairs in due course after various tax-related and other issues are resolved.

Our financial condition, results of operations, cash flows or changes in shareholders’ equity may appear materially different under IFRS than under Indian GAAP. This may have an effect on the amount of income recognised during that period and in the corresponding period in the comparative period. In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, our transition may be hampered by increasing competition and increased costs for the relatively small number of IFRS experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements.

Prominent Notes:

1. The Net Worth of our Company was ₹ 5090.33 million as of March 31, 2013 and ₹ 5,485.38 million for the six months period ended September 30, 2013 as per our Consolidated Restated Financial Statements. The book value of each Equity Share was ₹ 71.94/- as of March 31, 2013 and ₹ 77.52 for the six months period ended September 30, 2013 as per our Consolidated Restated Financial Statements. For more information, kindly refer to the Section titled “*Financial Information*” beginning on page 191 of this Red Herring Prospectus.
2. Issue of 26,705,476 Equity Shares of the face value ₹ 10 each at a price of ₹ [●] per Equity Share for cash at a premium aggregating ₹ [●] million. Our Company has, by way of a Pre-IPO Placement, allotted 3,535,844 Equity Shares for an aggregate consideration of ₹ 275.80 million at a subscription price of ₹ 78 per Equity Share. For further details regarding the Pre-IPO Placement, kindly refer to the chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.
3. The average cost of acquisition of the Equity Shares by our Promoter – Mr. Rajesh Poddar is ₹ 7.46/- per share.

For further details, kindly refer to the Chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.

4. Following are the details of the outstanding Related Party Transactions in the last five years and six months period ended September 30, 2013, based on our unconsolidated restated financial statements:

Name of Party	Nature of relationship with Loha Ispaat Ltd.	Nature of Transaction	Amount Outstanding					
			6 months period ended Sept 30, 2013 (₹ in million)	Fiscal 2013 (₹ in million)	Fiscal 2012 (₹ in million)	Fiscal 2011 (₹ in million)	Fiscal 2010 (₹ in million)	Fiscal 2009 (₹ in million)
Loha Ispaat Middle East FZCo.	Subsidiary	Trade Payables	87.90	118.18	0.00	0.00	0.00	0.00
Loha Ispaat Middle East FZCo.	Subsidiary	Advances received / (returned) by Loha Ispaat Ltd.	30.45	0.00	0.00	0.00	(1.17)	0.00
Loha Ispaat Hong Kong Ltd.	Subsidiary	Advances given by Loha Ispaat Ltd.	1.64	0.68	0.52	0.39	0.35	0.00
Loha International Ltd.	Group Company	Advances given by Loha Ispaat Ltd.	0.00	0.00	0.00	0.03	0.00	0.00
Loha Investments Pvt. Ltd.	Group Company	Advances given by Loha Ispaat Ltd.	0.00	0.00	0.02	0.00	0.00	0.00

For further details regarding our related party transactions, please refer to Chapter titled "Related Party Transactions" beginning on page 189 of this Red Herring Prospectus.

5. Our Company was incorporated as Loha Ispat Private Limited on December 20, 1988 under the Companies Act, 1956 bearing Registration No. 050107 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on March 17, 1999. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on June 01, 1999 by the Registrar of Companies, Mumbai, Maharashtra. In 2005, the name of the company was changed from "Loha Ispat Limited" to "Loha Ispaat Limited" in pursuance to a special resolution passed by the members of our Company at the EGM held on January 25, 2005. A fresh Certificate of Incorporation consequent to such change of name was issued on February 03, 2005 by the Registrar of Companies, Mumbai, Maharashtra. The Company's Corporate Identity Number is U27200MH1988PLC050107 and its Registered Office is situated at 9th Floor, Naman Centre, C-31, BandraKurla Complex, Bandra (East), Mumbai 400051. For details with respect to the same, kindly refer to the Chapter titled "History and Certain Corporate Matters" beginning on page 157 of this Red Herring Prospectus.
6. None of the members of the Promoters Group/Directors and their immediate relatives have entered into any Transactions in the Equity shares of our Company within the last six months from the date of this Red Herring Prospectus, except as disclosed in the Chapter titled "Capital Structure" beginning on page 61 of this Red Herring Prospectus.
7. Except as disclosed in this Red Herring Prospectus, none of the Directors have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding. Further, the Directors may be deemed to be interested in the contracts, agreements/arrangements

- entered into or to be entered into by them with any company in which they hold directorships or any partnership firm in which they are partners.
8. For details on securities issued for a consideration other than cash, kindly refer to the notes of the Chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.
 9. Investors may contact the BRLM, the Registrar or the Compliance Officer, for any complaints pertaining to the Issue.
 10. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Red Herring Prospectus.
 11. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

Steel Service Centres (SSCs)

A Steel Service Center functions as an intermediary link between steel producers and end users. The main role of a Steel Service Center is to perform processing requests on steel products as per customer specifications and supply the product in the exact dimensions, form and quantity demanded by customer.

SSC is primarily a value adding intermediary, taking the finished product of ISPs and providing the final customer with the customized product as per its requirement. SSCs fill in the service gap between the steel producers and the final consumers by providing supply chain management, procurement services, technical services, stocking, processing and just-in-time services. SSCs procure steel products in large quantities from ISPs, stock the material in inventory and process it as per the customers' requirement.

Service centres usually offer varying degrees of material preprocessing which involves Slitting, Shearing, Cutting to Length, Pickling & Oiling, Plate Burning, Roll Forming, Bending etc. thus making the steel immediately usable by the final customer. The type, quantity, and sophistication of pre-processing services offered by a particular steel service centre is determined by the SSCs' scale of operations, product and customer mix. SSCs handle a variety of steel products and form the largest domestic steel industry's customer group. They serve as the steel industry's working reservoir of materials and services. Approximately 300,000 firms buy large portion of their metal requirements from SSCs.

Evolution of Role played by SSCs

Originally SSCs were steel stockists, as due to poor road and railway infrastructure, there were inevitable logistic issues, resulting in delay in delivery of the final product to the customer & SSCs by stocking goods, ensured just in time delivery. In the traditional steel service centre model, customers would procure steel from steel mills/stockyards/distributors and then get it processed as per their customized requirements from the processors/steel service centres. Thus, the customer is in the middle of the supply chain, interacting with steel mills at one end and with SSCs on the other. A schematic presentation of a SSC model is shown below:

The SSC industry is moving towards a one-stop solution platform. As shown in the illustration above, the customer will directly procure the customized products from SSCs, thus eliminating the need to deal directly with steel mills thereby leading to one-stop solution for the customer.

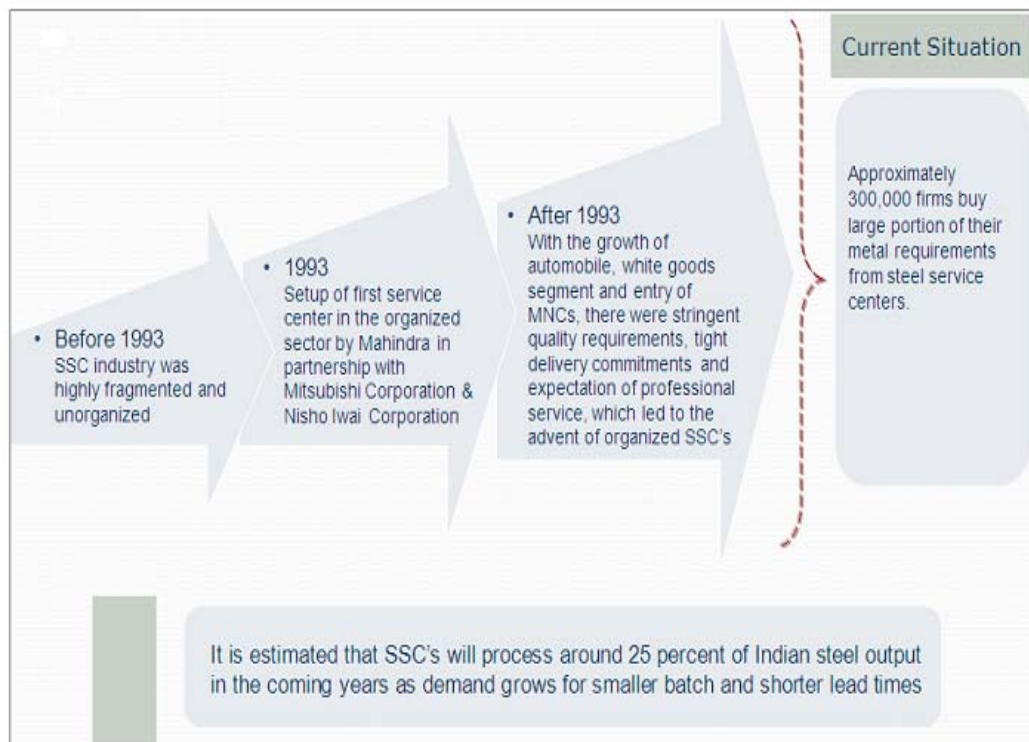
Key Advantages of SSCs

- **Shorter Lead Time:** SSCs hold ample amount of inventory with them, which enables them to respond to the demand of their customers at the earliest.
- **Smaller Batches:** SSCs can supply smaller quantities as against the steel producing companies which generally take up big orders.
- **Growing Preference for SSCs:** Growing sectors like Automobile and Construction are readily accepting SSCs.
- **Logistics Cost:** Proximity to customer enables SSCs to put on the cost arising due to transportation, thus benefiting their customers.
- **Product Range:** SSCs provide their customers with enhanced product portfolio.
- **Quality Certification:** SSCs ensure a standard quality for the products.

(Source: LIL Management)

Growth of SSCs in India

The concept of SSCs is quite popular in the overseas market. However, in India it has recently started gaining momentum. The first Steel Service Centre in the organised sector was setup in 1993 by Mahindra Group in partnership with Mitsubishi Corporation and Nissho Iwai Corporation of Japan (now Metal One Corporation). In the beginning, SSCs in India were highly fragmented. With the growth of automobile, white goods segmented and entry of MNCs, there were stringent quality requirements, tight delivery commitments and expectation of professional service, which led to the advent of organized SSCs. In addition to these external factors, the focus on supply chain efficiencies also gained ground. This resulted in the emergence of organized SSCs in the country.

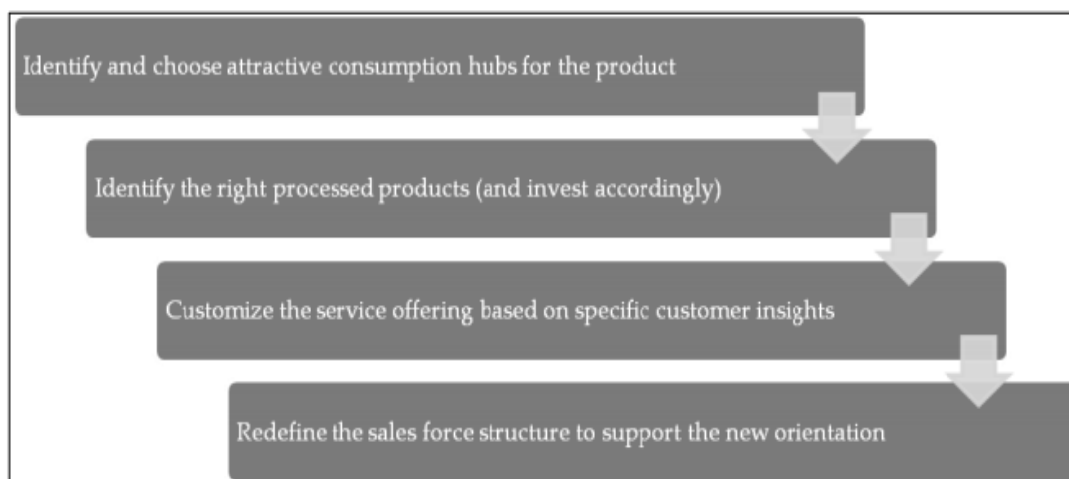


(Source: Management Estimates)

At present, some of the big names in the domestic steel sector like Tata Steel Ltd., SAIL, JSW Steel Ltd. and Essar Steel Ltd. are gradually firming up their foothold in the SSC segment. The contribution of SSCs in India to total Indian steel production is very low as compared to other countries where SSCs account to 15-30% of the total steel production. Thus, there is huge untapped potential in this segment. It is estimated that SSCs will process around 25% of Indian steel output in the coming years as demand grows for smaller batches and shorter lead times.

Looking at the entire steel market, including smaller customers served through trade, it is clear that customer requirements are complex, and they vary not only across customer segments but also within the same segment

across geographies. Requirements differ not only on product specifications, price appetite and credit needs, but also on service expectations, logistics needs and the degree of processing required. Thus, it is not enough to include a standardized processing or service component in the offering. As a result, each steel consuming hub in the country differs in its service requirements from other hubs. It is hence essential to see the market not as one homogeneous territory but to customize the service strategy to each of the hubs. Steel marketers can equip themselves to compete in this way by customizing the service strategy which requires a structured process to be followed as depicted in diagram below. Such an exercise would result in a customized Service Centre solution for each consumption hub.



Key Players

With growing demand and opportunities in SSC segment, various big players have increased their capacity over the years. Key players of this segment are mentioned below:

Company	Capacity (TPA)	Plant Location
JSW Steel Ltd.	14,300,000	Toranagallu, Vasind, Tarapur, Salem
SAIL	6,410,000	Bhilai, Durgapur, Rourkela
Essar Steel Ltd.	4,000,000	Chennai, Pune, Hazira, Bahadurgarh, Bhuj, Dubai
Tata Steel Processing & Distribution Ltd.	2,500,000	Jamshedpur, Faridabad, Pune, Pantnagar

(Source: Company websites)

Key Demand Drivers

The Indian Steel Industry has been a cyclical industry, but the SSC business would be benefited from the following key demand drivers:

- Growth in Automobile Sector
- Growth in Infrastructure
- Proposed Investment Outlay in Steel Sector
- Foreign investments and private sector participation
- Low per capita consumption with significant upside
- Increasing global competitiveness of Indian Steel makers
- Increasing focus on innovation

Apart from the aforementioned reasons, there are several other factors that highlight the growth potential in this Sector:

- Domestic crude steel production grew at a compounded annual growth rate of 8.4% in the last few years.

- Crude steel production capacity of the country is projected to be around 110 million tonne by 2012-13.
- Investments at stake are to the tune of \$187 billion in the Steel sector.
- Increase in the demand of steel in India is expected to be 14% against the global average of 5-6% due to its strong domestic economy, massive infrastructure needs and expansion of industrial production.
- Demand of steel in the major industries like infrastructure, construction, housing, automotive, steel tubes and pipes, consumer durables, packaging and ground transportation.
- Target for \$ 1 trillion of investments in infrastructure during the 12th Five Year Plan.
- Projected New Greenfield & up-gradation of existing Airport shall keep the momentum up.
- Increased demand of specialized steel in hi-tech engineering industries such as power generation, automotive petrochemicals, fertilizers etc.

(Source: Ministry of Steel – India Steel 2013)

For further details regarding our Industry and key risks pertaining to our industry, kindly refer to the Chapter and Section titled “*Industry Overview*” and “*Risk Factors*” on pages 99 and 12 of this Red Herring Prospectus respectively.

SUMMARY OF OUR BUSINESS

We are one of the organized Independent Steel Service Centers in India having an existing client base of over 500 customers Pan India, making us a major player in the flat steel product (i.e. HR and CR Coils, Sheets and Plates) markets in India.

We operate as an Independent Steel Service Centre that purchases raw materials like Hot Rolled Coils, HRPO, Cold Rolled Coils, CRCA, HR Chequered Coils etc. from steel manufacturers and converts them into various shapes and forms through Decoiling / Recoiling, Slitting, Shearing, Cut to Length and other value additions such as Pickling, Oiling, CNC Plasma Cutting, Profiling, Roll Forming, (Trapezoidal, Corrugated), Bell Annealing, Rewinding, Cold Rolling Mill, Skin pass Mill, Trapezoidal Cutting, Gas Cutting etc. We serve an important function as an intermediary between primary metal producers that generally sell large volumes of limited sizes and configurations, and end-users that require efficient services and economical quantities of customized products.

Our product portfolio offers a diversified product range which includes variety of grades, thickness, widths and standards, in HR, CR, HRPO, CRCA, Galvanized coils and plates, Chequered Coils & plates, Trapezoidal Blank etc. according to customer specifications (TDC). We serve a well-diversified base of customers across industries like Automobile, Bearing, Fabrication, Packaging, General Engineering, Pipe manufacturing, White Goods, Infrastructure, Home Appliances etc. The quality standards at our processing facilities are ISO 9001:2008 certified.

Currently, our company operates from two locations in Western Maharashtra, i.e. at Khopoli and Taloja, both of which are within a range of 100 kms from Mumbai. The existing Khopoli Unit provides various lines for Slitting and CTL facilities and has been operating an installed capacity of 900,000 MTPA, which would stand further, augmented to 2,181,900 MTPA post the current expansion project which has started initial commercial production in September 2012. The Taloja Unit operates manual pickling of HR sheets and plates (annual capacity of 105,000 TPA) and we have also commissioned a Cold Rolling Mill (CRM) Complex with a capacity of 30,000 TPA (which will include Automatic Push-Pull Pickling, CRM, Skin Pass Mill, Rewinding cum Slitting Line and Bell Annealing Furnace) at nearby locations in M.I.D.C, Taloja. The proposed CRM complex has started initial commercial production with the automatic push-pull pickling division in September 2012.

In order to consolidate our presence across India, to help us gain a strong foothold in the regional markets (which have huge untapped potential), we have our team of localized marketing personnel, for our marketing operations. In addition, our company is supported by two subsidiaries in Dubai & Hong Kong in order to carry out its international business and marketing activities.

Our consolidated Revenues have grown from ₹ 15237.57 million in fiscal 2009-10 to ₹ 34357.24 million in fiscal 2012-13, representing a CAGR of 31.13%. Our consolidated earnings before interest, tax, depreciation and amortization have increased from ₹ 1063.96 million in 2009-10 to ₹ 2374.29 million in 2012-13, representing a CAGR of 30.68%. Our consolidated profit after tax has increased from ₹ 459.74 million in fiscal 2009-10 to ₹ 704.44 million in fiscal 2012-13, representing a CAGR of 15.29%. Our consolidated Revenues, earnings before interest, tax, depreciation and amortization and profit after tax for the six months period ended September 30, 2013, amounted to ₹ 20244.10 million, ₹ 1409.57 million and ₹ 389.10 million respectively,

As on date, our Company has staff strength of 455 employees for its existing operations. For further details kindly refer to “*Our Business - Human Resources*” on page 135 of this Red Herring Prospectus.

OUR STRENGTHS

Today's dynamic markets and technologies have called into question the sustainability of a competitive advantage. We believe that following competitive advantages of our company would ensure our survival and help us attain a prominent position in the market:

- *One Stop Solution Provider (i.e. Diversified Variety of readily available Steel Material and ability to provide Customised Product Specifications)*

We provide a one stop shop to our clientele for their customized steel product supply needs. Our company offers a variety of sizes, grades and standards of raw material which is procured from various reputed ISPs and further

processed according to the customer's specifications. We are a multi-product steel processing company with a service portfolio including Slitting, CTL and Pickling of products in various sizes and shapes. For further details, regarding the current as well as proposed size, thickness and relevant descriptions of the products we service and supply kindly refer to "Our Business - Products and Services" on page 118 of this Red Herring Prospectus.

As compared to other independent steel manufacturers who would be able to produce only a particular type of product to a customer, our competitive advantage lies in procurement of raw materials from various leading ISPs which gives us an advantage of servicing our customers with products ranging to all sizes, grades and standards under one roof. We believe that our wide base material range will lead to customer retention and allows us to attract new customers.

Our service centre facility is responsible for the processing of material as per specific technical parameters (TDC) specified by the customers, which include but are not limited to Slitting and CTL in required dimensions, Length tolerance, Butt height tolerance, Width tolerance, Shape "I" roll formed section variance and Pickled surface quality. By providing customised products we ensure zero wastage for the end user of steel and hence increase the overall efficiency of the steel supply chain. This provides us a distinctive edge over other suppliers or ISPs who sell steel in large quantities and hence lead to additional wastage at the end user's site.

- *Dual Focus on Quality and Service*

Our products adhere to high quality standards and our processing facilities are ISO 9001:2008 certified. Our SSC operates in three shifts each day and hence ensures that all our products go through exhaustive R&D and rigorous inspection by trained and experienced personnel. This ensures that our products are consistently within the specification parameters. We maintain an in house Physical and Chemical laboratory to test the quality of raw materials which we supply as per customer specifications. Thus the consistencies achieved in the high quality of our products provide a vital edge to our company. Further, we provide support to our customers through a 24 x 7 x 365 operative telemarketing and technical support teams.

- *Diversified Customer base and Long-term relationship with our customers*

We have a well diversified customer base of more than 500 regular large and medium size customers all over India. No single customer accounted for more than 1% of our net sales in fiscal 2013, while our ten largest customers represented less than 5% of our net sales in fiscal 2013. Our customers include global authorized vendors of leading corporate houses and OEMs covering more than 100 types of industry segments and sub segments such as Automobile, General & Heavy Engineering, Fabrication, Pipe & Tubes and Power & Infrastructure. This reduces the intensity of any significant single industry's contribution in our revenues.

We are also diversified on geographical basis, with focus on distinct geo strategic regions. This protects us against regional fluctuations in demand, thereby reducing the off-take risk and bringing stability to the revenues of our company.

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with them. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

- *Locational Advantages*

The existing steel service centre is located at Khopoli, which is situated in the Raigad district of Maharashtra, approximately 45 km from Panvel railway station. The location at Khopoli has the following key advantages:

- ✓ Well-developed industrial area having basic infrastructure facilities like power & water available locally
- ✓ Availability of cheap labour from nearby villages and surrounding areas
- ✓ Availability of skilled personnel from the nearby cities such as Panvel
- ✓ Proximity to NhavaSheva port providing easy access to imported HR coils and also for exporting its products in future
- ✓ Proximity to Pune, which is one of the major auto market hubs in India

- *Experienced and strong Management Team*

Our Company is managed by a team of professionals led by the Chairman & Managing Director, Mr. Rajesh Poddar, who has been associated with the Steel Industry since almost three decades. We believe our growth strategy in combination with management's demonstrated ability to manage metal procurement and inventories to consistently meet our customers' high expectations for service and reliability, serves as a foundation for future revenue growth and stable operating profit. The Promoter and the Senior Management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled "*Our Management*" beginning on page 163 of this Red Herring Prospectus.

OUR STRATEGIES

Our strategic objective is to be the "SSC of First Choice" for consumers by providing supply chain management, procurement services, technical services, stocking, customized processing, and just-in-time (JIT) delivery services thereby redefining the Indian steel sector effectively. We intend to achieve this by implementing the following strategies:

- *Increase in Order-taking Appetite by augmenting our working capital base*

We believe there is growing trend towards buying steel from Steel Service Centres in order to enjoy customised as well as readily available diversified products. Hence in our opinion, the total steel produced in India, would directly or indirectly have the requirement of processing and under the current scenario, approximately 10-15% if being processed by organised SSC's. Hence we believe that the estimated growth rate for SSC's could be higher than the estimated growth of steel production in India. In line with our strategy to position ourselves as a well-organised Independent Steel Service Centre, we plan to increase our order-taking appetite by expanding our operational capabilities. Currently, our Company has started commercial production of the Cold Rolling Mill (CRM) Complex with the automatic push-pull pickling line in September 2012 and the remaining processes of CRM, Skin Pass Mill, Rewinding cum Slitting Line and Bell Annealing Furnace have been commissioned in the first quarter of FY 2013-14. In addition, our company is in the process of augmenting its capacity of its existing steel service centre at Khopoli by setting up additional Cut to Length lines and Slitting Lines of 1,281,900 TPA. Hence, in order to effectively operate the aforementioned additional facilities along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. The same are proposed to be funded from the IPO proceeds and from Banking Facilities. For further details of the proposed working capital requirements of the company, kindly refer to the Chapter titled "*Objects of the Issue*" beginning on page 81 of this Red Herring Prospectus.

- *Add Variety in the Product Range and thereby increase plant capacity*

Our focus is to cater to every consumer of steel products. We have been continuously expanding and revamping the range of products and services. We intend to enhance the range of services in flat products and further broaden the scope by processing of long products, thus enabling our customers to get all their processed steel requirements at a single place. Considering the future market potential for higher dimensions of thickness and width, we are increasing the processing range of machineries from thickness 0.3 – 4.0 mm CR and to 1.00 mm – 25 mm HR and a maximum width from 2,000 mm to 2500 mm at our existing steel service centre at Khopoli by setting up additional CTL lines, slitting lines and other variety of processing lines. We have also set up CRM facility at Taloja, where CR processing activities for thickness 0.1 – 3.0 mm (with input material ranging from 1.0-4.0 mm HR) and a maximum width upto 400 mm will be carried out.

- *Diversifying into different product segments through a Franchisee Model and also becoming an Integrated Metal & Steel Service Centre.*

We have ready infrastructure available at Khopoli and Taloja and we have already purchased and installed the plant and machinery which have multipurpose properties and can be used to process steel as well as metals. Hence, we aim to become a diversified Metal Service Centre by diversifying into different metals and expanding the scope of Value Added Services which are currently being provided to our customers. We look forward to process non-ferrous metals, as well as products that require significant value-added processing which are highly customized. This focus

will enable us to further leverage our state-of-the-art processing facilities and provide value-added processing functions such as precision blanking, laser & plasma cutting and Roll Forming lines. Further, in order to create a foothold in long products market, we are in process of making tie-ups with Rolling Mills; wherein; we plan to market (through a franchisee model) structural steel products such as TMT Bars, Channels, Angles, Beams etc under our Brand name – Loha Shakti. We believe this will also enable us to fulfil a greater proportion of our customers’ steel/metal related requirements and will lead to an increased demand for our products and services.

- *Backward integration through setting up Cold Rolled Mill*

Our objective to set up CRM facility serves as a backward integration for the company. Presently we procure CRCA coils from ISPs to process in our SSC. With this expansion project we will be manufacturing CRCA coils at our Talaja facility. This will enable a stable supply of inputs and ensure consistent quality in our final products.

For details regarding our marketing strategies, kindly refer to “*Our Business - Marketing Setup*” on page 123 of this Red Herring Prospectus.

For further details regarding our business operations and key risks pertaining to the same, kindly refer to the Chapter and Section titled “*Our Business*” and “*Risk Factors*” on pages 114 and 12 of this Red Herring Prospectus respectively.

SUMMARY OF OUR FINANCIALS

The following tables set forth summary of our financial information derived from our restated consolidated statements for the six months period ended September 30, 2013 and for the financial years ended March 31, 2013, 2012, 2011 and 2010 and unconsolidated financial statements for the six months period ended September 30, 2013 and the financial years ended March 31, 2013, 2012, 2011, 2010 and 2009. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the Section titled “*Financial Information*” beginning on page 191 of this Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the Chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 235 of this Red Herring Prospectus.

SUMMARY OF CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(₹ in million)

	Particulars	As on March 31				
		For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010
A	Non-Current Assets					
1	Fixed Assets					
	(i) Tangible Assets	3,565.67	3,493.99	1,645.67	1,243.36	1,213.06
	(ii) Intangible Assets	-	-	-	0.44	-
		3,565.67	3,493.99	1,645.67	1,243.80	1,213.06
	Less: Revaluation Reserve	-	-	-	-	-
	Net Block After Adjustment of Revaluation Reserve	3,565.67	3,493.99	1,645.67	1,243.80	1,213.06
	(iii) Capital work in Progress	209.64	74.11	174.70	57.62	10.11
2	Non-Current Investments	2.47	2.47	2.13	2.00	-
3	Long Term Loan & Advances	200.00	224.00	1,273.03	0.10	-
	Total (A)	3,977.79	3,794.56	3,095.52	1,303.52	1,223.17
B	Current Assets					
1	Inventories	9,008.85	7,066.60	7,101.09	5,067.77	3,161.59
2	Trade Receivables	6,958.51	7,199.00	4,153.33	3,812.23	2,095.07
3	Cash and Cash Equivalents	897.13	725.53	671.31	244.36	175.90
4	Short Term Loans and Advances	693.72	628.15	324.43	490.40	468.97
5	Other Current Assets	47.36	25.05	9.24	4.51	0.53
	Total (B)	17,605.56	15,644.33	12,259.40	9,619.27	5,902.06
C	Total Assets (A+B)	21,583.35	19,438.89	15,354.92	10,922.79	7,125.23
D	Non-Current Liabilities					
1	Long Term Borrowings	1,824.81	2,062.36	1,249.86	31.64	79.90
2	Deferred Tax Liabilities (Net)	443.88	415.15	274.18	207.32	131.94
	Total (D)	2,268.69	2,477.51	1,524.04	238.96	211.84
E	Current Liabilities					
1	Short Term Borrowings	6,252.41	6,076.46	4,782.98	3,359.81	2,478.81
2	Trade Payables	6,487.16	5,032.30	4,798.05	3,545.77	1,595.05

	Particulars	As on March 31				
		For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010
3	Other Current Liabilities	576.13	385.55	155.88	69.38	50.39
4	Short Term Provisions	513.58	376.75	166.28	372.13	273.09
	Total (E)	13,829.28	11,871.06	9,903.19	7,347.09	4,397.34
F	Total Liabilities & Provisions (D+E)	16,097.97	14,348.57	11,427.23	7,586.06	4,609.17
G	Net Worth (C-F)	5,485.38	5,090.33	3,927.69	3,336.75	2,516.06
REPRESENTED BY SHAREHOLDERS' FUND						
	Share Capital	707.59	707.59	697.59	686.65	653.31
	Equity Share Capital	707.59	707.59	677.59	666.65	633.31
	Preference Share Capital	-	-	20.00	20.00	20.00
	Share Application Money (Pending Allotment)	-	-	-	-	150.00
	Minority Interest	7.02	1.96	1.45	0.90	0.96
	Reserves & Surplus	4,770.78	4,380.78	3,228.66	2,649.20	1,711.79
	Share Premium Account (A)	2,041.90	2,041.90	1,593.86	1,429.80	1,009.75
	Profit & Loss Account (B)	2,700.49	2,315.85	1,614.74	1,202.40	687.04
	Capital Reserve	12.39	7.03	6.06	5.00	5.00
	General Reserve	16.00	16.00	14.00	12.00	10.00
	Net Worth	5,485.38	5,090.33	3,927.69	3,336.75	2,516.06

Note: The above Statements should be read with Notes to the Restated Consolidated Assets and Liabilities, Profit & Loss Statement and Cash Flow Statement as appearing in Annexure XVII.

SUMMARY OF CONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in million)

Particular	For the year ended March 31				
	For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010
REVENUE					
Revenue from Operations	20,216.50	34,290.15	29,202.95	20,847.69	15,220.78
Other Income	27.60	67.09	6.07	18.22	16.79
<i>Total Income</i>	<i>20,244.10</i>	<i>34,357.24</i>	<i>29,209.02</i>	<i>20,865.91</i>	<i>15,237.57</i>
EXPENSES					
Cost of Material Consumed	18,634.27	31,119.98	26,758.80	19093.41	14015.16
Changes in Inventories of Finished Goods	(11.14)	(15.23)	(7.80)	0.00	0.00
Manufacturing Expenses	60.83	322.29	286.80	246.51	67.11
Employee Benefit Expenses	41.76	96.93	80.58	56.84	32.32
Financial Cost	765.65	1,214.10	968.56	520.27	354.96
Other Administrative and Selling & Dist. Exp.	108.82	458.98	396.96	145.88	59.02
Depreciation and Amortization Expenses	89.26	104.30	67.84	59.56	38.39
<i>Total Expenditure</i>	<i>19,689.45</i>	<i>33,301.35</i>	<i>28,551.75</i>	<i>20122.47</i>	<i>14566.97</i>
Net Profit/(Loss) Before Tax	554.66	1,055.89	657.27	743.44	670.61
Less: Provision for Taxation					
Current Years Income Tax	136.83	210.47	166.28	148.82	118.80
Deferred Tax (Asset)\Liability	28.73	140.98	66.86	75.38	92.07
Prior Period Expenses	0.00	0.00	0.00	0.00	0.00
Excess Provisions for Earlier Years W/off	0.00	0.00	6.87	0.00	0.00
Total	165.56	351.45	240.01	224.20	210.87
Net Profit After Tax but Before Extraordinary Items	389.10	704.44	417.26	519.24	459.74
Extraordinary items	0.00	0.00	0.00	0.00	0.00
Net Profit After Extraordinary Items Available for Appropriation	389.10	704.44	417.26	519.24	459.74
Proposed Dividend on Preference Shares	0.00	0.79	1.60	1.60	1.60
Dividend Distribution Tax	0.00	0.13	0.27	0.27	0.27
Transfer to Capital Reserves	0.00	0.92	1.06	0.00	0.00
Transfer to General Reserves	0.00	2.00	2.00	2.00	2.00
Net Profit Carried to Balance Sheet	389.10	700.60	412.33	515.36	455.87

Note: The above Statements should be read with Notes to the Restated Consolidated Assets and Liabilities, Profit & Loss Statements and Cash Flow Statements as appearing in Annexure XVII

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in million)

Particular	For the year ended March 31				
	For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>					
Net Profit (adjusted) Before Tax and Extra-ordinary Items	554.66	1,055.89	657.27	743.44	670.61
Adjustments for					
Depreciation	89.26	104.30	67.84	59.56	38.39
Loss /(Profit) on Sale of Assets	0.00	0.14	0.00	0.00	0.00
Prior period Expenses	0.00	0.00	0.00	0.00	0.00
Interest & Finance Charges	765.65	1,214.10	968.56	520.27	354.96
Interest Income	(27.60)	(67.09)	(6.07)	(18.22)	(16.79)
Operating Cash Generated Before Working Capital Changes and Taxes	1,381.97	2,307.34	1,687.60	1305.04	1047.16
(Increase)/Decrease in Inventories	(1,942.25)	34.49	(2,033.32)	(1906.18)	(1424.38)
(Increase)/Decrease in Loans	(61.71)	886.95	(1,345.53)	33.76	(80.27)
(Increase)/Decrease in Receivables	240.49	(3,045.67)	(341.10)	(1717.16)	(168.19)
Increase/(Decrease) in Payables	1,651.39	464.99	1,338.78	1965.20	69.47
Operating Cash Generated Before Taxes	1,269.90	648.09	(693.57)	(319.34)	(556.21)
Less : Income Tax paid (MAT/FBT)	(2.17)	(157.44)	(145.14)	(102.66)	(123.20)
Net Cash Generated from Operating Activities (A)	1,267.73	490.64	(838.71)	(422.00)	(679.41)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>					
Purchase of Fixed Assets (Net)	(296.48)	(1,852.17)	(586.80)	(137.81)	(716.55)
Interest received	27.60	67.09	6.07	18.22	16.79
Other Investments	0.00	(0.34)	(0.13)	(2.00)	0.00
Net Cash Flow from Investing Activities (B)	(268.88)	(1,785.42)	(580.85)	(121.59)	(699.76)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>					
Proceeds from Issue of Share Capital	0.00	458.04	175.55	303.32	762.36
Proceeds from Borrowings	(61.60)	2,105.98	2,641.39	832.75	878.94
Dividend Paid	0.00	(0.92)	(1.87)	(3.74)	(1.87)
Interest Paid	(765.65)	(1,214.10)	(968.56)	(520.27)	(354.96)
Net Cash Flow from Financing Activities (C)	(827.26)	1,349.00	1,846.51	612.06	1,284.47
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	171.60	54.22	426.95	68.47	(94.70)
Opening Balance of Cash and Cash Equivalents	725.53	671.31	244.36	175.90	270.60
Closing Balance of Cash and Cash Equivalents	897.13	725.53	671.31	244.36	175.90

Note:

- 1) The above Statements should be read with Notes to the Restated Consolidated Assets and Liabilities, Profit & Loss Statements and Cash Flow Statements as appearing in Annexure XVII.
- 2) Restated Consolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard 3

SUMMARY OF UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
 (₹ in million)

	Particulars	As on March 31					2009
		For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010	
A	Non-Current Assets						
1	Fixed Assets						
	(i) Tangible Assets	3,565.68	3,493.99	1,645.64	1,243.31	1,213.06	516.54
	Less: Revaluation Reserve	-	-	-	-	-	-
	Net Block After Adjustment of Revaluation Reserve	3,565.68	3,493.99	1,645.64	1,243.31	1,213.06	516.54
	(ii) Capital work in Progress	209.64	74.11	174.70	57.62	10.11	28.45
2	Non-Current Investments	13.92	13.92	13.58	13.46	11.40	-
3	Long Term Loan & Advances	201.64	224.67	1,273.41	0.42	1.52	-
	Total (A)	3,990.88	3,806.69	3,107.34	1,314.81	1,236.08	544.99
B	Current Assets						
1	Inventories	9,008.85	7,066.60	7,101.09	5,067.77	3,161.59	1,737.21
2	Trade Receivables	6,363.19	7,199.00	4,046.02	3,812.23	2,095.07	1,926.88
3	Cash and Cash Equivalents	891.63	724.50	667.31	237.47	163.63	270.61
4	Short Term Loans and Advances	693.40	627.52	323.65	488.72	467.45	267.13
5	Other Current Assets	46.86	24.61	8.69	3.91	0.47	0.36
	Total (B)	17,003.94	15,642.23	12,146.76	9,610.09	5,888.21	4,202.19
C	Total Assets (A+B)	20,994.82	19,448.92	15,254.10	10,924.90	7,124.29	4,747.18
D	Non-Current Liabilities						
1	Long Term Borrowings	1,824.81	2062.36	1,249.86	31.64	79.90	107.73
2	Deferred Tax Liabilities (Net)	443.88	415.15	274.18	207.32	131.94	39.87
	Total (D)	2,268.69	2,477.51	1,524.04	238.96	211.84	147.60
E	Current Liabilities						
1	Short Term Borrowings	6,282.86	6,076.46	4,782.98	3,359.81	2,478.81	1,572.04
2	Trade Payables	5,926.27	5,050.20	4,698.71	3,545.52	1,595.05	1,531.99
3	Other Current Liabilities	575.90	385.19	156.90	69.36	50.39	46.26
4	Short Term Provisions	513.58	376.75	166.28	372.13	273.09	153.46
	Total (E)	13,298.59	11,888.60	9,804.87	7,346.82	4,397.33	3,303.75
F	Total Liabilities & Provisions (D+E)	15,567.29	14,366.11	11,328.91	7,585.78	4,609.17	3,451.35
G	Net Worth (C-F)	5,427.53	5,082.81	3,925.20	3,339.12	2,515.12	1,295.83
	REPRESENTED BY SHAREHOLDERS' FUND						

Particulars	As on March 31					
	For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010	2009
Share Capital	707.59	707.59	697.59	686.65	653.31	637.59
Equity Share Capital	707.59	707.59	677.59	666.65	633.31	617.59
Preference Share Capital	-	-	20.00	20.00	20.00	20.00
Share Application Money (Pending Allotment)	-	-	-	-	150.00	174.81
Reserves & Surplus	4,719.94	4,375.23	3,227.61	2,652.47	1,711.81	483.43
Share Premium Account (A)	2,041.90	2,041.90	1,593.86	1,429.80	1,009.75	239.27
Profit & Loss Account (B)	2,657.04	2312.33	1,614.75	1,205.67	687.06	231.17
Capital Reserve	5.00	5.00	5.00	5.00	5.00	5.00
General Reserve	16.00	16.00	14.00	12.00	10.00	8.00
Net Worth	5,427.53	5,082.81	3,925.20	3,339.12	2,515.12	1,295.83
Note: The above Statements should be read with Notes to the Restated Unconsolidated Assets and Liabilities, Profit & Loss Statement and Cash Flow Statements as appearing in Annexure XIX						

SUMMARY OF UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES, AS RESTATED
(₹ in million)

Particular	For the year ended March 31					
	For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010	2009
REVENUE						
Revenue from Operations	19,551.58	34,040.64	29,095.64	20,838.60	15,220.78	9,439.10
Other Income	27.60	67.09	6.07	18.22	16.79	5.73
Total Income	19,579.19	34,107.73	29,101.71	20,856.82	15,237.57	9,444.83
EXPENSES						
Cost of Material Consumed	18,017.72	30,885.41	26,659.46	19084.32	14015.16	8767.09
Changes in Inventories of Finished Goods	(11.14)	(15.23)	(7.80)	0.00	0.00	0.00
Manufacturing Expenses	60.83	322.29	286.80	246.51	67.11	39.79
Employee Benefit Expenses	40.60	94.85	78.20	55.41	32.32	20.92
Financial Cost	764.30	1,206.51	968.54	520.08	354.96	227.19
Other Administrative and Selling & Dist. Exp.	107.35	457.67	395.72	144.26	59.00	34.73
Depreciation and Amortization Expenses	89.25	104.28	67.83	59.54	38.39	10.42
Total Expenditure	19,068.92	33,055.79	28,448.76	20,110.13	14,566.95	9,100.13
Net Profit/(Loss) Before Tax	510.27	1,051.95	652.95	746.69	670.62	344.70
Less: Provision for Taxation						
Current Years Income Tax	136.83	210.47	166.28	148.82	118.80	104.50
Deferred Tax (Asset)\Liability	28.73	140.98	66.86	75.38	92.07	10.76
Prior Period Expenses/(Income)	0.00	0.00	(0.01)	0.01	0.00	0.09
Excess Provisions for Earlier Years W/off	0.00	0.00	6.87	0.00	0.00	0.00
Total	165.56	351.45	240.00	224.21	210.87	115.34
Net Profit After Tax but Before Extraordinary Items	344.71	700.50	412.95	522.48	459.76	229.36
Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit After Extraordinary Items Available for Appropriation	344.71	700.50	412.95	522.48	459.76	229.36
Proposed Dividend on Preference Shares	0.00	0.79	1.60	1.60	1.60	1.60
Dividend Distribution Tax	0.00	0.13	0.27	0.27	0.27	0.27
Transfer to General Reserve	0.00	2.00	2.00	2.00	2.00	2.00
Issue of Bonus Shares	0.00	0.00	0.00	0.00	0.00	150.00
Net Profit Carried to Balance Sheet	344.71	697.58	409.08	518.61	455.89	75.48

Note: The above Statements should be read with Notes to the Restated Unconsolidated Assets and Liabilities, Profit & Loss Statement and Cash Flow Statements as appearing in Annexure XIX

SUMMARY OF UNCONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED

(₹ in million)

Particular	For the year ended March 31					
	For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010	2009
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>						
Net Profit (adjusted) Before Tax and Extra-ordinary Items	510.27	1,051.95	652.95	746.69	670.62	344.70
Adjustments for						
Depreciation	89.25	104.28	67.83	59.54	38.39	10.42
Loss /(Profit) on Sale of Assets	0.00	0.14	0.00	0.00	0.00	0.00
Prior period Expenses	0.00	0.00	0.01	(0.01)	0.00	(0.09)
Interest & Finance Charges	764.30	1,206.51	968.54	520.08	354.96	227.19
Interest Income	(27.60)	(67.09)	(6.07)	(18.22)	(16.79)	(5.73)
Operating Cash Generated Before Working Capital Changes and Taxes	1,336.21	2,295.79	1,683.26	1308.09	1047.18	576.49
(Increase)/Decrease in Inventories	(1,942.25)	34.49	(2,033.32)	(1906.18)	(1424.38)	(1028.49)
(Increase)/Decrease in Loans	(62.93)	886.40	(1,346.56)	35.66	(80.20)	(65.67)
(Increase)/Decrease in Receivables	835.81	(3,152.98)	(233.79)	(1717.16)	(168.19)	(858.49)
Increase/(Decrease) in Payables	1,066.78	579.78	1,240.73	1964.93	69.46	952.18
Operating Cash Generated Before Taxes	1,233.62	643.48	(689.69)	(314.67)	(556.12)	(423.98)
Less : Income Tax paid (MAT/FBT)	(2.17)	(157.44)	(145.14)	(102.66)	(123.20)	(48.55)
Net Cash Generated from Operating Activities(A)	1,231.45	486.03	(834.83)	(417.33)	(679.32)	(472.53)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>						
Purchase of Fixed Assets (Net)	(296.48)	(1,852.18)	(587.24)	(137.30)	(716.56)	(246.31)
Interest received	27.60	67.09	6.07	18.22	16.79	5.73
Investment in shares of Subsidiary Companies	0.00	0.00	0.00	(0.06)	(11.40)	0.00
Other Investments	0.00	(0.34)	(0.13)	(2.00)	0.00	0.00
Net Cash Flow from Investing Activities (B)	(268.87)	(1,785.43)	(581.29)	(121.14)	(711.17)	(240.58)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>						
Proceeds from Issue of Share Capital	0.00	458.04	175.00	303.38	761.40	440.57
Proceeds from Borrowings	(31.15)	2,105.98	2,641.39	832.75	878.94	733.23
Dividend Paid	0.00	(0.92)	(1.87)	(3.74)	(1.87)	(3.74)
Interest Paid	(764.30)	(1,206.51)	(968.54)	(520.08)	(354.96)	(227.19)
Net Cash Flow from Financing Activities (C)	(795.45)	1,356.59	1,845.96	612.31	1,283.51	942.88

Particular	For the year ended March 31					
	For the 6 months period ended Sept 30, 2013	2013	2012	2011	2010	2009
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	167.13	57.19	429.84	73.84	(106.98)	229.78
Opening Balance of Cash and Cash Equivalents	724.50	667.31	237.47	163.63	270.61	40.86
Closing Balance of Cash and Cash Equivalents	891.63	724.50	667.31	237.47	163.63	270.61
Note: 1) The above Statements should be read with Notes to the Restated Unconsolidated Assets and Liabilities, Profit & Loss Statements and Cash Flow Statements as appearing in Annexure XIX						
Note: 2) Restated Unconsolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard 3						

THE ISSUE

Issue of Equity Shares	26,705,476* Equity Shares
<i>Of which</i>	
A) QIB Portion ⁽¹⁾	2,670,547 Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion)	133,527 Equity Shares
Balance for all QIBs including Mutual Funds	2,537,020 Equity Shares
B) Non-Institutional Portion ⁽¹⁾	Not less than 8,011,643 Equity Shares
C) Retail Portion ⁽¹⁾	Not less than 16,023,286 Equity Shares
Equity Shares outstanding prior to the Issue	74,294,524 Equity Shares
Equity Shares outstanding after the Issue	101,000,000 Equity Shares
Use of Net Proceeds	Kindly refer to the Chapter titled “ <i>Objects of the Issue</i> ” beginning on page 81 of this Red Herring Prospectus for information about the use of the Net Proceeds.

Allocation to all categories, except the Retail Portion, if any, shall be made on a proportionate basis. Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion. The remaining available Equity Shares, if any, in Retail Portion shall be allotted on a proportionate basis to Retail Individual Bidder.

⁽¹⁾ Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category except for the QIB Category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

*The present issue has been authorized pursuant to a resolution of our Board dated September 28, 2012 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra ordinary General Meeting of our shareholders held on September 29, 2012 Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

Our Company has allotted 3,535,844 Equity Shares to the Pre-IPO Investors at an issue price of ₹ 78 per Equity Share (including a premium of ₹ 68 per Equity Share) aggregating to ₹ 275.80 million pursuant to the Pre-IPO Placement.

For further details regarding the Issue Structure and Procedure, kindly refer to the Chapters titled “*Issue Structure*” and “*Issue Procedure*” beginning on pages 292 and 295, respectively of this Red Herring Prospectus.

GENERAL INFORMATION

Our Company was incorporated as Loha Ispat Private Limited on December 20, 1988 under the Companies Act, 1956 bearing Registration No. 050107 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on March 17, 1999. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on June 01, 1999 by the Registrar of Companies, Mumbai, Maharashtra. In 2005, the name of the company was changed from “Loha Ispat Limited” to “Loha Ispaat Limited” in pursuance to a special resolution passed by the members of our Company at the EGM held on January 25, 2005. A fresh Certificate of Incorporation consequent to such change of name was issued on February 03, 2005 by the Registrar of Companies, Mumbai, Maharashtra.

Brief Company and Issue Information

Registered & Corporate Office	9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel No.: +91 – 22 – 67577000 Fax No.: +91 – 22 – 67577001
Date of Incorporation	December 20, 1988
Company Registration No.	050107
Company Identification No.	U27200MH1988PLC050107
Address of Registrar of Companies	100, Everest, Marine Drive, Mumbai - 400002. Tel No.: +91 – 22 – 22846955 Fax No.: +91 – 22 – 22811977
Issue Programme	Issue Opens on : March 11, 2014 Issue Closes on : March 20, 2014
Company Secretary & Compliance Officer	Ms. Shobhana Sinkar 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel No.: +91 – 22 – 67577000 Fax No.: +91 – 22 – 67577001 Email: ipo@loha.in

Board of Directors of the Company

The following table sets forth the Board of Directors of our Company:

Name	Designation	DIN No.
Mr. Rajesh Poddar	Chairman & Managing Director	01384067
Mr. Sanjay Bansal	Whole-Time Director	00064532
Mr. Biswanath Chakraborty	Whole-Time Director (Technical & Projects)	05325864
Ms. Shruti Shah	Non-Executive Independent Director	06423477
Ms. Sujata Chattopadhyay	Non-Executive Independent Director	02336683
Ms. Sandhya Malhotra	Non-Executive Independent Director	06450511

For further details pertaining to the educational qualification and experience of our Directors, kindly refer to the Chapter titled “*Our Management*” on beginning on page 163 of this Red Herring Prospectus.

Note: Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of applicant,

application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Details of Key Intermediaries pertaining to this Issue and our Company

Book Running Lead Manager

Aryaman Financial Services Limited

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.), Fort,
Mumbai – 400001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Contact Person: Ms. Nehar Sakaria / Ms. Ambreen Khan
Email: ipo@afsl.co.in
Website: www.afsl.co.in
SEBI Registration No.: INM000011344

Registrar to the Issue

Bigshare Services Private Limited

E-2/3 Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (E), Mumbai – 400072
Tel No.: +91 – 22 – 4043 0200
Fax No.: +91 – 22 – 2847 5207
Contact Person: Mr. Ashok Shetty
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

Legal Advisor to the Issue

M/s Kanga & Company

(Advocates & Solicitors)
Readymoney Mansion, 43,
Veer Nariman Road,
Mumbai- 400 001
Tel No.: +91 – 22 – 66230000, +91 – 22 – 66332288
Fax No.: +91 – 22 – 66339656 / 57
Contact Person: Mr. Chetan Thakkar
Email: chetan.thakkar@kangacompany.com
Website: www.kangacompany.com

Statutory Auditors of our Company

A. John Moris & Co.

Chartered Accountants
9, Sahana Uttam Society,
St. Anthony Road, Chembur,
Mumbai- 400071
Tel No.: +91-22-25214221
Contact Person: V. N. Radha Krishna Varma
Email: radhakrishna_varma@yahoo.co.in
Website: www.ajohnmoris.com

Bankers to our Company

State Bank of India

Backbay Reclamation Raheja Chambers
Free Press Journal Marg
Nariman Point. Mumbai – 400021
Tel No.: +91 – 22 – 22049829 / 3237
Fax No.: +91 – 22 – 22043252
Email: sbi.01593@sbi.co.in
Website: www.sbi.co.in

ICICI Bank

ICICI Bank Towers,
Bandra-Kurla Complex,
Mumbai - 400 051
Tel No.: +91 – 22 – 26531414
Fax No.: +91 – 22 – 26531122
Email: anthony.nadar@icicibank.com
Website: www.icicibank.com

Andhra Bank

18, Homi Modi Street,
Nanavathi Mahalaya,
Fort, Mumbai - 400001
Tel No.: +91 – 22 – 2282951 / 22047626
Fax No.: +91 – 22 – 22044535 / 22873056
Email: bmmum051@andhrabank.co.in
Website: www.andhrabank.in

Indian Overseas Bank

Bhaktawar,
Nariman Point,
Mumbai - 400021
Tel No.: +91 – 22 – 22028772 / 8929
Fax No.: +91 – 22 – 22027461
Email: narimbr@mummsco.iobnet.co.in
Website: www.iob.in

State Bank of Travancore

P. B. No.1005, N. M. Wadia Bldg,
125, Mahatma Gandhi Road, Fort,
Mumbai - 400023
Tel No.: +91 – 22 – 2263164 / 222624263
Fax No.: +91 – 22 – 22674263 / 6941
Email: Mumbai@sbt.co.in
Website: www.statebankoftravancore.com

City Union Bank

24, BD Rajabhadur Compound,
Ambalal Doshi Marg,
Fort, Mumbai - 400 023
Tel No.: +91 – 22 – 22677376 / 77
Fax No.: +91 – 22 – 66338005
Email: cub122@cityunionbank.com
Website: www.cityunionbank.com

Bank of India

Free Press Journal Marg ,
215, Nariman Point,
Mumbai- 400021
Tel No.: +91 – 22 – 22041566/64/77
Fax No.: +91 – 22 – 22041565
Email: lcb.narimanpoint@bankofindia.co.in
Website: www.bankofindia.com

Federal Bank

Ground Floor, Express Towers,
Nariman Point,
Mumbai - 400021
Tel No.: +91 – 22 – 61990208 / 200
Fax No.: +91 – 22 – 61990205
Email: bbyh@federalbank.co.in
Website: www.federalbank.co.in

Canara Bank

Mittal Tower, C-Wing,
Ground Floor (FOREX),
Mumbai – 400 021
Tel No.: +91 – 22 – 22835110 / 5118
Fax No.: +91 – 22 – 22882492
Email: cb0172credit@canarabank.com
Website: www.canarabank.com

Karur Vysya Bank

Kamanwala Chambers,
Sir P. M. Road, Fort,
Mumbai 400 001.
Tel No.: +91 – 22 – 22665914 / 5673
Fax No.: +91 – 22 – 22612761
Email: mumbaiclp@kvbmail.com
Website: www.kvb.co.in

Punjab National Bank

Raheja Chambers,
Nariman Point,
Mumbai - 400021
Tel No.: +91 – 22 – 22826925 / 22790004
Fax No.: +91 – 22 – 22823033
Email: pnb.fsr@gmail.com / pnb.fsr@pnb.co.in
Website: www.pnbindia.in

Bank of Maharashtra

1st floor, Janmangal,
45/47 Mumbai Samachar Marg,
Fort, Mumbai - 400023
Tel No.: +91 – 22 – 22652595 / 2264105
Fax No.: +91 – 22 – 22652912
Email: bom2@mahabank.co.in
Website: www.bankofmaharashtra.in

The South Indian Bank Ltd.

163-165, Anand Bhavan,
V.P. Road, Girgaum,
Mumbai – 400 004.
Tel: +91 – 022 - 23854875
Fax: +91 – 022 - 23800122
E-mail: br0266@sib.co.in
Website: www.southindianbank.com

Bankers to the Issue / Escrow Collection Banks**Axis Bank Ltd.**

Jeevan Prakash Building,
Ground floor, Sir P.M. Road,
Fort, Mumbai – 400 001.
Tel No.: +91 – 22 – 40867371 / 7373
Fax No.: +91 – 22 – 2283 5758 / 40867341
Email: rajesh.khandelwal@axisbank.com,
viraj.vaidya@axisbank.com,
nachiket.kalwit@axisbank.com
Website: www.axisbank.com
Contact Person: Rajesh Khandelwal / Viraj Vaidya /
Nachiket Kalwit
SEBI Registration No.: INBI00000017

The Federal Bank Ltd.

Large Corporate Department, Corporate Office,
'C' Wing, 2nd floor, Laxmi Towers,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051
Tel. No.: 022 - 26567531
Fax No.: 022 - 26566660
Email: vivekr@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Vivek Ramachandran
SEBI Registration No.: INBI00000083

HDFC Bank Ltd.

FIG – OPS Department – Lodha,
I Think Techno Campus, O-3 level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai – 400 042
Tel. No.: 022 – 30752928
Fax No.: 022 – 25799801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Uday Dixit
SEBI Registration No.: INBI00000063

ICICI Bank Ltd.

Capital Market Division,
Rajabhadur Mansion, 30,
Mumbai Samachar Marg,
Fort, Mumbai – 400 001
Tel. No.: 022-66310322
Fax No.: 022 – 66310350 / 22611138
Email: anil.gadoo@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Anil Gadoo
SEBI Registration No.: INBI00000004

Refund Banker to the Issue**HDFC Bank Ltd.**

FIG – OPS Department – Lodha,
I Think Techno Campus, O-3 level,
Next to Kanjurmarg Railway Station,
Kanjurmarg (East), Mumbai – 400 042
Tel. No.: 022 – 30752928
Fax No.: 022 – 25799801
Email: uday.dixit@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Uday Dixit
SEBI Registration No.: INBI00000063

Syndicate Member(s)

Aryaman Financial Services Limited

60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.), Fort,
Mumbai – 400001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Email: ipo@afsl.co.in
Website: www.afsl.co.in
SEBI Registration No.: INM000011344

Aryaman Broking Limited

(Now known as Aryaman Capital Markets Ltd.)
60, Khatau Building, Gr. Floor,
Alkesh Dinesh Modi Marg,
Opp. P.J. Tower (BSE Bldg.), Fort,
Mumbai – 400001
Tel. No.: +91 – 22 – 2261 8264
Fax No.: +91 – 22 – 2263 0434
Email: aryabroking@gmail.com
SEBI Registration No.: INB011465938

Self Certified Syndicate Banks

The list of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Forms, kindly refer to the above mentioned SEBI link.

Registered Brokers

In terms of SEBI circular No. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid cum Application Forms in the Issue using the stock broker network of the Stock Exchanges, i.e. through Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provide on the Websites of the Stock Exchanges.

Statement of Inter-se Allocation of Responsibilities

Aryaman Financial Services Limited is the Sole Book Running Lead Manager to this issue, and hence is responsible for all the issue management related activities.

Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 5000 million. Since the Issue size is below ₹ 5000 million, our Company has not appointed a monitoring agency for this issue.

However, as per Clause 49 of the Listing Agreement to be entered into with stock exchange upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our company, would be monitoring the utilization of the proceeds of the issue.

Credit Rating

This being an issue of Equity Shares, no credit rating is required.

IPO Grading

The Company has appointed CARE for grading of this IPO. This Issue has been assigned a “CARE IPO Grade 3”*, vide letter dated February 14, 2014, indicating average fundamentals. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. A copy of the report provided by CARE, furnishing its rationale for its grading has been annexed to this Red Herring Prospectus and shall be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Experts

For details, kindly refer to “Expert to the Issue” on page 285 of this Red Herring Prospectus.

Project Appraisal

None of the objects of the Issue have been appraised by an independent agency.

Trustee

As this is an Issue of Equity Shares, the appointment of a trustee is not required.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band (which would be announced at least five working days before the opening of the Bid/Issue). The Issue Price is finalised after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. Our Company;
2. The BRLM;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member(s) are appointed by the BRLM;
4. Registrar to the Issue
5. Escrow Collection Banks
6. SCSBs

This Issue is being made through the 100% Book Building Process wherein 10% of the Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 60% of the Issue will be available for allocation to Retail Individual Bidders. The allotment of Equity Shares to each retail individual bidder shall not be less than the minimum bid lot, subject to availability of shares in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, except for the QIB portion, in any category would be allowed to be met with spill over from any of the category or combination of categories at the discretion of our Company, the Book Running Lead Manager and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For details, kindly refer to the Chapter titled “*Issue Procedure*” beginning on page 295 of this Red Herring Prospectus.

In accordance with the SEBI Regulations, QIBs and NIBs are neither allowed to withdraw their Bid(s) nor lower the size of their Bid(s) at any stage. For further details, kindly refer to the Chapter titled “*Terms of the Issue*” beginning on page 289 of this Red Herring Prospectus.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

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

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue.)

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below.

A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (kindly refer to the sub-heading titled “Who can bid?” in the Chapter titled “Issue Procedure” beginning on page 298 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned PAN in your Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form; and
5. QIB Bidders and Non-Institutional Bidders shall compulsorily participate in the Issue through the ASBA process.
6. Bids by ASBA Bidders may be submitted in the physical mode to the Syndicate at the Syndicate ASBA Bidding Locations and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bidders should ensure that their respective ASBA Accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid-cum-Application Form is not rejected

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Programme

BID / ISSUE OPENS ON:	MARCH 11, 2014
BID / ISSUE CLOSES ON:	MARCH 20, 2014

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, “IST”) during the Bidding/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid / Issue Closing Date, the Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 p.m. and 3.00 p.m. (IST) and uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and the NSE.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding / Issue Period not exceeding 10 days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web site of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter(s) for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Member(s) do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded by the Underwriter(s) including through its Syndicate/Sub Syndicate. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter(s) are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares.

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

Name and Address of the Underwriter(s)	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[•]	[•]	[•]
[•]	[•]	[•]

In the opinion of our Board of Directors (based on the certificates given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriter(s) may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the BRLM and the Syndicate Member(s) shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

Notwithstanding the foregoing, the Issue is also subject to obtaining

- (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and
- (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

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

(₹ in million, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A	Authorised Share Capital		
	103,000,000 Equity Shares of face value of ₹ 10 each	1030.00	-
B	Issued, Subscribed and Paid-up Share Capital before the Issue		
	74,294,524 Equity Shares of face value of ₹ 10 each	742.95	-
C	Present Issue in terms of this Red Herring Prospectus* 26,705,476^ Equity Shares of ₹ 10 each fully paid up	267.05	[●]
D	Equity Share Capital After the Issue 101,000,000 Equity Shares of face value of ₹ 10 each	1010.00	-
E	Share Premium Account		
	Before the issue		2282.34#
	After the Issue		[●]

* The present issue has been authorized pursuant to a resolution of our Board dated September 28, 2012 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra ordinary General Meeting of our shareholders held on September 29, 2012.

^Our Company has allotted 3,535,844 Equity Shares to the Pre-IPO Investors at an issue price of ₹ 78 per Equity Share (including a premium of ₹ 68 per Equity Share) aggregating to a total of ₹ 275.80 million. For further details, kindly refer to “Notes to the Capital Structure” on page 63 of this Red Herring Prospectus.** This Issue is being made in terms of regulation 26(1) of the SEBI (ICDR) Regulations, 2009 (as amended from time to time), through the 100% Book Building Process wherein 10% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIB”) Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 30% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 60% of the Issue shall be available for allocation to Retail Individual Bidders. The allotment of Equity Shares to each retail individual bidder shall not be less than the minimum bid lot, subject to availability of shares in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

Amount after deducting share issue expenses ₹ 1.96 million

Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

Classes of Shares

As on date, the Company has only one class of share capital i.e. Equity Shares of ₹ 10 each.

Changes in Authorized Share Capital

- (i) The initial authorised share capital of ₹ 500,000 divided into 5,000 Equity Shares ₹ 100 each was increased to ₹ 1,000,000 divided into 10,000 Equity Shares of ₹ 100 each pursuant to a resolution of our shareholders dated November 05, 1990.
- (ii) The authorised share capital of ₹ 1,000,000 divided into 10,000 Equity Shares of ₹ 100 each was increased to ₹ 2,000,000 divided into 20,000 Equity Shares of ₹ 100 each pursuant to a resolution of our shareholders dated March 05, 1991.
- (iii) The authorised share capital of ₹ 2,000,000 divided into 20,000 Equity Shares of ₹ 100 each was increased to ₹ 3,500,000 divided into 35,000 Equity Shares of ₹ 100 each pursuant to a resolution of our shareholders dated March 01, 1997.
- (iv) The authorised share capital of ₹ 3,500,000 divided into 35,000 Equity Shares of ₹ 100 each was increased to ₹ 7,500,000 divided into 75,000 Equity Shares of ₹ 100 each pursuant to a resolution of our shareholders dated March 05, 1998.
- (v) The authorised share capital of ₹ 7,500,000 divided into 75,000 Equity Shares of ₹ 100 each was increased to ₹ 20,000,000 divided into 200,000 Equity Shares of ₹ 100 each pursuant to a resolution of our shareholders dated March 11, 2000.
- (vi) The authorised share capital of ₹ 20,000,000 divided into 200,000 Equity Shares of ₹ 100 each was increased to ₹ 35,000,000 divided into 350,000 Equity Shares of ₹ 100 each pursuant to a resolution of our shareholders dated March 03, 2002.
- (vii) The authorised share capital of ₹ 35,000,000 divided into 350,000 Equity Shares of ₹ 100 each was increased to ₹ 55,000,000 divided into 350,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated December 23, 2002.
- (viii) The authorised share capital of ₹ 55,000,000 divided into 350,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10/- each was increased to ₹ 75,000,000 divided into 550,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated February 27, 2004.
- (ix) The authorised share capital of ₹ 75,000,000 divided into 550,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 105,000,000 divided into 850,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated October 25, 2004.
- (x) The authorised share capital of ₹ 105,000,000 divided into 850,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 107,000,000 divided into 870,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated December 23, 2004.
- (xi) The authorised share capital of ₹ 107,000,000 divided into 870,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 122,000,000 divided into 1,020,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated February 27, 2006.
- (xii) The authorised share capital of ₹ 122,000,000 divided into 1,020,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 200,000,000 divided into 1,800,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 08, 2007.
- (xiii) The authorised share capital of ₹ 200,000,000 divided into 1,800,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 300,000,000 divided into

2,800,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated October 15, 2007.

- (xiv) The authorised share capital of ₹ 300,000,000 divided into 2,800,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 350,000,000 divided into 3,300,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 27, 2008.
- (xv) Pursuant to a resolution of our shareholders dated October 13, 2008, the authorised share capital of ₹ 350,000,000 divided into 3,300,000 Equity Shares of ₹ 100 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each were re-classified as 33,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each. Further the authorised share capital increased to ₹ 650,000,000 divided into 63,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each.
- (xvi) The authorised share capital of ₹ 650,000,000 divided into 63,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 660,000,000 divided into 64,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated November 24, 2009.
- (xvii) The authorised share capital of ₹ 660,000,000 divided into 64,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each was increased to ₹ 750,000,000 divided into 73,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated March 23, 2011.
- (xviii) Pursuant to a resolution of our shareholders dated September 29, 2012, the authorised share capital of ₹ 750,000,000 divided into 73,000,000 Equity Shares of ₹ 10 each and 2,000,000 Redeemable Preference Shares of ₹ 10 each were re-classified as 75,000,000 Equity Shares of ₹ 10 each. Further the authorised share capital increased to ₹ 1,030,000,000 divided into 103,000,000 Equity Shares of ₹ 10 each.

Notes to the Capital Structure:

1. Share Capital History of our Company:

a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. The following is the Equity share capital build-up of our Company:

Date of Allotment of Equity Shares	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature/ Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
On Incorporation ⁽¹⁾	30	100	100	Subscription to MoA	Cash	30	3,000	-
April 01, 1989 ⁽²⁾	70	100	100	Takeover of Global Steel Industries	Other than Cash	100	10,000	-
December 11, 1990 ⁽³⁾	4,430	100	100	Takeover of Pragati Enterprises	Other than Cash	4,530	453,000	-
February 13, 1995 ⁽⁴⁾	4,200	100	100	Preferential Allotment	Cash	8,730	873,000	-
February 18, 1995 ⁽⁵⁾	1,200	100	100	Preferential Allotment	Cash	9,930	993,000	-

Date of Allotment of Equity Shares	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature/ Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
December 23, 1995 ⁽⁶⁾	3,070	100	100	Preferential Allotment	Cash	13,000	1,300,000	-
January 15, 1996 ⁽⁷⁾	1,000	100	100	Preferential Allotment	Cash	14,000	1,400,000	-
January 22, 1996 ⁽⁸⁾	3,000	100	100	Preferential Allotment	Cash	17,000	1,700,000	-
March 22, 1996 ⁽⁹⁾	3,000	100	100	Preferential Allotment	Cash	20,000	2,000,000	-
March 31, 1997 ⁽¹⁰⁾	9,750	100	100	Preferential Allotment	Cash	29,750	2,975,000	-
March 31, 1998 ⁽¹¹⁾	4,930	100	100	Preferential Allotment	Cash	34,680	3,468,000	-
May 20, 1998 ⁽¹²⁾	11,080	100	100	Preferential Allotment	Cash	45,760	4,576,000	-
March 31, 1999 ⁽¹³⁾	4,350	100	100	Preferential Allotment	Cash	50,110	5,011,000	-
March 31, 2000 ⁽¹⁴⁾	45,300	100	100	Preferential Allotment	Cash	95,410	9,541,000	-
December 26, 2000 ⁽¹⁵⁾	80,000	100	100	Preferential Allotment	Cash	175,410	17,541,000	-
March 27, 2002 ⁽¹⁶⁾	172,894	100	100	Preferential Allotment	Cash	348,304	34,830,400	-
March 19, 2004 ⁽¹⁷⁾	185,156	100	100	Preferential Allotment	Cash	533,460	53,346,000	-
January 03, 2005 ⁽¹⁸⁾	320,000	100	100	Preferential Allotment	Cash	853,460	85,346,000	-
March 06, 2006 ⁽¹⁹⁾	145,556	100	100	Amalgamation of Ayushman Industries Limited	Other than Cash	999,016	99,901,600	-
May 09, 2007 ⁽²⁰⁾	700,000	100	100	Preferential Allotment	Cash	1,699,016	169,901,600	-
October 22, 2007 ⁽²¹⁾	801,000	100	100	Preferential Allotment	Cash	2,500,016	250,001,600	-
October 13, 2008 ⁽²²⁾	-	-	-	Spilt of Equity Shares from the face value of ₹ 100 to ₹ 10	Nil	25,000,160	250,001,600	-
November 14, 2008 ⁽²³⁾	19,100,000	10	10	Preferential Allotment	Cash	44,100,160	441,001,600	-
November 15, 2008 ⁽²⁴⁾	15,000,000	10	0	Bonus Allotment	Bonus Issue	59,100,160	591,001,600	-
December 15, 2008 ⁽²⁵⁾	2,594,500	10	100	Preferential Allotment	Cash	61,694,660	616,946,600	233,505,000
January 10, 2009 ⁽²⁶⁾	64,000	10	100	Preferential Allotment	Cash	61,758,660	617,586,600	239,265,000
September 26, 2009 ⁽²⁷⁾	970,420	10	500	Preferential Allotment	Cash	62,729,080	627,290,800	714,770,800
November 24, 2009 ⁽²⁸⁾	602,000	10	500	Preferential Allotment	Cash	63,331,080	633,310,800	1,009,750,800

Date of Allotment of Equity Shares	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature/ Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)	
June 2010 ⁽²⁹⁾	12,	300,000	10	500	Preferential Allotment	Cash	63,631,080	636,310,800	1,156,750,800
March 2011 ⁽³⁰⁾	30,	3,033,850	10	100	Preferential Allotment	Cash	66,664,930	666,649,300	1,429,797,300
January 2012 ⁽³¹⁾	31,	343,750	10	160	Preferential Allotment	Cash	67,008,680	670,086,800	1,481,359,800
March 2012 ⁽³²⁾	31,	3,750,000	10	160	Preferential Allotment	Cash	70,758,680	707,586,800	2,043,859,800
December 2013 ⁽³³⁾	24,	1,187,844	10	78	Pre-IPO Placement	Cash	71, 946,524	71 9,465,240	2,124,633,192
January 2014 ⁽³⁴⁾	15,	975,000	10	78	Pre-IPO Placement	Cash	72,921,524	729,215,240	2,190,933,192
January 2014 ⁽³⁵⁾	28,	840,000	10	78	Pre-IPO Placement	Cash	73,761,524	737,615,240	2,248,053,192
February 2014 ⁽³⁶⁾	04,	533,000	10	78	Pre-IPO Placement	Cash	74,294,524	742,945,240	2,284,297,192

Notes:

⁽¹⁾ Initial Subscriber's to Memorandum of Association Mr. Rajesh Poddar, Ms. Lata Poddar and Mr. Gaurishankar Poddar were allotted 10 equity shares of Rs. 100/- each.

⁽²⁾ The company allotted 20 equity shares to Mr. Rajesh Poddar and 50 equity shares to Mr. Gaurishankar Poddar pursuant to takeover of M/s. Global Steel Industries.

⁽³⁾ The company allotted 2670 equity shares to Mr. Rajesh Poddar, 1740 equity shares to Mr. Gaurishankar Poddar, 10 equity shares to Ms. Anju Poddar and 10 equity shares to M/s. G.S. Poddar HUF pursuant to takeover of Pragati Enterprises.

⁽⁴⁾ The company allotted 3000 equity shares to Mr. Rajesh Poddar and 1200 equity shares to Ms. Lata Poddar

⁽⁵⁾ The company allotted 1200 equity shares to Ms. Anju Poddar.

⁽⁶⁾ The company allotted 3070 equity shares to Mr. Rajesh Poddar

⁽⁷⁾ The company allotted 1000 equity shares to Ms. Anju Poddar.

⁽⁸⁾ The company allotted 3000 equity shares to Mr. Rajesh Poddar.

⁽⁹⁾ The company allotted 1000 equity shares to Mr. Rajesh Poddar and 2000 equity shares to Ms. Anju Poddar.

⁽¹⁰⁾ The company allotted 4100 equity shares to Mr. Rajesh Poddar, 850 equity shares to Ms. Lata Poddar, 3000 equity shares to Mr. Gaurishankar and 1800 equity shares to Ms. Anju Poddar.

⁽¹¹⁾ The company allotted 3000 equity shares to Mr. Rajesh Poddar, 1730 equity shares to Ms. Anushka Poddar and 200 equity shares to Mr. Aayush Poddar.

⁽¹²⁾ The company allotted 3500 equity shares to Mr. Rajesh Poddar, 2400 equity shares to Ms. Anushka Poddar, 3550 equity shares to Ms. Anju Poddar and 1630 equity shares to Mr. Aayush Poddar.

⁽¹³⁾ The company allotted 4350 equity shares to Mr. Rajesh Poddar.

⁽¹⁴⁾ The company allotted 22500 equity shares to Mr. Rajesh Poddar, 12500 equity shares to Ms. Anju Poddar, 5000 equity shares to Mr. Manish Garg, 3000 equity shares to Ms. Jyoti Garg and 2300 equity shares to M/s. Omprakash Garg & Sons HUF.

⁽¹⁵⁾ The company allotted 15500 equity shares to Mr. Rajesh Poddar, 14500 equity shares to Ms. Anju Poddar and 50000 equity shares to M/s. Dhanidevi Processors Pvt. Ltd.

⁽¹⁶⁾ The company allotted 60980 equity shares to Mr. Rajesh Poddar, 2409 equity shares to Ms. Anju Poddar, 40221 equity shares to M/s. Rajesh Poddar HUF, 4272 equity shares to Anushka Exports, 7074 equity shares to Mr. Ashok Poddar and 57938 equity shares to Dhanidevi Processors Pvt. Ltd.

⁽¹⁷⁾ The company allotted 185156 equity shares to M/s. Godgift Steel P Ltd.

⁽¹⁸⁾ The company allotted 50000 equity shares to M/s. Ganpati Vincom Pvt. Ltd., 25000 equity shares to M/s. Raghu Vincom Pvt. Ltd., 10000 equity shares to M/s. Radha Chemicals Pvt. Ltd., 40000 equity shares to M/s. Kronze Commercial Pvt. Ltd., 25000 equity shares to M/s. Fedder Tie up Pvt. Ltd., 40000 equity shares to M/s. Udhav Commercial Pvt. Ltd., 50000 equity shares to M/s. A.B.Overseas Pvt. Ltd., 20000 equity shares to M/s. Realm technologies, 20000 equity shares to M/s. Deepraj Vinimay Pvt. Ltd. and 40000 equity shares to M/s. Gita Trafim Pvt. Ltd.

⁽¹⁹⁾ The company allotted 28810 equity shares to Mr. Rajesh Poddar, 10 equity shares to Mr. Gaurishankar Poddar, 32830 equity shares to Ms. Anju Poddar, 449 equity shares to M/s. Rajesh Poddar HUF, 1250 equity shares to Ms. Kalavati Devi Garg, 1450 equity shares to Mr. Kamlesh Garg, 2000 equity shares to Ms. Urmila Devi Garg and 78757 equity shares to M/s. Dhanidevi Processors Pvt. Ltd. The aforesaid shares were allotted to erstwhile shareholders of Ayushman Industries Limited pursuant to a scheme of amalgamation approved under Sections 391-394 of the Companies Act, 1956 by the High Court at Bombay dated September 09, 2005. For further details kindly refer to the Chapter titled "History and Certain Corporate Matters – Scheme of Amalgamation of Ayushman Industries Limited with our Company" on page 159 of this Red Herring Prospectus.

⁽²⁰⁾ The company allotted 300000 equity shares to Mr. Rajesh Poddar and 400000 equity shares to M/s. Dhanidevi Processors Pvt. Ltd.

⁽²¹⁾ The company allotted 801000 equity shares to Mr. Rajesh Poddar.

⁽²²⁾ Equity Share of ₹ 100 each sub-divided in Equity Shares of ₹ 10 each, pursuant to a resolution of the shareholders dated October 13, 2008.

⁽²³⁾ The company allotted 19100000 equity shares to Mr. Rajesh Poddar.

⁽²⁴⁾ The company allotted 12584587 equity shares to Mr. Rajesh Poddar, 34 equity shares to Mr. Gaurishankar Poddar, 14048 equity shares to Ms. Anushka Poddar, 244213 equity shares to Ms. Anju Poddar, 6224 equity shares to Mr. Aayush Poddar, 17007 equity shares to Mr. Manish Garg, 138333 equity shares to Mr. Rajesh Poddar HUF and 1995554 equity shares to M/s. Dhanidevi Processors Private Ltd. Bonus Equity Shares have been issued in proportion to respective shareholding of each shareholder, out of Profit & Loss Account by capitalizing ₹ 150 million.

⁽²⁵⁾ The company allotted 499000 equity shares to M/s. Goyal Financials (India) Ltd, 494500 equity shares to M/s. Volplast Limited, 500000 equity shares to M/s. Tribhuvan Housing Limited, 41000 equity shares to M/s. Aarika Steels and Metals Pvt. Ltd., 498500 equity shares to M/s. Suryadeep Salt refinery and Chemicals works Ltd, 328000 equity shares to M/s. Kailash Ficom Limited, 17500 equity shares to M/s. RFL International Limited, 90000 equity shares to M/s. Lexus Infotech Limited, 110000 equity shares to M/s. Terry Towel Industrial Limited and 16000 equity shares to M/s. Pushpanjali Tradvin Pvt. Ltd.

⁽²⁶⁾ The company allotted 48000 equity shares to M/s. Terry Towel Industrial Limited and 16000 equity shares to M/s. Pushpanjali Tradvin Pvt. Ltd.

⁽²⁷⁾ The company allotted 180 equity shares to Mr. Rajesh Poddar, 2000 equity shares to M/s. Kailash Ficom Limited, 21700 equity shares to M/s. RFL International Limited, 39940 equity shares to M/s. Loha Investments Pvt.

Ltd., 14000 equity shares to M/s. Seatrans Dan Shipping Pvt. Ltd., 100000 equity shares to M/s. Nexus Software Limited, 23000 equity shares to M/s. JMD Sounds Limited, 27400 equity shares to M/s. Nimbus Industries Limited, 40000 equity shares to M/s. Genus Commu- trade Limited, 39800 equity shares to M/s. Ken Securities Limited and 40000 equity shares to M/s. Highland Industries Limited, 18700 equity shares to M/s. Unisys Software and Holdings Industries Limited, 186000 equity shares to M/s. Twenty First Century(I)Limited, 128000 equity shares to M/s. Fairamount Venture Pvt. Ltd., 30000 equity shares to M/s. GR Industries & Finance Limited, 143000 equity shares to M/s. Gopikar Supply Pvt. Ltd., 14700 equity shares to M/s. Sonal Cosmetics Exports Limited, 40000 equity shares to M/s. Lovely Commercials Private Ltd., 62000 equity shares to M/s. Prime Capital Markets Limited.

⁽²⁸⁾ The company allotted 14000 equity shares to M/s. Twenty First Century(I)Limited, 10000 equity shares to M/s. GR Industries & Finance Limited, 87000 equity shares to M/s. Sonal Cosmetics Exports Limited, 20000 equity shares to M/s. Lovely Commercials Private Ltd., 100000 equity shares to M/s. Kumaon Enginnering Co. Pvt. Ltd., 95000 equity shares to M/s. Warner Multimedia Limited, 40000 equity shares to M/s. Oasis Cine Communication Limited, 20000 equity shares to M/s. Piyush Vyaapar Pvt. Ltd., 20000 equity shares to M/s. Kalnid Barter Pvt. Ltd., 20000 equity shares to M/s. Bhagwati Commercial Pvt. Ltd., 20000 equity shares to M/s. B. Jhanwar & Co. Pvt. Ltd., 19000 equity shares to M/s. Anurodh Commodities Pvt. Ltd., 30000 equity shares to M/s. Cosmat Vinimay Pvt. Ltd., 27000 equity shares to M/s. Rajwara Traders Pvt. Ltd., 20000 equity shares to Bhawani Vanijya Pvt. Ltd., 20000 equity shares to M/s. MSK Vyapaar Pvt. Ltd., 20000 equity shares to M/s. Dreiser Traders Pvt. Ltd. and 20000 equity shares to M/s. Yamini Barter Pvt. Ltd.

⁽²⁹⁾ The company allotted 18000 equity shares to M/s. Mangalgouri Vanijya Pvt. Ltd., 45000 equity shares to M/s. Blazer Venture Pvt. Ltd., 40000 equity shares to M/s. CRM Systems Pvt. Ltd., 40000 equity shares to M/s. Alishan Estates Pvt. Ltd., 45000 equity shares to M/s. Linkpoint Infrastructure Pvt. Ltd., 18000 equity shares to M/s. Relax Agencies Pvt. Ltd., 18000 equity shares to M/s. Hamsafar Investment Pvt. Ltd., 42000 equity shares to M/s. Makesworth Projects & Developers Pvt. Ltd., 16000 equity shares to M/s. Seashell Venture Pvt. Ltd. and 18000 equity shares to M/s. Matrix Systel Pvt. Ltd.

⁽³⁰⁾ The company allotted 3033850 equity shares to M/s. Dhanidevi Processers Pvt. Ltd.

⁽³¹⁾ The company allotted 171875 equity shares to M/s. Poddar Advantage Advisors Pvt. Ltd. and 171875 equity shares to M/s. Poddar Finin Consultancy Pvt. Ltd.

⁽³²⁾ The company allotted 2187500 equity shares to M/s. Poddar Advantage Advisors Pvt. Ltd. and 1562500 equity shares to M/s. Poddar Finin Consultancy Pvt. Ltd. These shares were originally allotted as partly paid up shares i.e. ₹ 2 per share towards the face value, later ₹ 7 per share paid towards the face value on September 15, 2012 and subsequently made fully paid up on September 27, 2012. The same has been confirmed by the Statutory Auditors of the Company vide letter dated December 05, 2012.

⁽³³⁾ The company allotted 1,187,844 equity shares to M/s Passage to India Master Fund Limited vide Pre-IPO Placement.

⁽³⁴⁾ The company allotted 975,000 equity shares to M/s Progruss Investments Limited vide Pre-IPO Placement.

⁽³⁵⁾ The company allotted 840,000 equity shares to M/s Progruss Investments Limited vide Pre-IPO Placement.

⁽³⁶⁾ The company allotted 533,000 equity shares to M/s Pacatolus Opportunity Limited vide Pre-IPO Placement.

b) Preference Share Capital

Date of Allotment of fully Paid-up Shares	No. of Preference Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares Allotted	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹)
March 25, 2003 ⁽¹⁾	644,516	10	10	Preferential Allotment	Cash	644,516	6,445,160	-
March 19, 2004 ⁽²⁾	1,355,484	10	10	Preferential Allotment	Cash	2,000,000	20,000,000	-
September 28, 2012	(2,000,000)	10	10	Redemption of Preference Shares at par	Cash	Nil	Nil	-

⁽¹⁾The company allotted 216628 preference shares to Mr. Rajesh Poddar, 119000 preference shares to Ms. Anju Poddar and 308888 preference shares to M/s. Dhanidevi Processors Private Limited.

⁽²⁾ The company allotted 557561 preference shares to M/s. Dhanidevi Processors Pvt. Ltd., 797923 preference shares to M/s. Godgift Steel Pvt. Ltd.

c) Shares allotted for consideration other than cash

The following shares were allotted for consideration other than cash:

Date of Allotment of fully Paid-up Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment (Reasons for Issue / Benefits to issuer)	Nature of Consideration	Allotted person
April 01, 1989	70	100	100	Allotment of shares as consideration for the takeover of Global Steel Industries	Other than Cash	Allotted to Mr. Rajesh Poddar and Mr. Gaurishankar Poddar
December 11, 1990	4,430	100	100	Allotment of shares as consideration for the takeover of Pragati Enterprises	Other than Cash	Allotted to Mr. Rajesh Poddar, Anju Poddar, Mr. Gaurishankar Poddar and Mr. Gaurishankar Poddar (HUF)
March 06, 2006	145,556	100	100	Allotment to erstwhile shareholders of Ayushman Industries Limited pursuant to a scheme of amalgamation approved by the High Court at Bombay dated September 09, 2005*	Other than Cash	Allotted to Mr. Rajesh Poddar, Mr. Gaurishankar Poddar, Anju Poddar, Rajesh Poddar HUF, M/s. Dhanidevi Processors Private Limited, Kalavai, Devi Garg, Kamlesh Garg and Urmila Devi Garg
November 15, 2008	15,000,000	10	0	Bonus Issue in proportion to respective shareholding of each shareholder	Bonus	Allotted to all the Shareholders of the Company

* The shares have been allotted pursuant to a scheme of amalgamation approved under Sections 391-394 of the Companies Act, 1956. For further details kindly refer to "History and Certain Corporate Matters – Scheme of Amalgamation of Ayushman Industries Limited with our Company" on page 159 of this Red Herring Prospectus.

Notes:

1. Bonus Equity shares have been issued to all our Shareholders on November 15, 2008 by capitalizing Profit & Loss Account (₹ 150 million.). The relevant provisions of the Companies Act have been complied with w.r.t the bonus issue.

Bonus Equity Shares have been issued in proportion to respective shareholding of each shareholder, out of Profit & Loss Account by capitalizing ₹150 million as detailed below:

Sr. No.	Name of shareholder	No. of shares held prior to bonus issue	No of shares allotted as part of Bonus Issue
1.	Rajesh Poddar	36,998,820	12,584,587
2.	Gaurishankar Poddar	100	34
3.	Anushka Poddar	41,300	14,048
4.	Anju Poddar	717,990	244,213
5.	Aayush Poddar	18,300	6,224
6.	Manish Garg	50,000	17,007
7.	Rajesh Poddar HUF	406,700	138,333
8.	Dhanidevi Processers Private Limited	5,866,950	1,995,554
Total		44,100,160	15,000,000

- No bonus shares have been issued out of Revaluation Reserves.
- Except for what has been stated above our Company has not issued any Equity Share for consideration other than cash.

d) History & Share Capital Build-up of our Promoter

Our Promoter has been allotted Equity Shares and has entered into Purchase/Sale Transactions of the Company's Equity shares from time to time. The following is the Equity share capital build-up of our Promoter:

Date of Allotment / Transfer	Allotment / Transfer	Nature/ Reason of Allotment	Consideration	No. of Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
Mr. Rajesh Poddar									
November 29, 1988	Subscription to MOA	Subscription to MoA	Cash	10	100	100	10		
April 01, 1989	Allotment	Takeover of Global Steel Industries	Other than Cash	20	100	100	30		
December 11, 1990	Allotment	Takeover of Pragati Enterprises	Other than Cash	2,670	100	100	2,700		
February 13, 1995	Allotment	Preferential Allotment	Cash	3,000	100	100	5,700		
July 14, 1993	Transfer	N.A.	Cash	(10)	100	100	5,690		
October 04, 1993	Transfer	N.A.	Cash	10	100	100	5,700		
December 23, 1995	Allotment	Preferential Allotment	Cash	3,070	100	100	8,770		
January 22, 1996	Allotment	Preferential Allotment	Cash	3,000	100	100	11,770		
March 22, 1996	Allotment	Preferential Allotment	Cash	1,000	100	100	12,770		
March 31, 1997	Allotment	Preferential Allotment	Cash	4,100	100	100	16,870		
March 31, 1998	Allotment	Preferential Allotment	Cash	3,000	100	100	19,870		

Date of Allotment / Transfer	Allotment / Transfer	Nature/ Reason of Allotment	Consideration	No. of Shares	Face Value (₹)	Issue / Acquisition Price (₹)	Cumulative no. of Equity shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital
May 20, 1998	Allotment	Preferential Allotment	Cash	3,500	100	100	23,370		
March 31, 1999	Allotment	Preferential Allotment	Cash	4,350	100	100	27,720		
March 31, 2000	Allotment	Preferential Allotment	Cash	22,500	100	100	50,220		
December 26, 2000	Allotment	Preferential Allotment	Cash	15,500	100	100	65,720		
March 27, 2002	Allotment	Preferential Allotment	Cash	60,980	100	100	126,700		
January 04, 2003	Transfer	N.A.	Cash	4,800	100	100	131,500		
March 05, 2003	Transfer	N.A.	Cash	2,060	100	100	133,560		
March 10, 2003	Transfer	N.A.	Cash	10	100	100	133,570		
March 31, 2004	Transfer	N.A.	Cash	185,156	100	100	318,726		
March 06, 2006	Amalgamation with Ayushman Industries Limited*	Amalgamation of Ayushman Industries Limited ⁽¹⁾	Other than Cash	28,810	100	100	347,536		
March 31, 2006	Transfer	N.A.	Cash	1,250	100	100	348,786		
May 09, 2007	Allotment	Preferential Allotment	Cash	300,000	100	100	648,786		
October 22, 2007	Allotment	Preferential Allotment	Cash	801,000	100	100	1,449,786		
June 14, 2008	Transfer	N.A.	Cash	9,374	100	100	1,459,160		
June 15, 2008	Transfer	N.A.	Cash	320,000	100	100	1,779,160		
July 02, 2008	Transfer	N.A.	Cash	10,722	100	100	1,789,882		
October 13, 2008	Split of Equity Shares	Spilt of Equity Shares from the face value of ₹ 100 to ₹ 10 ⁽²⁾	Nil	17,898,820	10	-	17,898,820	24.09%	17.72%
November 14, 2008	Allotment	Preferential Allotment	Cash	19,100,000	10	10	36,998,820	49.80%	36.63%
November 15, 2008	Bonus	Bonus Allotment ⁽³⁾	Nil	12,584,587	10	0	49,583,407	66.74%	49.09%
September 26, 2009	Allotment	Preferential Allotment	Cash	180	10	500	49,583,587	66.74%	49.09%
January 24, 2014	Transfer	N.A.	Cash	134	10	78	49,583,721	66.74%	49.09%
Grand Total							49,583,721	66.74%	49.09%

*The shares have been allotted pursuant to a scheme of amalgamation approved under Sections 391-394 of the Companies Act, 1956. For further details kindly refer to “History and Certain Corporate Matters – Scheme of Amalgamation of Ayushman Industries Limited with our Company” on page 159 of this Red Herring Prospectus.

⁽¹⁾ Allotment to erstwhile shareholders of Ayushman Industries Limited pursuant to a scheme of amalgamation approved under Sections 391-394 of the Companies Act, 1956 by the High Court at Bombay dated September 09, 2005. For further details kindly refer to the Chapter titled “History and Certain Corporate Matters – Scheme of Amalgamation of Ayushman Industries Limited with our Company” on page 159 of this Red Herring Prospectus.

⁽²⁾ Equity Share of ₹ 100 each sub-divided in Equity Shares of ₹ 10 each, pursuant to a resolution of the shareholders dated October 13, 2008.

⁽³⁾ Bonus Equity Shares have been issued in proportion to respective shareholding of each shareholder, out of Profit & Loss Account by capitalizing ₹ 150 million.

Notes:

- Except for 17,689,670 equity shares pledged by our Promoter, Mr. Rajesh Poddar, none of the shares belonging to our promoter have been pledged till date.
- All the promoter’s shares shall be subject to lock-in for periods as applicable under Regulation 36 of the SEBI (ICDR) Regulations. For details kindly refer to Note no. 2 of “Capital Structure” on page 72 of this Red Herring Prospectus.

e) Shares Issued during the last one year for a price which could be below the issue price:

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature/ Reason of Allotment	Nature of Consideration	Name of the Allottees	Belonging to Promoter Group or not
December 24, 2013	1,187,844	10	78	Pre-IPO Placement	Cash	M/s Passage to India Master Fund Limited	No
January 15, 2014	975,000	10	78	Pre-IPO Placement	Cash	M/s Prograss Investments Limited	No
January 28, 2014	840,000	10	78	Pre-IPO Placement	Cash	M/s Prograss Investments Limited	No
February 04, 2014	533,000	10	78	Pre-IPO Placement	Cash	M/s Pacatolus Opportunity Limited	No

f) None of the members of the Promoter Group/Directors and their immediate relatives have entered into any Transactions in the Equity shares of our Company within the last six months from the date of this Red Herring Prospectus, except as disclosed below –

Date of Allotment of Equity Shares	Number of Equity Shares Allotted / Transferred	Face Value (₹)	Issue Price (₹)	Nature of Transaction	Nature of Consideration	Name of the Transferor	Name of the Transferee
January 23, 2014	67,007	10	78	Transfer	Gift Deed	Manish Garg	Anju Poddar
January 24, 2014	134	10	78	Transfer	Cash	Gaurishankar Poddar	Rajesh Poddar
January 24, 2014	67,007	10	78	Transfer	Gift Deed	Anju Poddar	Anushka Poddar

g) None of the members of the Promoter Group/Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Red Herring Prospectus with SEBI.

2. Promoter’s Contribution and Other Lock-In details:

a) Details of Promoter’s Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI Regulations, an aggregate 20% of the Post-Issue Equity Share capital of our Company shall be locked up by our Promoter for a period of three years from the date of allotment of Equity Shares in this Issue.

The details of the Promoter’s Equity Shares locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares	As a % of Post Issue Share Capital
Rajesh Poddar	20,210,100	20.01%
Total	20,210,100	20.01%

For the build-up of Promoter’s contribution refer to Note 1(d) under “Notes to Capital Structure” on page 69 of this Red Herring Prospectus.

Except for 17,689,804* equity shares, the entire balance Pre-Issue Shareholding of our Promoter i.e. 31,893,917 equity shares are eligible for lock-in for a period of three years in accordance with Regulation 33 of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

**17,689,670 equity shares of our Promoter have been pledged and 134 equity shares have been transferred to our Promoter, during the preceding one year, at a price which could be lower than the price at which Equity Shares are being offered to public in the Issue. Hence the above shares are not eligible for lock-in. For further details regarding the transfer, kindly refer to “History & Share Capital Build-up of our Promoter” on page 69 of this Red Herring Prospectus.*

We confirm that the minimum Promoter contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired, except the bonus shares issued, by the Promoter during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoter and offered for minimum 20% Promoter’s contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum promoter’s contribution subject to lock-in.
- Equity shares issued to our promoter on conversion of partnership firms into limited companies.

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue as per the applicable SEBI Regulations.

Our Promoter has given their written undertaking for inclusion of the aforesaid Equity Shares as a part of Promoter’s contribution which is subject to lock-in for a period of 3 years from the date of Allotment of Equity Shares in the proposed Issue.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter’s contribution subject to lock-in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Red Herring Prospectus with the Board till the date of commencement of lock in period as stated in this Red Herring Prospectus.

We further confirm that our promoter’s contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.

b) Details of Shares locked-in for one year:

- Pursuant to Regulation 36(b) and 37 of the SEBI Regulations, in addition to the Promoter’s contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year from the date of allotment in this Issue.
- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoter can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Red Herring Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoter, which are locked in as per Regulation 36 of the SEBI Regulations, may be transferred to and amongst the Promoter/ Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than the Promoter, which are locked-in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

3. Pre-Issue and Post Issue Shareholding of our Promoter and Promoter’s Group

Set forth is the shareholding of our Promoter and Promoter’s Group before and after the proposed issue:

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	as a % of Issued Equity	No. of Equity Shares	as a % of Issued Equity
A	Promoter				
1	Rajesh Poddar	49,583,721	66.74%	49,583,721	49.09%
	Total (A)	49,583,721	66.74%	49,583,721	49.09%
B	Promoter Group & Relatives				
1	Dhanidevi Processors Pvt. Ltd.	10,896,354	14.67%	10,896,354	10.79%
2	Rajesh Poddar HUF	5,035,833	6.78%	5,035,833	4.99%
3	Poddar Advantage Advisors Pvt. Ltd.	2,359,375	3.18%	2,359,375	2.34%
4	Poddar Finin Consultancy Pvt. Ltd.	1,734,375	2.33%	1,734,375	1.72%
5	Anushka Poddar	1,084,558	1.46%	1,084,558	1.07%
6	Loha Investments Private Limited	39,940	0.05%	39,940	0.04%
7	Aayush Poddar	24,524	0.03%	24,524	0.02%
	Total (B)	21,174,959	28.50%	21,174,959	20.97%
C	Other Associates acting in Concert				
1	Nil	-	-	-	-
	Total (C)	-	-	-	-
	Grand Total (A+B+C)	70,758,680	95.24%	70,758,680	70.06%

- Neither the Company, nor its promoter, directors, nor the BRLM have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- None of our Directors or Key managerial personnel holds Equity Shares in the Company, except as stated in the Chapter titled “Our Management” on page 163 of this Red Herring Prospectus.

6. The top ten shareholders of our Company and their Shareholding is as set forth below:

a. The top ten Shareholders of our Company as on the date of this Red Herring Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Issued Share Capital
1	Rajesh Poddar	49,583,721	66.74%
2	Dhanidevi Processers Pvt. Ltd.	10,896,354	14.67%
3	Rajesh Poddar HUF	5,035,833	6.78%
4	Poddar Advantage Advisors Pvt. Ltd	2,359,375	3.18%
5	Progruss Investments Limited	1,815,000	2.44%
6	Poddar Finin Consultancy Pvt. Ltd.	1,734,375	2.33%
7	Passage to India Master Fund Limited	1,187,844	1.60%
8	Anushka Poddar	1,084,558	1.46%
9	Pacatolus Opportunity Limited	533,000	0.72%
10	Loha Investments Pvt. Ltd.	39,940	0.05%
Total		74,270,000	99.97%

b. The top ten Shareholders of our Company ten (10) days prior to date of this Red Herring Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Issued Share Capital
1	Rajesh Poddar	49,583,721	66.74%
2	Dhanidevi Processers Pvt. Ltd.	10,896,354	14.67%
3	Rajesh Poddar HUF	5,035,833	6.78%
4	Poddar Advantage Advisors Pvt. Ltd.	2,359,375	3.18%
5	Poddar Finin Consultancy Pvt. Ltd.	1,815,000	2.44%
6	Passage to India Master Fund Limited	1,734,375	2.33%
7	Anushka Poddar	1,187,844	1.60%
8	Progruss Investments Limited	1,084,558	1.46%
9	Loha Investments Private Limited	533,000	0.72%
10	Aayush Poddar	39,940	0.05%
Total		74,270,000	99.97%

c. The top ten Shareholders of our Company two (2) years prior to date of this Red Herring Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Issued Share Capital
1	Rajesh Poddar	49,583,587	74.00%
2	Dhanidevi Processers P Ltd	10,896,354	16.26%
3	Rajesh Poddar HUF	5,035,833	7.52%
4	Anushka Poddar	1,017,551	1.52%
5	Poddar Advantage Advisors Pvt. Ltd.	171,875	0.26%
6	Poddar Finin Consultancy Pvt. Ltd.	171,875	0.26%
7	Manish Garg	67,007	0.10%
8	Loha Investments Pvt. Ltd.	39,940	0.06%
9	Aayush Poddar	24,524	0.04%
10	Gaurishankar Poddar	134	Negligible
Total		67,008,680	100.00%

7. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
8. 10% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 60% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Any under-subscription in any category, except in the QIB Portion would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company and the BRLM, in consultation with the Designated Stock Exchange.
9. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
10. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of filing of this Red Herring Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
11. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares or securities convertible into Equity Shares, whether on a preferential basis or issue of bonuses or rights or further public issue of specified securities or Qualified Institutional Placement.
12. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Red Herring Prospectus.
13. Our Company has allotted 3,535,844 Equity Shares to the Pre-IPO Investors at an issue price of ₹ 78 per Equity Share (including a premium of ₹ 68 per Equity Share) aggregating to a total of ₹ 275.80 million. For further details, kindly refer to “Notes to the Capital Structure” on page 63 of this Red Herring Prospectus.
14. As on date of filing this Red Herring Prospectus, there are no outstanding ESOP’s, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP’s till date.
15. Our Company shall ensure that transactions in the Equity Shares by our Promoter and our Promoter Group between the date of this Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
16. The Book Running Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
17. As of the date of filing of this Red Herring Prospectus the total number of holders of the Equity Shares is 11.
18. Our Company has not made any public issue or rights issue since its incorporation.
19. Our Company has allotted Equity Shares pursuant to a scheme of merger under sections 391-394 of the Companies Act, 1956 for the amalgamation of Ayushman Industries Limited with our Company. For further details kindly refer to “*History and Certain Corporate Matters – Scheme of Amalgamation of Ayushman Industries Limited with our Company*” on page 159 of this Red Herring Prospectus.

20. Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of filing of this Red Herring Prospectus:

Category code	Category of Shareholder	No. of Shareholders	Total no. of Shares	Total no. of Shares Held in Demat Form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of total no. of shares
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	4	55,728,636	55,728,636	75.01%	75.01%	17,689,670	23.81%
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	4	15,030,044	15,030,044	20.23%	20.23%	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub Total (A)(1)	8	70,758,680	70,758,680	95.24%	95.24%	17,689,670	23.81%
(2)	Foreign	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	70,758,680	70,758,680	95.24%	95.24%	17,689,670	23.81%
(B)	Public Shareholding							
(1)	Institutions							

Category code	Category of Shareholder	No. of Shareholders	Total no. of Shares	Total no. of Shares Held in Demat Form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of total no. of shares
(a)	Mutual Funds/ UTI	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	1	1,187,844	1,187,844	1.60%	1.60%	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	1	1,187,844	1,187,844	1.60%	1.60%	-	-
(2)	Non-Institutions	-	-	-	-	-	-	-
(a)	Bodies Corporate							
(b)	Individuals							
	(i) Individual shareholders holding nominal share capital upto ` 1 lac	-	-	-	-	-	-	-
	(ii) Individual shareholders holding nominal share capital in excess of ` 1 lac	-	-	-	-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-
(d)	Any Other (specify) – Non-Resident Entities	2	2,348,000	2,348,000*	3.16%	3.16%	-	-
	Sub-Total (B)(2)	2	2,348,000	2,348,000*	3.16%	3.16%	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	3	3,535,844	3,535,844	4.76%	4.76%	-	-

Category code	Category of Shareholder	No. of Shareholders	Total no. of Shares	Total no. of Shares Held in Demat Form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of total no. of shares
	Total (A+B)	11	74,294,524	74,294,524	100.00%	100.00%	17,689,670	23.81%
(C)	Shares held by Custodians and against which Depository receipts have been issued	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-
	Grand Total (A+B+C)	11	74,294,524	74,294,524	100.00%	100.00%	17,689,670	23.81%

**Out of 2,348,000 equity shares, filing of corporate action forms for 533,000 equity shares with NSDL / CDSL are in process.*

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No	Name of the Shareholder	Details of Shares held		Encumbered Shares		Details of Warrants / Convertible Securities		Total Shares	
		No. of shares held	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	No. of Warrants / Convertible Securities	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)
1	Rajesh Poddar	49,583,721	66.74	17,689,670	23.81%	-	-	49,583,721	66.74
2	Dhanidevi Processers Pvt. Ltd.	10,896,354	14.67	-	-	-	-	10,896,354	14.67
3	Rajesh Poddar HUF	5,035,833	6.78	-	-	-	-	5,035,833	6.78
4	Poddar Advantage Advisors Pvt. Ltd.	2,359,375	3.18	-	-	-	-	2,359,375	3.18
5	Poddar Finin Consultancy Pvt. Ltd.	1,734,375	2.33	-	-	-	-	1,734,375	2.33
6	Anushka Poddar	1,084,558	1.46	-	-	-	-	1,084,558	1.46
7	Loha Investments Private Limited	39,940	0.05	-	-	-	-	39,940	0.05
8	Aayush Poddar	24,524	0.03	-	-	-	-	24,524	0.03
	Total	70,758,680	95.24	17,689,670	23.81%	-	-	70,758,680	95.24

Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares

Sr. No.	Name of the Shareholder	Details of Shares held		Encumbered Shares		Details of Warrants / Convertible Securities		Total Shares	
		No. of shares held	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	No. of Warrants / Convertible Securities	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)
1	M/s Passage to India Master Fund Limited	1,187,844	1.60	-	-	-	-	-	-
2	M/s Progruss Investments Limited	1,815,000	2.44	-	-	-	-	-	-
	Total	3,002,844	4.04	-	-	-	-	-	-

Statement showing details of locked-in shares

Sr. No.	Name of the Shareholder	Number of Locked-in shares	Locked-in Shares as a % of (A+B+C)
1	Rajesh Poddar	17,689,670	23.81%
2	-	-	-
3	-	-	-
	Total	17,689,670	23.81%

OBJECTS OF THE ISSUE

The Objects of the Issue are to:

- (a) Fund Working Capital Requirements (post expansion at Khopoli and Taloja Plants); and
- (b) Fund expenditure for General Corporate Purposes.

Further, we believe that the listing of our Equity Shares will enhance our visibility and brand name among existing and potential customers.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in this Issue. Further, we confirm that the activities we have been carrying out until now are in accordance with the objects clause of our Memorandum of Association.

The details of the proceeds of the Issue are summarized in the following table:

		(₹ in million)
Sr. No.	Particulars	Amount
(a)	Gross Proceeds from the Issue	[●]
(b)	Less: Issue Related Expenses*	[●]
	Net Proceeds of the Issue	[●]

* to be finalised upon determination of Issue Price.

Requirement of Funds and Means of Finance

The fund requirements described below are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution.

M/s. Mott Macdonald (MM) has submitted the Fifth Construction Monitoring Report to Punjab National Bank (PNB) for the Expansion Project of the Company. Data from Monitoring Report by MM has been used as a basis for explaining the status of the expansion project in this Offer Document wherever required. MM, vide their letter dated December 04, 2012 has given their consent for their Monitoring Report being used in this Offer Document.

We intend to utilise the Net Proceeds of the Issue ("Net Proceeds") of ₹ [●] for financing the objects as set forth below:

		(₹ in million)
Sr. No.	Particulars	Amount
1.	Fund Working Capital Requirements (post expansion at Khopoli and Taloja Plants)	2300.00 [^]
2.	Fund expenditure for General Corporate Purposes	[●]*
	Total	[●]

[^] This includes ₹ 275.80 million raised through the Pre-IPO Placements.

* to be finalised upon determination of Issue Price.

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

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

While we intend to utilise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we will bridge the fund requirements from internal accruals or debt/equity financing.

Details of the Objects

1. Fund Working Capital Requirements (post expansion at Khopoli and Taloja Plants)

Working Capital Cycle:

We operate as an Independent Steel Service Centre. We procure HR Coils, CR Coils in large quantities from major suppliers and upon receiving orders from customers, we process the steel by slitting, shearing and gas cutting as per requirement and dispatch the finished product to the customer.

The lead time for procuring steel is high and also in order to ensure readily available customized product along with a low lead time for our customers, we need to stock different grades and dimensions of steel to meet varied need of our customers. Further, we are required to provide sufficient credit period to our customers resulting in high receivables and we enjoy credit from our suppliers through Letter of Credit against the same.

We have been constantly increasing our capacity utilisation and as result of which our turnover has increased from unconsolidated sales of ₹ 9439.10 million in FY 2008-09 to unconsolidated sales of ₹ 34040.64 million in FY 2012-13. Further, due to the slowing down of global economy since 2008 and the subsequent volatility of economic activity in India in the recent past, various industries to whom, we supply, have faced liquidity pressures and if the same were to continue we may have to provide additional credit to our customers in order to continue our high growth rates. This too is one of the major reasons for increase in our working capital requirements.

Expansion Project at Khopoli and Taloja Plants:

We have been operating steel processing facilities at our Khopoli Plant with an installed capacity of 900,000 TPA to process Hot Rolled and Cold Rolled Products and a manual pickling plant with an annual capacity of 105,000 TPA at our Taloja Location.

We have embarked on an expansion of capacity entailing the following:

- Capacity expansion of our existing Steel Service Centre (SSC) at Ransai, Khopoli by setting up additional Cut to Length (CTL) lines and slitting lines. The proposed expansion of 1,281,900 TPA will enhance the total installed capacity of the Khopoli Plant to 2,181,900 TPA.
- Setting up a Cold Rolling Mill (CRM) Complex with a capacity of 30,000 TPA (includes Push Pull Pickling, CRM/Skin Pass Mill, Rewinding Line and Bell Annealing Furnace) at Taloja.

The project being setup at an estimated budgeted expenditure of ₹ 3587.60 million is being funded through a mix of debt and promoter's equity, with Punjab National Bank being the Lead Banker.

As per the Fifth Construction Monitoring Report (Sept 2012) issued by Mott MacDonald, the expansion project at both locations has started initial commercial production and is at an advanced stage of being completely commissioned. The conclusion of this report showing the current status of the key activities pertaining to the proposed expansion project is as reproduced below:

Activities	Status	Remarks
Land Acquisition	Completed	An Expansion Project is being carried out on existing owned land by the company, where existing facility is in running condition.
Site Levelling & Development	Completed	Company has taken steps to improve site infrastructure in order to assure better movement of material.

Activities	Status	Remarks
Civil Structure work for sheds, building at site	Khopoli – Shed No. 1,2,8,9,10,11,14,15 completed Taloja – E-6/1 completed A-69 (Existing Shed)	Khopoli – Shed No. 1,2,8,9,10,11,14,15 pertaining to project are completed Taloja – Taloja Division comprises of Pickling- CRM-Annealing, Shed No. E-6/1, A69 pertaining to CRM are ready, A69 Shed Work Under Reconstruction as per revised requirement. However Annealing being only a value addition process (capacity not included in total project capacity) required based on customer requirement, Taloja production capacity stands running with Pickling division production.
Placement of order of cranes	Completed	
Cold test & commissioning of EOT Cranes	Completed	
Placement of order of Equipments	Completed	
Delivery of Equipments at Site	Khopoli – 4 Narrow CTL lines, Roll forming Profiling Line & 2 Slitting lines have been Delivered Taloja – All lines have been Delivered	Delivery of all lines pertaining to Taloja Division i.e. Pickling, CRM, and Bell Annealing have been delivered. Major processing lines at Khopoli have been delivered at site. Deliveries of Few lines as mentioned in implementation schedule were deferred mainly due to changes in configuration for improved productivity & automation. This shall help company and project output in long run.
Hot commissioning ,Trial run & starting of “Commercial operation” of the project	Commercial Operation Date (COD) of the Project declared on 17.09.2012. Note- Company has initiated commercial production of the project within prescribed guideline for non-infra projects as per RBI. (i.e. within 6 months on initial cod)	Taloja Division – Commercial production of Taloja division has been initiated at E-6/1 w.e.f. 17.09.12 during consortium banker’s visit. Taloja division’s production capacity stands running with automatic push-pull Pickling division production. Technical specifications of lines were as per initial estimates by the company. Khopoli Division - At Khopoli, All Sheds as prescribed by company in previous report were ready and installation of Major lines for processing production was completed, Technical team showed initial production demo of major machineries for CTL processing. With this production SSC expansion project commercial production has been initiated, as confirmed by the Management, ‘LIL’ officials. SSC Division COD was also declared on 17.09.12, as confirmed by the Management of Loha Ispaat Limited. Running lines were of improved technology as compared to initial estimates; this shall improve production capacity of the overall project.
In House Material testing Laboratory	Completed	Company has also established ‘In House Material testing Laboratory’ which was also shown 100% ready to start function and as confirmed with technical team of company It will serve as in-house testing lab and third party certification as a revenue model as well.

Source: Fifth Construction Monitoring Report (Sept 2012) issued by Mott MacDonald

Post entire commissioning of the project, the turnover of the company is expected to increase resulting in higher build up of current assets and current liabilities. This coupled with increase in capacity utilisation of existing operations and increasing credit periods to customers due to slow down in certain sectors will necessitate higher requirement for working capital.

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

(₹ in million)

Sr. No.	Particulars	Holding Levels (days)	Fiscal 2013	Holding Levels (days)	Fiscal 2015
I.	Current Assets:				
1.	Inventories (including WIP & finished goods)	76	7,066.60	70	9,418.80
2.	Sundry Debtors	77	7,199.00	93	13,765.00
3.	Cash and Bank Balances	8	724.50	12	1,713.00
4.	Loans and Advances	7	627.52	-	-
5.	Other Current Assets (including Capital Exp)	0.3	24.61	4	652.10
	Total Current Assets (A)		15,642.23		25,548.90
II.	Current Liabilities				
1.	Sundry Creditors	60	5,050.20	87	11,744.70
2.	Other Current Liabilities	9	761.85	7	966.30
	Total Current Liabilities (B)		5,812.05		12,711.00
III.	Total Working Capital Gap (A – B)		9,830.18		12,837.90
IV.	Funding Pattern:				
1.	Working Capital Facilities from Banks*		6,076.46		6,230.00
2.	Internal Accruals / Owned Funds		2,333.32		4,307.90
3.	Part of the Net proceeds to be utilised		0.00		2,300.00

*Our company has been sanctioned working capital facilities consisting of an aggregate fund based limit of ₹ 6230 million and an aggregate non-fund based limit of ₹ 5330 million. For further details regarding our working facilities kindly refer to the Chapter titled “Financial Indebtedness” beginning on page 250 of this Red Herring Prospectus.

Hence, our Company proposes to utilise ₹ 2300 million of the Net Proceeds towards working capital requirements for meeting our future business requirements.

Justification for “Holding Period” levels

Inventories	The Company expects to rationalize its inventory portfolio going ahead by better inventory management and keep the stock of various grades in line with the requirement of its customers. The Company plans to hold optimum inventory for regular products and keep minimum inventory for products with specific demand. Hence the inventory holding period for FY2015 has been estimated to be 70 days as compared to 76 days in FY2013.
Debtors	We have over 500 customers Pan India. Depending upon customer to customer, we provide credit upto 90 days period. Post expansion of our facilities we propose to rapidly expand our customer base and increase our geographical reach to other parts of India by increasing Regional and localised marketing presence. We plan to increase our customer base and provide better credit terms to our customers The receivables period for FY 2015 is estimated to be 93 days.
Creditors	In year 2013 the average credit period was 60 days due to increased inventory as the Company has expanded its product portfolio. The estimated average credit period for year 2014-15 is considered at 87 days due to overall increase in the working capital cycles of the sector.

2. Fund expenditure for General Corporate Purposes

We propose to deploy the balance Net Proceeds of the Issue aggregating ₹ [●] million towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Achieve the benefits of listing on the Stock Exchanges

We believe that equity capital markets is an ideal source for meeting long term as well as working capital funding requirements of a growing company like ours. In addition, the listing of our Equity Shares will, among other things, enhance our visibility, pre-qualification credibility and brand name among our existing and potential customers. We also believe that as a listed entity we would be able to attract high quality and talented personnel and also be able to increase our credibility to prospective lenders or joint venture partners in the future.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the Fiscal year 2014-15. For details of the estimated schedule of deployment of funds, kindly refer to “Basis of estimation of working capital requirement and estimated working capital requirement” on page 84 of this Red Herring Prospectus.

Appraisal of the Objects

None of the objects for which the Net Proceeds will be utilised have been financially appraised. The estimates of the costs of objects mentioned above are based on internal estimates of our Company.

Issue related Expenses

The expenses for this Issue include lead management fees, underwriting and selling commission, registrar’s fees, advertisement and marketing expenses, printing and distribution expenses, IPO Grading expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges.

The details of the estimated Issue expenses are set forth below:

Issue related expenses activity	Total Expense*	As a % of total estimated Issue Expenses*	As a % of the Issue Size*
Issue Management fees including underwriting and selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	[●]	[●]	[●]
Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
Advertisement & Marketing Expenses	[●]	[●]	[●]
Regulatory & other expenses	[●]	[●]	[●]
Total Estimated Issue related Expenses	[●]	[●]	[●]

* to be finalised upon determination of Issue Price.

Bridge Financing

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance additional working capital needs will be repaid from the Net Proceeds of the Issue. For further details in relation to our borrowing arrangements, kindly refer to the Chapter titled “*Financial Indebtedness*” beginning on page 250 of this Red Herring Prospectus.

Interim Use of Funds

Our management, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds. Pending utilisation for the purposes described above, we intend to temporarily invest the funds in interest/dividend bearing liquid instruments including investments in mutual funds, for the necessary duration. Such investments would be in accordance with the investment policies approved by our Board of Directors from time to time. Our Company confirms that pending utilisation of the Net Proceeds it shall not use the funds for any investments in the equity markets.

Monitoring of Utilisation of Funds

As this is an Issue for less than ₹ 5000 million, there is no requirement for the appointment of a monitoring agency. Our Board of Directors shall monitor the utilisation of the Net Proceeds.

We will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in our financial information specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. As per the requirements of Clause 49 of the Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made until such time that the Net Proceeds have been fully spent. The statement shall be certified by our statutory auditors. Further, in terms of Clause 43A of the Listing Agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the Objects stated in this Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Clause 49.

There are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds or estimated cost as above with our Promoters, our Directors, our key managerial personnel, associate and Group Companies. No part of the Net Proceeds will be paid by us as consideration to our Promoters, Promoter Group, our Directors, Group Companies or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for the Equity Shares by the book building process. The face value of the Equity Shares of our Company is ₹ 10 each and the Floor Price and the Cap Price is 7.7 times and 8.0 times of the Face Value respectively.

Qualitative Factors

We believe that the following strengths help differentiate us from our competitors and enable us to compete successfully in our industry:

- ✓ One Stop Solution Provider
- ✓ Broad geographical reach
- ✓ Diversified Customer base and Long-term relationship with our customers
- ✓ Locational Advantages
- ✓ Experienced and strong Management Team

For further details regarding some of the qualitative factors, which form the basis for computing the Price, kindly refer to “*Our Business – Our Strengths*” beginning on page 115 of this Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our unconsolidated and consolidated restated financial statements prepared in accordance with Indian GAAP.

1) Earnings per Share (EPS)

Year ended March 31	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
	Consolidated		
2013	10.14	10.14	3
2012	6.23	6.23	2
2011	8.14	8.14	1
Weighted Average	8.50	8.50	

The Basic and Diluted EPS (annualized) for the six months period ended September 30, 2013 on consolidated basis was ₹ 11.00.

Year ended March 31	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
	Unconsolidated		
2013	10.08	10.08	3
2012	6.16	6.16	2
2011	8.19	8.19	1
Weighted Average	8.46	8.46	

The Basic and Diluted EPS (annualized) for the six months period ended September 30, 2013 on unconsolidated basis was ₹ 9.74.

Notes:

- a. Basic EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Weighted average number of Equity Shares outstanding during the year/period)
- b. Diluted EPS has been calculated as per the following formula:
(Net profit/ (loss) as restated, attributable to Equity Shareholders)/ (Diluted weighted average number of Equity Shares outstanding during the year/period)

- c. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” prescribed by the Companies (Accounting Standard) Rules, 2006
- d. The face value of each Equity Share is ₹ 10.

2) Price Earnings Ratio (P/E) in relation to the Issue price of ₹ [●] per share of ₹ 10 each

Sr. No.	Particulars	Consolidated	Unconsolidated
A	P/E ratio based on basic EPS for the Fiscal 2013 at the Issue Price	[●]	[●]
B	P/E ratio based on diluted EPS for the Fiscal 2013 at the Issue Price	[●]	[●]
C	P/E ratio based on basic Weighted average EPS at the Issue Price	[●]	[●]
D	P/E ratio based on diluted Weighted average EPS at the Issue Price	[●]	[●]
E	Industry P/E*	NA*	NA*

* Currently there is no listed entity in India operating in our business segment and hence a strict comparison with us is not possible due to significant differences in business models.

3) Return on Networth (RoNW)

Year ended March 31	RoNW (%)		Weight
	Consolidated		
2013	13.82%		3
2012	10.63%		2
2011	15.60%		1
Weighted Average	13.05%		

RoNW (annualized) for the six months period ended September 30, 2013 on consolidated basis was 14.19%.

Year ended March 31	RoNW (%)		Weight
	Unconsolidated		
2013	13.76%		3
2012	10.53%		2
2011	15.69%		1
Weighted Average	13.01%		

RoNW (annualized) for the six months period ended September 30, 2013 on unconsolidated basis was 12.70%

Note: Return on Net worth has been calculated as per the following formula:
 Net profit/loss after tax, as restated / Net worth excluding preference share capital and revaluation reserve

4) Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2013

Sr. No.	Particulars	Consolidated	Unconsolidated
A	At the Issue Price on basic EPS	[●]	[●]
B	At the Issue Price on diluted EPS	[●]	[●]

5) Net Asset Value (NAV)

Particulars	NAV (in ₹)	
	Consolidated	Unconsolidated
NAV as at March 31, 2011	49.75	49.79
NAV as at March 31, 2012	57.67	57.63
NAV as at March 31, 2013	71.94	71.83
NAV as at September 30, 2013	77.52	76.70
Issue Price	[●]	
NAV after the Issue	[●]	

Note: Net Asset Value has been calculated as per the following formula:

Net worth excluding preference share capital and revaluation reserve/ Weighted average number of Equity shares outstanding during the year/ period.

6) Comparison with Industry peers

We are primarily an Independent Steel Service Center.

Currently there is no listed entity in India operating in this particular industry segment and hence a strict comparison with us is not possible due to significant differences in business models.

- 7) The Issue Price will be [●] times of the face value of the Equity Shares. The Issue Price of [●] has been determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and is justified based in view of the aforementioned qualitative and quantitative parameters. For further details, kindly refer to the financials of our Company including important profitability and return ratios, as set out in the Section titled “*Financial Information*” beginning on page 191 of this Red Herring Prospectus.

STATEMENT OF TAX BENEFITS

The Board of Directors
Loha Ispaat Ltd.
9th Floor,
C-31, Naman Center,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051

Dear Sirs,

Statement of Possible Tax Benefits available to “Loha Ispaat Limited” and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to **Loha Ispaat Limited** (*‘the Company’*) under the Income-tax Act, 1961, presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961 and Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

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

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

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

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

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

For A. John Moris & Co.
Chartered Accountants
Firm’s Regn.No.007220S

CA Vetteeswar P
Partner
Mem. No.: 211733

Place: Mumbai
Date: February 03, 2014

General Tax Benefits to the Company under Income Tax Act, 1961

- 1) Dividends earned are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
- 2) The Company will be entitled to amortise certain preliminary expenditure, specified under section 35D(2) of the I.T. Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive Assessment Years beginning with the Assessment Year in which the business commences.
- 3) Income by way of interest, premium on redemption or other payment on notified securities, bonds, certificates issued by the Central Government is exempt from tax under section 10(15) of the Income-tax Act, 1961 (herein after referred to as 'the Act') in accordance with and subject to the conditions and limits as may be specified in notifications.
- 4) In accordance with section 32 of the Act, the company is entitled to claim on specified tangible assets (being Buildings, Plant & Machinery, Vehicles, Furniture & fittings and computers) and Intangible assets (being Patent, Trademarks, Knowhow, Copyrights, Licenses, Franchises or any other business or commercial rights of similar nature) owned by it and used for the purpose of its business.
- 5) The amount of tax paid under Section 115JB by the company for any assessment year beginning on or after 1st April 2006 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.
- 6) In case of Loss under the head "Profit and Gains from Business or Profession", it can be set-off against other income and the excess loss after set-off can be carried forward for set-off -against business income of the next eight Assessment Years.
- 7) The unabsorbed depreciation, if any, can be adjusted against any other income and can be carried forward indefinitely for set-off against the income of future years.
- 8) If the company invests in the equity shares of another company, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 9) Income earned from investment in units of a specified Mutual Fund is exempt from tax under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent such loss does not exceed the amount of income claimed exempt.
- 10) Further, as per section 94(8) of the Act, if an investor purchases units within three months prior to the record date for entitlement of bonus, and is allotted bonus units without any payment on the basis of holding original units on the record date and such person sells/redeems the original units within nine months of the record date, then the loss arising from sale/redemption of the original units will be ignored for the purpose of computing income chargeable to tax and the amount of loss ignored shall be regarded as the cost of acquisition of the bonus units.
- 11) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - a) 20 per cent (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost or

- b) 10 per cent (plus applicable surcharge and education cess) of the capital gains as computed without indexation.
- 12) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non chargeability to Securities Transaction Tax, then the tax will be chargeable at the rate of 30% (plus applicable surcharge and education cess) as applicable.
 - 13) Under section 36(1)(vii), any bad debt or part thereof written off as irrecoverable in the accounts is allowable as a deduction from the total income.
 - 14) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible expenditure.

Section 115-O

Tax rate on distributed profits of domestic companies (Dividend Distribution Tax) is 15%, the surcharge on Income tax is at 5%, and the Education Cess 2% and Higher Education Cess is at 1%.

Tax Rates

The tax rate is 30%. The surcharge on Income tax is 10%, only if the total income exceeds ₹ 100 Lacs. Education Cess 2% and Higher Education Cess is at 1%.

Under Central Excise and Customs Act

The Company will be entitled to claim excise refund for duty paid on capital goods purchased under the duty drawback scheme of DGFT subject to fulfilment of export obligations in eight years.

General Tax Benefits to the Shareholders of the Company

(I) Under the Income-tax Act, 1961

A) Residents

- 1) Dividends earned on shares of the Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.
- 2) Indian companies permitted to reduce dividends received from foreign subsidiaries and subject to tax under the prescribed section of the Income Tax Act, while computing DDT payable on dividends declared, distributed or paid.
- 3) Shares of the company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
- 4) Long term capital gain arising on sale of shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.
- 5) Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend/exempt long-term capital gains) is not tax deductible expenditure.

- 6) Under section 36(1)(xv) of the Act, Securities Transaction Tax paid by a Shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.
- 7) As per the provision of Section 71(3), if there is a Loss under the head “Capital Gains”, it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short Term and Long Term Capital Gain. But Long Term Capital Loss cannot be set-off against Short Term Capital Gain. The unabsorbed Short Term Capital Loss can be carried forward for next Eight Assessment Years and can be set off against any Capital Gains in subsequent years. The Unabsorbed Long Term Capital Loss can be carried forward for next eight Assessment Years and can be set off only against Long Term Capital Gains in subsequent years.
- 8) Taxable Long Term Capital Gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:
 - a) Cost of acquisition/improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
 - b) Expenditure incurred wholly and exclusively in connection with the transfer of shares
- 9) Under Section 112 of the Act, Taxable Long-Term Capital Gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.
- 10) Short Term Capital Gains on the transfer of equity shares, where the shares are held for a period of not more than 12 months would be taxed at 15% (plus applicable surcharge and education cess), where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and education cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on Short Term Capital Gain.
- 11) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of ₹ 50 Lacs) for a minimum period of three years.
- 12) In accordance with section 54F, Long-Term Capital Gains arising on the transfer of the shares of the Company held by an individual and Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from Capital Gains Tax, if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 13) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

- 14) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.
- 15) If an individual or HUF receives any property, from any person other than specified relative which includes shares, without consideration, the aggregate fair market value of which exceeds Rs 50,000, the whole of the fair market value of such property will be considered as income in the hands of the recipient. Similarly, if an individual or HUF receives any property, which includes shares, for consideration which is less than the fair market value of the property by an amount exceeding Rs 50,000, the fair market value of such property as exceeds the consideration will be considered as income in the hands of the recipient

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:

Slab of income (₹)	Rate of tax (%)
0 – 200,000	Nil
200,001 – 500,000	10%
500,001 – 10,00,000	20%
10,00,001 and above	30%

Notes:

- (i) In respect of women residents below the age of 60 years, the basic exemption limit is ₹ 200,000.
- (ii) In respect of senior citizens resident in India, the basic exemption limit is ₹ 250,000. (Age more than 60 years)
- (iii) In respect of Super citizens resident in India, the basic exemption limit is ₹ 500,000. (Age more than 80 years)
- (iv) Surcharge of 10% on personal Income Tax applicable on Income exceeding Rs. 1,00,00,000/- only for Financial Year 2013-14
- (v) Education cess @ 2% and Higher Education cess @1% will be levied on income tax.
- (vi) Tax rebate of ₹ 2,000 for resident individuals with total income up to ₹ 500,000.

B) Non-Residents

- 1) Dividends earned on shares of the Company are exempt in accordance with and subject to the provisions of section 10(34) read with Section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt
- 2) Long Term Capital Gain arising on sale of Company’s shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October, 1 2004 on a recognized Stock Exchange and the transaction is chargeable to Securities Transaction Tax.
- 3) In accordance with section 48, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment thereafter in, and sale of, shares and debentures of, an Indian company including the Company.
- 4) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever in India has entered

into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for Avoidance of Double Taxation of Income.

- 5) In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 10% (plus applicable surcharge and education cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares.
- 6) In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.
- 7) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (up to a maximum limit of Rs 50 lacs) for a minimum period of three years.
- 8) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual and Hindu undivided family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 9) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 10) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

C) Non-Resident Indians

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 which reads as under:

- 1) In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus education cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C (f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus education cess).
- 2) In accordance with section 115F, subject to the conditions and to the extent specified herein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new asset.

- 3) In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.
- 4) In accordance with Section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any Assessment Year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act, 1961.
- 5) As per the provisions of Section 90, the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.
- 6) In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.
- 7) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
- 8) In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered Securities Transaction Tax is chargeable to tax at the rate of 15% (plus applicable surcharge and education cess). If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess.
- 9) Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of Rs 50 lacs) for a minimum period of three years.
- 10) In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years subject to regulatory feasibility. Such benefit will not be available if the individual or Hindu Undivided Family-
 - owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
 - purchases another residential house within a period of one year after the date of transfer of the shares; or
 - constructs another residential house within a period of three years after the date of transfer of the shares; and
 - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.
- 11) If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.
- 12) If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

D) Foreign Institutional Investors (FIIs)

- 1) In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
- 2) In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if Securities Transaction Tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and education cess) in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and education cess, as applicable.

In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

- 3) As per the provisions of Section 90, the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant Country for avoidance of double taxation of income.
- 4) Under section 196D (2) of the Income-tax Act, 1961, no deduction of Tax at Source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.
- 5) Under section 54EC of the Act, Long Term Capital Gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of Rs 50 lacs) for a minimum period of three years.

E) Persons carrying on business or profession in shares and securities.

Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

A non resident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Income tax Act, 1961).

F) Mutual Funds

Under section 10(23D) of the Act, exemption is available in respect of income (including capital gains arising on transfer of shares of the Company) of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or such other Mutual fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India and subject to the conditions as the Central Government may specify by notification.

G) Venture Capital Companies/Funds

In terms of section 10(23FB) of the I.T. Act, income of:-

Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax, Exemption available under the Act is subject to investment in domestic Company whose shares are not listed and which is engaged in certain ‘specified’ business/industry.

(II) Under the Wealth Tax and Gift Tax Acts

- 1) “Asset” as defined under section 2(ea) of the Wealth-tax Act, 1957 does not include shares held in a Company and hence, these are not liable to wealth tax.
- 2) Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961.

Notes:

- 1) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- 2) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- 3) The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2013-14. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
- 4) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for Professional advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- 5) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the Country in which the non-resident has fiscal domicile.
- 6) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For A. John Moris & Co.
Chartered Accountants
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Place: Mumbai
Date: February 03, 2014

SECTION IV: ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

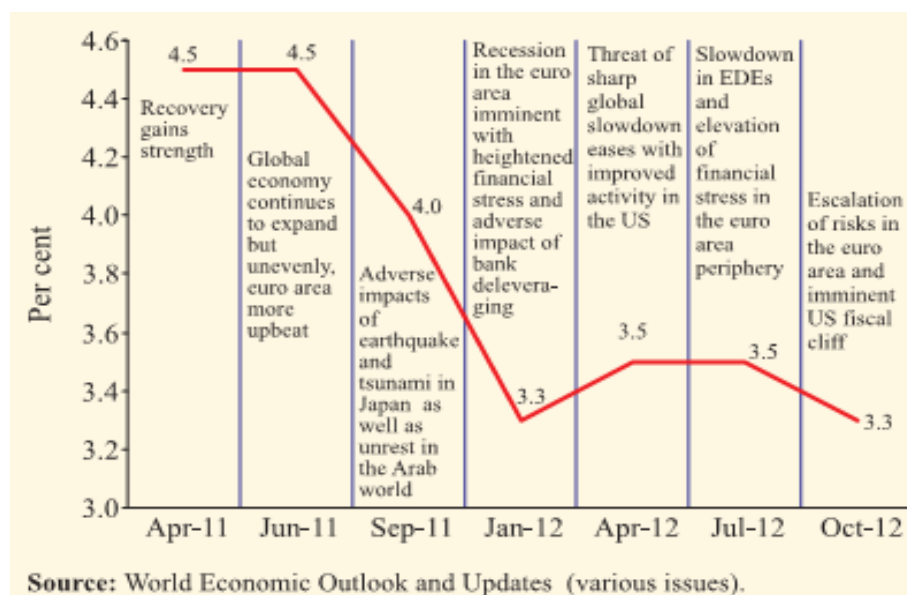
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Global Macroeconomic Environment

Growth prospects, both in advanced economies (AEs) and emerging and developing economies (EDEs) have weakened in Q2 of 2012. In October 2012, the International Monetary Fund (IMF) revised its global growth projections for both these groups downwards. Weaker growth prospects largely reflect the impact of sovereign debt overhang and banking fragilities in the euro area coupled with fiscal multipliers impacting growth with on-going fiscal consolidation. Euro area risks have affected business confidence and caused world trade to decelerate. Consequently, several EDEs face weaker external demand on top of an already slowing domestic demand. Further downside risks to global growth stem from a possible “fiscal cliff” leading to sudden and sharp fiscal consolidation in the US.

The global growth outlook has deteriorated further as the sovereign debt overhang, fiscal adjustments, banking fragilities and financial market uncertainties, especially in the euro area, weighed on growth prospects. Sequentially, growth decelerated in Q2 of 2012 in the US, Japan and China while euro area and UK failed to register positive growth. Though there have been signs of a mild recovery in the US housing markets, the possibility of the occurrence of a US fiscal cliff poses a significant risk to the US and global recovery, despite the “open-ended” quantitative easing announced by the Federal Reserve. The fiscal cliff refers to a possible large reduction in the federal budget deficit between 2012 and 2013 on account of certain tax hikes and spending cuts becoming effective from January 2013.

The illustration below highlights IMF’s projections for global growth in 2012:



With the slack in output and employment in AEs and falling growth in many large EDEs, global inflation pressures are likely to stay muted during rest of 2012. Global commodity prices are expected to remain range bound, but event risks can disturb the current stability. The renewed quantitative easing in some AEs poses some upside risks through liquidity and exchange rate channels.

Risks of spillovers in global financial markets remain large despite of credible policy actions by major central banks. Unconventional monetary policies hinging on exceptional liquidity support and easy money have transitorily moderated uncertainties in the financial markets keeping them in a risk-on, risk-off mode. However, the underlying stress has not diminished with incomplete deleveraging and unfinished financial sector reforms. This has kept the financial systems fragile and markets impacted by risk aversion.

(Source: Macroeconomic and Monetary Developments Second Quarter Review 2012-13, published on October 29, 2012)

Overview of the Indian Economy

Slowdown has continued in Q2 of 2012-13 with slack industrial activity and sub-par services sector performance. However, recent policy reforms are expected to help, albeit with some lag, in contributing to arresting the downturn. The improved prospects for Rabi, following the reduction in monsoon deficit with late rains are also expected to contribute to improving growth and inflation outlook, even though the recovery may take some time to set in.

Aggregate demand is weakening in 2012-13 led by investment slowdown. Corporate sales growth has also moderated significantly. In spite of recent measures aimed at lowering fiscal deficits, fiscal slippage is likely in 2012-13 reinforcing the need for further measures for fiscal consolidation to crowd-in private investment. Rebalancing of aggregate demand towards investment holds the key to growth revival. It is, therefore, necessary to remove the pending constraints in the power, coal and road sectors at the earliest.

External sector risks remain in spite of the improved balance of payments (BoP) during Q1 of 2012-13. Though the merchandise trade deficit in 2012-13 so far has been lower, it largely reflects contraction in import demand on the back of growth deceleration. Services trade surplus is lower, leaving the current account deficit (CAD) wide enough for re-emergence of financing pressures should global risk aversion increase or domestic recovery falter. Recent measures, including those to augment FDI, are likely to help in CAD financing.

Active liquidity management through reductions in the CRR, and the SLR backed by OMOs has kept liquidity largely in line with the policy objective, factoring in inflation persistence and the need to ensure credit supply to support growth. Liquidity conditions remained comfortable during Q2 of 2012-13. Monetary and credit aggregates remained below the indicative trajectory. The current credit slowdown largely reflects tepid demand conditions and distinctively lower credit expansion in case of public sector banks, reflecting mainly their risk aversion engendered by deteriorating asset quality.

Policy reform measures have shifted market sentiments, strengthening the equity prices and the rupee exchange rate. Gains for the bond markets have been limited despite of the G-sec auction calendar for the second half of the year remaining in line with the budgeted numbers.

Inflation has stayed sticky at around 7.5 per cent. Persistent non-food manufactured products inflation, despite the growth slowdown, has emerged as a concern. While the near-term inflation risks are on the upside, inflation should start moderating from Q4 of 2012-13. These expectations factor in the late revival of the monsoon that can have a salutary effect on current food inflation. With global inflation likely to remain benign and suppressed inflation pressures starting to recede, inflation could soften further in H1 of 2013-14. However, improved supply-responses and moderation of wage inflation is vital for bringing down inflation to comfort levels.

Business sentiments remain weak at the moment and global growth projections, including that for India, are getting revised downwards. Domestic constraints, especially in infrastructure space, have continued to impede investments. However, the falling growth cycle appears to have reached its trough. Recent policy measures have reduced macroeconomic risks, but speedy implementation and sustained reforms are important for turning the economy around. Meanwhile, inflation risks persist, warranting a cautious policy calibration. If macro-risks from inflation and twin deficits recede further, that could yield space down the line for monetary policy to respond to growth concerns.

(Source: Macroeconomic and Monetary Developments Second Quarter Review 2012-13, published on October 29, 2012)

Global Steel Industry

Steel is a cornerstone and key driver for the world's economy. Steel is at the core of the green economy, in which economic growth and environmental responsibility work hand in hand.

World crude steel production for the 62 countries reporting to the World Steel Association was 123733000 metric tonnes in August 2012. These 62 countries accounted for approximately 98% of total world crude steel production in 2011. The table below sets forth a comparative analysis of the monthly crude steel production region-wise for the last three years:

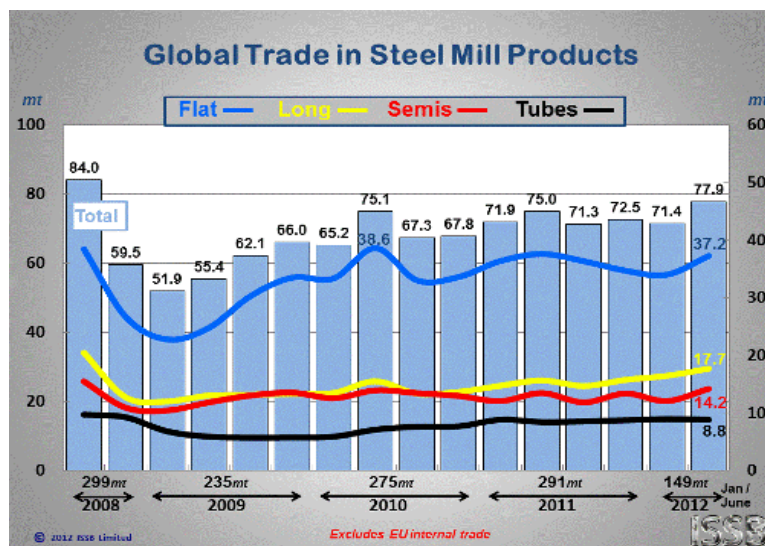
(in 1000 of metric tonnes)

Country	August 2012	August 2011	August 2010
Asia	81794	82244	72683
European Union	12196	12761	12215
North America	10221	10146	9316
C.I.S.	9107	9463	8969
South America	3861	4143	3938
Other Europe	3188	3037	2825
Africa/Middle East	2836	2581	2685
Oceania	530	668	744

India's crude steel production was 6360000 metric tonnes, an increase of 2.6% compared to the same month last year.

The crude steel capacity utilisation ratio for the 62 countries in August 2012 declined to 75.5% from 79.4% in July 2012. Compared to August 2011, it is 3.2 percentage points lower.

Global Trade in Steel Mill Products



(Source: ISSB)

Domestic Steel industry

Crude Steel Production in India

India has become 4th largest producer of crude steel in the world as against the 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world by 2015. The steel sector contributes to nearly 2% of the GDP and employs over 5 lac people.

The intended steel capacity build up in the country is likely to result in an investment of ₹ 5-10 lac crores by 2020. During April-December 2011-12 (provisional), Crude steel production was 53.357 million tonnes, a growth of 3.5% over same period of last year. The Major Producers (Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Tata Steel, Essar, JSW Steel, JSW Ispat Steel and Jindal Steel & Power) together produced 29.984 million tonnes during this period, which was a growth of 8.07% compared to last year. The rest i.e. 23.373 million tonnes was the contribution of the Other Producers, which was a growth of 1.3% compared to last year. Crude steel production has shown a sustained rise since 2006-07 along with capacity.

The following table sets forth the persistent growth in crude steel production, capacity and capacity utilization:

Year	Crude Steel		
	Capacity ('000 tonnes)	Production ('000 tonnes)	Capacity utilization (%)
2006-07	56843	50817	89
2007-08	59845	53857	90
2008-09	66343	58437	88
2009-10**	75001	65839	88
2010-11*	78001	69575	89
Apr-Dec. 2011-12*	84461	53357	84

Source: JPC; * =Prov. ** Revised figures

(Source: Annual Report of 2011-12 by Ministry Of Steel, Government of India)

Also, 301 MoUs have been signed with various States for planned capacity of around 488.56 million tonnes.

Finished Steel Production & Consumption in India

In case of total finished steel (alloy + non-alloy) during April – December 2011-12, production for sale was at 52.061 million tonnes, registering a growth of 7.5% and steel exports, at 3.048 million tonnes saw a growth of 23.8% while steel imports were at 4.984 million tonnes, a decline of 7%. India remained a net importer of steel. Domestic real steel consumption was at 50.865 million tonnes and increased by 4.4% during the same period.

Consumption of finished steel has grown at a CAGR of 9.6 % during the last six years.

Year	Total Finished Steel (alloy + non-alloy) ('000 tonnes)			
	Production for sale	Import	Export	Real Consumption
2006-07	52529	4927	5242	46783
2007-08	56075	7029	5077	52125
2008-09	57164	5839	4437	52351
2009-10**	60624	7382	3251	59339
2010-11*	66013	6798	3461	65610
Apr-Dec 2011-12*	52061	4984	3048	50865

Source: JPC; * =Prov. ** Revised figures

(Source: Annual Report of 2011-12 by Ministry Of Steel, Government of India)

Key Statistics

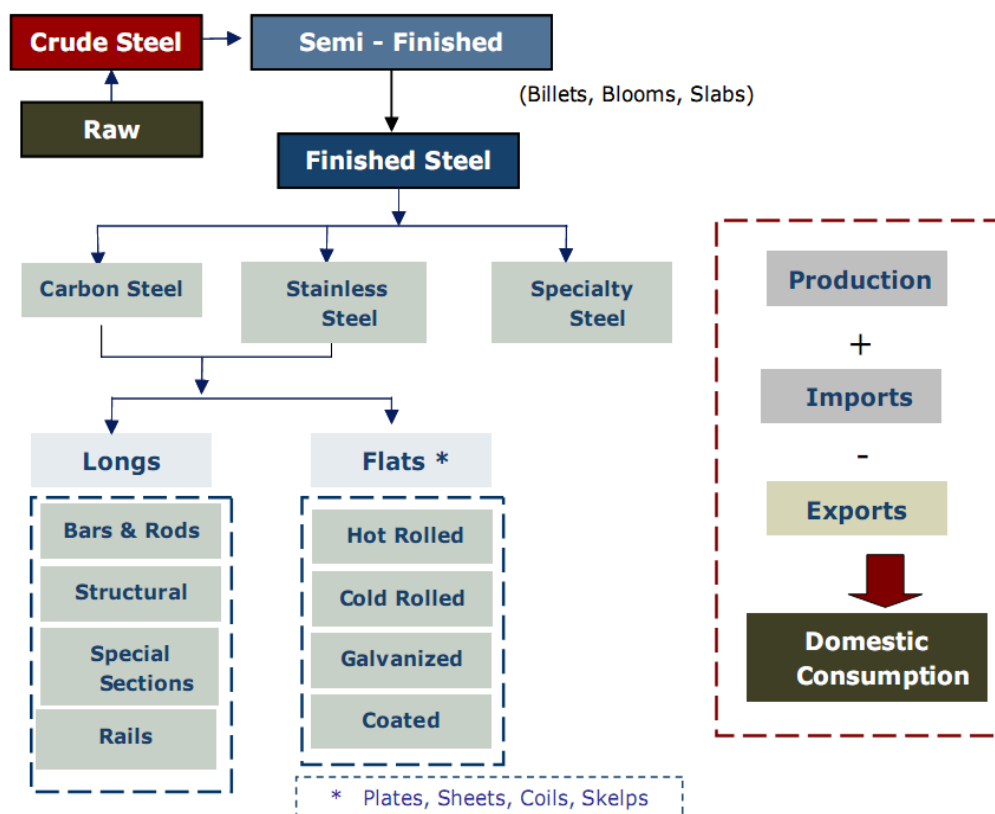
INDIAN STEEL SCENE: Apr – Dec 2011-12*		
Total Finished Steel (alloy + non-alloy)	Qty (million tonne)	% change over same period of last year
Production for sale	52.061	7.5
Import	4.984	-7.0
Export	3.048	23.8
Real Consumption	50.865	4.4
Crude steel		
Production	53.357	3.5
Capacity Utilization (%)	84	-

**Provisional*

(Source: Annual Report of 2011-12 by Ministry Of Steel, Government of India)

Structure of the Indian Steel Industry

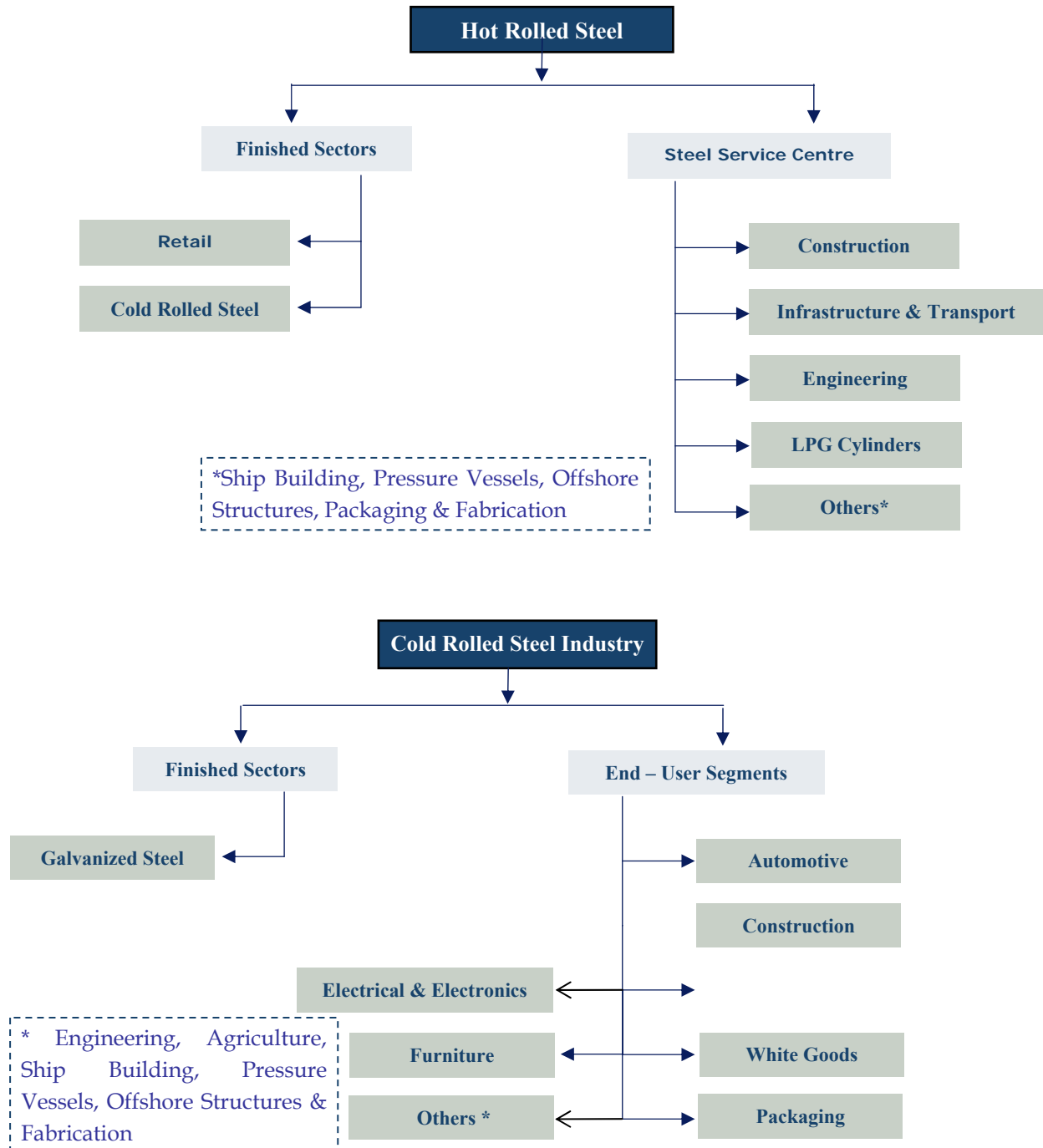
The Indian Steel Industry can be structured on the types of alloys used in manufacturing process. Finished steel is produced in the form of long and flat products and is normally available from integrated steel plants or secondary producers covering mini steel plants and re-rollers. Bars and rods along with structural heavy products belong to the category of long products of steel and generally produced from billet/ingot in rod mill/structural mill. Hot rolled, cold rolled and galvanized products belong to flat products which are generally produced from rolling steel through set of rollers to produce the final thickness.



(Source: LIL Management)

HR and CR Steel Industry

➤ Structure



➤ Production for sale

Production for sale of HR Coils / Skelp at an estimated at 10.1 Mt rose by 16.0% during April – December 2011 over the same period of the previous year, according to the provisional figures of JPC. Production for sale of CR Sheets / Coils during the above period at 4.29 million tonnes rose marginally by 0.8% in the above comparative periods.

➤ *Imports*

Imports of HR Coils during April –December, 2011 declined significantly by 43% at 1.106 million tonnes over during the same period of the previous year. However imports of CR Coils recorded a robust growth of 39% at 1.155 million tonnes, over 0.831 million tonnes in the above comparative periods.

➤ *Exports*

Exports of HR Coils at 0.743 million tonnes during April – December, 2011 rose by 79% over 0.415 million tonnes in the same period of the previous year. Export of CR Coils at 0.21 million tonnes rose marginally by 2.44% over 0.205 million tonnes in the above comparative periods.

➤ *Consumption*

The consumption of HR Coils /Skelp, after accounting for double counting rose to 10.455 million tonnes during April – December, 2011 recording a marginal growth of 0.3% over the corresponding period of the previous year. The consumption of CR Sheets / Coils, after accounting for double counting, at 5.237 million tonnes rose by 6.0% during April – December, 2011 over the same period of the previous year.

The Indian hot-rolled steel and cold-rolled steel industries have recorded remarkable growths in terms of higher production which has helped in achieving increased consumption of these products in recent years as the domestic demand grew in India. The producers are continuously improving their production technologies and upgrading the process technologies with the help of world major.

(Source: *Steelworld, March 2012*)

Market Scenario for Long and Flat Products

➤ ***Bars / Rods, Structural, Railway Materials***

Bars & Rods: Consumption of bars & rods picked up considerably during 2010-11 registering a growth of 13.1%. Overall, even though consumption of bars & rods grew somewhat tardily in the two post-crisis years, the rate of growth has remained positive throughout the last five years. As creation of infrastructure has been accorded top priority in the 12th Plan with an anticipated investment of more than US \$ 1 trillion, it is likely that construction of physical infrastructure such as airports, flyovers, bridges, ports, etc., along with industrial complexes would get a boost - thereby accelerating growth in consumption of bars & rods. Taking these factors into consideration, a growth rate of 10% has been adopted for projecting demand for bars and rods during the 12th Plan.

Structurals: Consumption of structurals, also linked with the construction sector, has seen fluctuating growth rates in the last 5 years. In 2009-10 consumption of structurals recorded a negative growth of more than 21%, only to be followed by a very steep increase of around 34% in 2010-11. Consumption of structurals is currently facing competition from pre-fabricated structures – a segment growing at a very fast clip. At the same time, despite the competitive pressures, a number of new structural mills (i.e., medium structural mill at DSP, universal beam mill at ISP, etc.) are expected to come on stream in the near future to cater to the growing demand for structurals, particularly in high rise construction. Keeping these conflicting developments in view, a marginally lower CAGR of 9.5% as compared to bars & rods has been adopted for forecasting demand for structurals (same as that observed in 2006-07).

Railway materials: Railway procurement of wagons has come down steeply over the past few years. The dedicated freight corridor projects are expected to commence in earnest by 2012-13, which would enhance consumption of rails substantially in the 12th plan period. In 2010-11 railway materials registered a growth of more than 11% while it declined by 17% in 2009-10 and grew by 10% in 2008-09. Keeping these wide variations in growth rates in view as also the prospects of higher rail consumption due to thrust on railway connectivity and movement of rail transport, an annual average growth of 5% has been assumed (same as observed in 2006-07) for purposes of demand projection of railway materials during the 12th Plan.

➤ **Plates, HR Coils, Pipes**

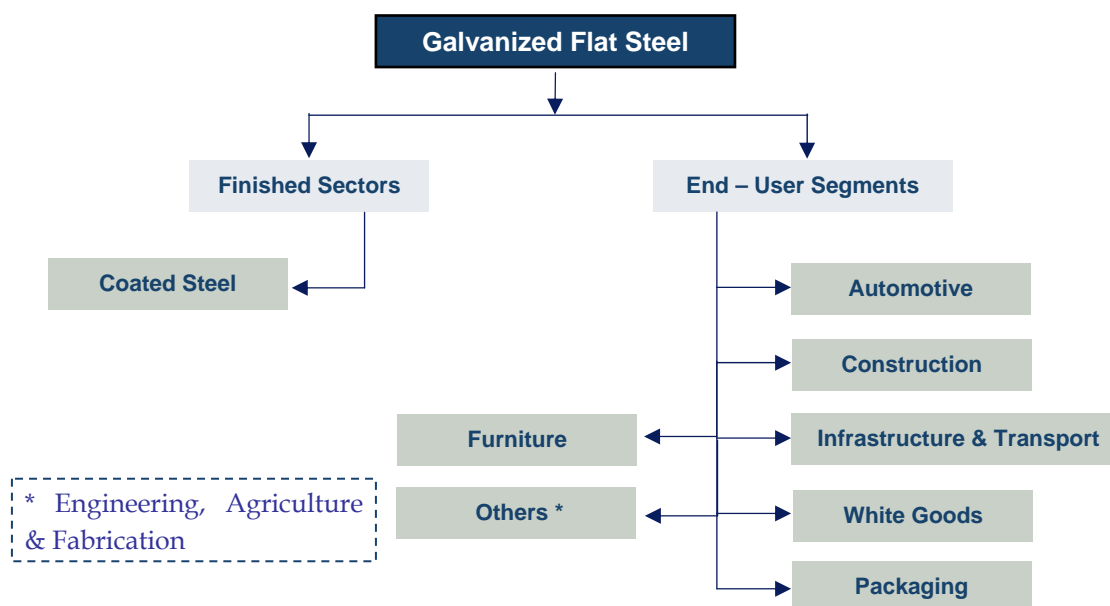
Plates: The oil and gas sector is poised for high growth because of which demand for API plates is increasing. Also pre-fabricated structural segment is exhibiting good growth potential. Taking into account all these factors, an annual average growth rate of 7.5% has been adopted for projecting future consumption of plates (against 6% observed in the past).

HR Coils: Consumption of HR coils has grown by 7.5% annually in the past 6 years driven primarily by a 9.7% growth in Manufacturing IIP. The Government has come out with a new Manufacturing Policy aimed at creating conditions necessary to enable India’s manufacturing sector to enhance its share in GDP from the current 16% to 25% and to achieve a growth of 11 – 12% in the coming years. Keeping these initiatives in view, a marginally higher growth rate of 9% has been assumed as against the observed growth rate of 7.5% in the past 5 years.

Pipes: Consumption of pipes went up by 32% in 2010-11. Prior to this quantum increase in the course of a single year, consumption of pipes declined by 15% in 2009-10 after growing by 15% and 14% in the two preceding years of 2007-08 and 2008-09, respectively. Oil & gas sector is the major user of pipes which is growing at an average rate of 15 – 18 %. Keeping in view the massive potential in oil & gas sector, an annual average growth rate of 12% has been adopted for projecting the demand for pipes over the 12th Plan period.

(Source: Report of the Working Group on Steel Industry for the Twelfth Five Year Plan (2012 – 2017), Ministry of Steel, November 2011)

➤ **Galvanized Flat Steel Market Segmentation**



Key Statistics

The following table sets forth the category-wise Production for Sale of Finished Steel (Alloy and Non-Alloy):

(`000 Tonnes)

CATEGORY	2009-10				2010-11 (Prov.)				2011-12 (Apr-Dec) (Prov.)			
	Main Prods	Major + Other Prods	IPT/ Own Cons	Prod for sale	Main Prods	Major + Other Prods	IPT/ Own Cons	Prod for sale	Main Prods	Major + Other Prods	IPT/ Own Cons	Prod for sale
1. Non-flat Products												
Bars & Rods	5731	16039		21770	5791	18577		24368	4042	14981		19023
Structuruals	826	3318		4141	798	4739		5537	526	3842		4368
Rail &	862	179		1041	898	196		1094	655	137		792

CATEGORY	2009-10				2010-11 (Prov.)				2011-12 (Apr-Dec) (Prov.)			
	Main Prods	Major + Other Prods	IPT/ Own Cons	Prod for sale	Main Prods	Major + Other Prods	IPT/ Own Cons	Prod for sale	Main Prods	Major + Other Prods	IPT/ Own Cons	Prod for sale
Railway Materials												
<i>Total (1)</i>	7416	19536	0	26952	7487	23512	0	30999	5223	18960	0	24183
2. Flat Products												
Plates	2521	1454	2	3973	2592	1662	4	4250	1763	1343	2	3104
H R Coils/Skelp/Strips	5033	11726	4757	12002	5036	13076	5750	12362	3628	10262	3770	10120
H R Sheets	283	342	22	603	265	334	29	570	152	217		369
C R Coils/Skelp/Strips	1761	7545	3392	5914	1778	7581	3597	5762	1183	5869	2758	4294
GP / GC Sheets	765	4855		5620	672	4924		5596	460	3966		4426
Elec. Sheet	79	67		146	77	99		176	44	76		120
Tin Plates	18	221		239	7	226		233	8	185		193
T M B P		0		0	0	0		0	0	0		0
Tin Free Steel		7		7	0	0		0	0	0		0
<i>Total (2)</i>	10460	26217	8173	28504	10427	27902	9380	28949	7238	21918	6530	22626
3. Pipes (Large Dia.)	60	1576		1636	84	1767		1851	55	1477		1532
TOTAL FINISHED STEEL (Non-Alloy)	17936	47329	8173	57092	17998	53181	9380	61799	12516	42355	6530	48341
TOTAL FINISHED STEEL (Alloy / Stainless Steel)	102	3764	334	3532	282	4280	348	4214	199	3764	243	3720
TOTAL FINISHED STEEL (Non-Alloy + Alloy)	18038	51093	8507	60624	18280	57461	3728	66013	12715	46119	6773	52061

(Source: Annual Report of 2011-12 by Ministry Of Steel, Government of India)

Estimated Demand and Capacity Creation

The following table presents the summary of Demand Supply Projections (Alloy and Non-Alloy):

(Million Tonnes)

S. No.	ITEM	2010-11	2016-17
1	Demand for Carbon Steel	62.14	108.30
2	Demand for Alloy/Stainless Steel	3.47	5.00
3	Total Domestic Demand for Steel	65.61	113.30
4	Net Export	-3.34	2.00
5	Production (net of double counting)	62.27	115.30
6	Category-Wise Consumption (Carbon Steel)		
	Bars & Rods	24.44	43.60
	Structurals	5.62	9.30
	Railway Materials	1.10	1.4

S. No.	ITEM	2010-11	2016-17
	Total Long Products	31.16	54.30
	Plates	4.76	7.20
	HR Coils/Skelp/Sheet (excl. double counting)	13.07	22.60
	CR coils/sheets (excl. double counting)	6.00	11.20
	GP/GC	4.74	8.80
	Electrical Sheets	0.49	0.80
	Tin Plate/TFS	0.40	0.60
	Pipes	1.54	2.80
	Total Flat Products	30.99	54.00
	Total Carbon Steel	62.14	108.30
7	Total Requirement of crude steel	-	142.30
8	Likely Capacity of Crude Steel	78.00	149.00

As per Planning Commission report, India's steel demand is likely to grow at an average of 10.30% in the next five fiscal years on the back of infrastructure development and higher per capita consumption.

With a series of mega projects, either being implemented or at the proposal stage, which once operational, will re-write the structure of the steel industry and its dynamics; and a domestic economy carrying forward the reform process further, the future of the Indian steel industry is definitely optimistic.

The National Steel Policy had set a production target 110 million tonnes to be achieved by 2019-20. The Indian steel industry may achieve double digit growth in consumption and surpass this production target by 2016-17 well ahead of the target date.

(Source: Report of the Working Group on Steel Industry for the Twelfth Five Year Plan (2012 – 2017), Ministry of Steel, November 2011)

Recent Growth Rates of Production of Selected Steel Consuming Industry Groups:

Item Group	Steel Products used	Growth rates (%)		
		2008-09	2009-10	2010-11
LPG Cylinder	HRC	5.7	55.0	13.9
Drums & Barrels	CR	(-)21.4	42.7	(-)2.5
Complete Tractors	HRC/ Strls.	(-)0.4	26.3	23.9
Refrigerators	CR	3.1	25.8	9.8
Power Transformers	CRGO	(-)1.9	16.5	13.4
Commercial Vehicles	CR/Plate	(-)23.6	36.0	32.8
Passenger Cars	HR/CR/ Plate	6.7	26.0	28.4
Auto Ancillaries & Parts	HR/CR			25.0
Motor Cycles	CR	4.6	24.2	24.7
Agricultural Implements	HR/Plate	(-) 26.6	(-) 11.1	(-)28.2
Material Handling Equipment	Plate/ HRS/ Strls.	(-)3.5	22.9	(-)8.4
Washing Machines	HR/ CR	8.1	26.4	(-)0.8
Diesel Engines	HR/ Plate / Strls.	18.8	5.3	11.2

(Source: Report of the Working Group on Steel Industry for the Twelfth Five Year Plan (2012 – 2017), Ministry of Steel)

Government Initiatives

- 100 per cent foreign direct investment (FDI) through the automatic route has been allowed in the sector

-
- Large infrastructure projects in Public-Private Partnership (PPP) mode are being formed
 - Government is encouraging research and development (R&D) activities in the sector
 - Government of India has framed the National Steel Policy (NSP) to encourage the steel industry to reach global benchmarks in terms of quality, cost and efficiency
 - The main highlight of the Union Budget 2012-13 for the steel industry was the proposal to reduce basic customs duty on plant and machinery imported for setting up or substantial expansion of iron ore pellet plants or iron-ore beneficiation plants from 7.5 per cent to 2.5 per cent.

(Source: IBEF, July 2012)

Steel Service Centres (SSCs)

A Steel Service Center functions as an intermediary link between steel producers and end users. The main role of a Steel Service Center is to perform processing requests on steel products as per customer specifications and supply the product in the exact dimensions, form and quantity demanded by customer.

SSC is primarily a value adding intermediary, taking the finished product of ISPs and providing the final customer with the customized product as per its requirement. SSCs fill in the service gap between the steel producers and the final consumers by providing supply chain management, procurement services, technical services, stocking, processing, and just-in-time services. SSCs procure steel products in large quantities from ISPs, stock the material in inventory and process it as per the customers' requirement.

Service centres usually offer varying degrees of material preprocessing which involves Slitting, Shearing, Cutting to Length, Pickling & Oiling, Plate Burning, Roll Forming, Bending etc. thus making the steel immediately usable by the final customer. The type, quantity, and sophistication of pre-processing services offered by a particular steel service centre is determined by the SSCs' scale of operations, product and customer mix. SSCs handle a variety of steel products and form the largest domestic steel industry's customer group. They serve as the steel industry's working reservoir of materials and services. Approximately 300,000 firms buy large portion of their metal requirements from SSCs.

Evolution of Role played by SSCs

Originally SSCs were steel stockists, as due to poor road and railway infrastructure, there were inevitable logistic issues, resulting in delay in delivery of the final product to the customer & SSCs by stocking goods, ensured just in time delivery. In the traditional steel service centre model, customers would procure steel from steel mills/stockyards/distributors and then get it processed as per their customized requirements from the processors/steel service centres. Thus, the customer is in the middle of the supply chain, interacting with steel mills at one end and with SSCs on the other. A schematic presentation of a SSC model is shown below:

The SSC industry is moving towards a one-stop solution platform. As shown in the illustration above, the customer will directly procure the customized products from SSCs, thus eliminating the need to deal directly with steel mills thereby leading to one-stop solution for the customer.

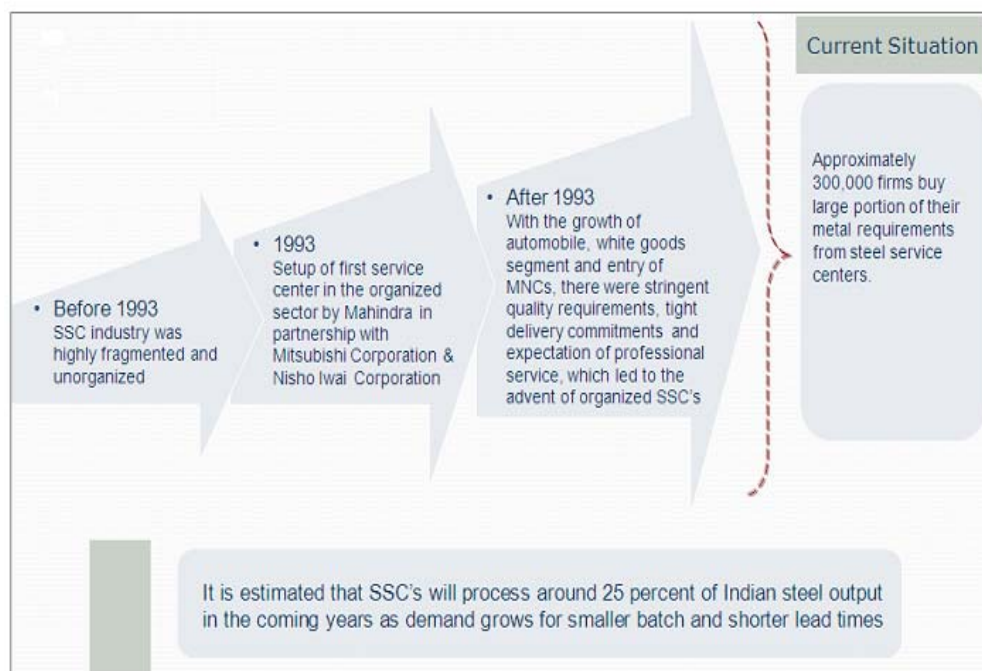
Key Advantages of SSCs

- *Shorter Lead Time:* SSCs hold ample amount of inventory with them, which enables them to respond to the demand of their customers at the earliest.
- *Smaller Batches:* SSCs can supply smaller quantities as against the steel producing companies which generally take up big orders.
- *Growing Preference for SSCs:* Growing sectors like Automobile and Construction are readily accepting SSCs.
- *Logistics Cost:* Proximity to customer enables SSCs to put on the cost arising due to transportation, thus benefiting their customers.
- *Product Range:* SSCs provide their customers with enhanced product portfolio.
- *Quality Certification:* SSCs ensure a standard quality for the products.

(Source: LIL Management)

Growth of SSCs in India

The concept of SSCs is quite popular in the overseas market. However, in India it has recently started gaining momentum. The first Steel Service Centre in the organised sector was setup in 1993 by Mahindra Group in partnership with Mitsubishi Corporation and Nissho Iwai Corporation of Japan (now Metal One Corporation). In the beginning, SSCs in India were highly fragmented. With the growth of automobile, white goods segmented and entry of MNCs, there were stringent quality requirements, tight delivery commitments and expectation of professional service, which led to the advent of organized SSCs. In addition to these external factors, the focus on supply chain efficiencies also gained ground. This resulted in the emergence of organized SSCs in the country.



(Source: Management Estimates)

At present, some of the big names in the domestic steel sector like Tata Steel Ltd., SAIL, JSW Steel Ltd. and Essar Steel Ltd. are gradually firming up their foothold in the SSC segment. The contribution of SSCs in India to total Indian steel production is very low as compared to other countries where SSCs account to 15-30% of the total steel production. Thus, there is huge untapped potential in this segment. It is estimated that SSCs will process around 25% of Indian steel output in the coming years as demand grows for smaller batches and shorter lead times.

Looking at the entire steel market, including smaller customers served through trade, it is clear that customer requirements are complex, and they vary not only across customer segments but also within the same segment across geographies. Requirements differ not only on product specifications, price appetite and credit needs, but also on service expectations, logistics needs and the degree of processing required. Thus, it is not enough to include a standardized processing or service component in the offering. As a result, each steel consuming hub in the country differs in its service requirements from other hubs. It is hence essential to see the market not as one homogeneous territory but to customize the service strategy to each of the hubs. Steel marketers can equip themselves to compete in this way by customizing the service strategy which requires a structured process to be followed as depicted in diagram below. Such an exercise would result in a customized Service Centre solution for each consumption hub.



Key Players

With growing demand and opportunities in SSC segment, various big players have increased their capacity over the years. Key players of this segment are mentioned below:

Company	Capacity (TPA)	Plant Location
JSW Steel Ltd.	14,300,000	Toranagallu, Vasind, Tarapur, Salem
SAIL	6,410,000	Bhilai, Durgapur, Rourkela
Essar Steel Ltd.	4,000,000	Chennai, Pune, Hazira, Bahadurgarh, Bhuj, Dubai
Tata Steel Processing & Distribution Ltd.	2,500,000	Jamshedpur, Faridabad, Pune, Tada, Pantnagar

(Source: Company websites)

Key Demand Drivers

The Indian Steel Industry has been a cyclical industry, but the SSC business would be benefited from the following key demand drivers:

- **Growth in Automobile Sector**

Automobile is one of the important sector to which Steel Service centre caters. Growth in automobile sector leads to increase in demand of processed steel. The cumulative production for April-June 2012 registered a growth of 7.65 per cent over April-June 2011, manufacturing 1,700,675 vehicles in June 2012.

(Source: IBEF, July 2012)

In 2011-12, the industry produced total 20,366,432 vehicles. The growth rate for overall domestic sales for 2011-12 was 12.24% amounting to 17,376,624 vehicles. In the month of only March 2012, domestic sales grew at a rate of 10.11% as compared to March 2011.

According to the forecasts made by CMIE, overall automobile production is expected to expand by 9.6% in 2012-13 wherein commercial vehicle production is expected to clock a healthy growth rate of 8.5%. The report predicts that the medium and heavy commercial vehicle production would grow by 2.4% while passenger vehicle production would enhance by 9.7%. Multi-utility vehicles are expected to grow faster at 19.7% while two-wheeler production is anticipated to grow by 9.7%.

(Source: SIAM, 2011-12)

- **Infrastructure**

The Union Budget 2012-13 is a pragmatic and growth-oriented one. The Infrastructure Sector has been given due thrust in the budget. Doubling the infrastructure tax-free bond amount to ₹ 600,000 million (US\$ 10.66 billion) and investment of ₹ 50,000 billion (US\$ 888.10 billion) in the Infrastructure Sector in the 12th Plan are steps that present a scenario conducive for growth of steel industry. Also, Infrastructure projects (like Golden Quadrilateral and Dedicated Freight Corridor) will give boost to the demand in the steel sector in near future.

- **Proposed Investment Outlay in Steel Sector**

301 MoUs have been signed with various States for planned capacity of around 488.56 million tonnes. There is a net increase in FDI inflows into India in the metallurgical sector, including steel sector. The amount of FDI inflow into the sector for 2011-12 was worth US\$ 1,765.07 million.

(Source: DIPP, Ministry of Commerce)

The main highlight of the Union Budget 2012-13 for the steel industry was the proposal to reduce basic customs duty on plant and machinery imported for setting up or substantial expansion of iron ore pellet plants or iron-ore beneficiation plants from 7.5 per cent to 2.5 per cent.

(Source: IBEF, July 2012)

- **Foreign investments and private sector participation**

Domestic and foreign investors have shown a great deal of interest in setting up steel capacities in the country. Prospective investors include the existing public sector as well as private sector manufacturers, reputed foreign manufacturers, sponge iron makers going in for forward integration, as well as small rolling mills trying to get into backward integration, among others.

(Source: Annual Report of 2011-12 by Ministry of Steel, Government of India)

- **Low per capita consumption with significant upside**

While the per capita consumption has grown from 31 kg in 2003 to 56 kg in 2011, it is still less than 30% of the global average, presenting significant potential for growth. Further, the Twelfth Five Year Plan envisages an investment of USD 1 trillion in infrastructure, which will boost the demand for steel.

(Source: Steel Summit 2012- Indian Steel)

- **Increasing global competitiveness of Indian Steel makers**

Indian steel makers are not only building their capabilities in this vast domestic market but have also established their credentials in the global market, with steel plant acquisitions, raw material asset acquisitions, and several strategic alliances with upstream and downstream players.

(Source: Steel Summit 2012- Indian Steel)

- **Increasing focus on innovation**

The increasing focus on R&D by Indian companies has resulted in innovations in products and processes that enable them to compete in the global marketplace and also contribute to sustainable development.

(Source: Steel Summit 2012- Indian Steel)

Apart from the aforementioned reasons, there are several other factors that highlight the growth potential in this Sector:

- Domestic crude steel production grew at a compounded annual growth rate of 8.4% in the last few years.
- Crude steel production capacity of the country is projected to be around 110 million tonne by 2012-13.
- Investments at stake are to the tune of \$187 billion in the Steel sector.
- Increase in the demand of steel in India is expected to be 14% against the global average of 5-6% due to its strong domestic economy, massive infrastructure needs and expansion of industrial production.
- Demand of steel in the major industries like infrastructure, construction, housing, automotive, steel tubes and pipes, consumer durables, packaging and ground transportation.
- Target for \$ 1 trillion of investments in infrastructure during the 12th Five Year Plan.
- Projected New Greenfield & up-gradation of existing Airport shall keep the momentum up.
- Increased demand of specialized steel in hi-tech engineering industries such as power generation, automotive petrochemicals, fertilizers etc.

(Source: Ministry of Steel – India Steel 2013)

OUR BUSINESS

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the Sections titled 'Risk Factors' and 'Financial Information' and Chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 12, 191 and 235 respectively, of this Red Herring Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of this Red Herring Prospectus, all references to "we", "us", "our" and "our Company" are to Loha Ispaat Limited and Group Entities as the case may be.

OVERVIEW

We are one of the organized Independent Steel Service Centers in India having an existing client base of over 500 customers Pan India, making us a major player in the flat steel product (i.e. HR and CR Coils, Sheets and Plates) markets in India.

We operate as an Independent Steel Service Centre that purchases raw materials like Hot Rolled Coils, HRPO, Cold Rolled Coils, CRCA, HR Chequered Coils etc. from steel manufacturers and converts them into various shapes and forms through Decoiling / Recoiling, Slitting, Shearing, Cut to Length and other value additions such as Pickling, Oiling, CNC Plasma Cutting, Profiling, Roll Forming, (Trapezoidal, Corrugated), Bell Annealing, Rewinding, Cold Rolling Mill, Skin pass Mill, Trapezoidal Cutting, Gas Cutting etc. We serve an important function as an intermediary between primary metal producers that generally sell large volumes of limited sizes and configurations, and end-users that require efficient services and economical quantities of customized products.

Our product portfolio offers a diversified product range which includes variety of grades, thickness, widths and standards, in HR, CR, HRPO, CRCA, Galvanized coils and plates, Chequered Coils & plates, Trapezoidal Blank etc. according to customer specifications (TDC). We serve a well-diversified base of customers across industries like Automobile, Bearing, Fabrication, Packaging, General Engineering, Pipe manufacturing, White Goods, Infrastructure, Home Appliances etc. The quality standards at our processing facilities are ISO 9001:2008 certified.

Currently, our company operates from two locations in Western Maharashtra, i.e. at Khopoli and Taloja, both of which are within a range of 100 kms from Mumbai. The existing Khopoli Unit provides various lines for Slitting and CTL facilities and has been operating an installed capacity of 900,000 MTPA, which would stand further, augmented to 2,181,900 MTPA post the current expansion project which has started initial commercial production in September 2012. The Taloja Unit operates manual pickling of HR sheets and plates (annual capacity of 105,000 TPA) and we have also commissioned a Cold Rolling Mill (CRM) Complex with a capacity of 30,000 TPA (which will include Automatic Push-Pull Pickling, CRM, Skin Pass Mill, Rewinding cum Slitting Line and Bell Annealing Furnace) at nearby locations in M.I.D.C, Taloja. The proposed CRM complex has started initial commercial production with the automatic push-pull pickling division in September 2012.

In order to consolidate our presence across India, to help us gain a strong foothold in the regional markets (which have huge untapped potential), we have our team of localized marketing personnel, for our marketing operations. In addition, our company is supported by two subsidiaries in Dubai & Hong Kong in order to carry out its international business and marketing activities.

Our consolidated Revenues have grown from ₹ 15237.57 million in fiscal 2009-10 to ₹ 34357.24 million in fiscal 2012-13, representing a CAGR of 31.13%. Our consolidated earnings before interest, tax, depreciation and amortization have increased from ₹ 1063.96 million in 2009-10 to ₹ 2374.29 million in 2012-13, representing a CAGR of 30.68%. Our consolidated profit after tax has increased from ₹ 459.74 million in fiscal 2009-10 to ₹ 704.44 million in fiscal 2012-13, representing a CAGR of 15.29%. Our consolidated Revenues, earnings before interest, tax, depreciation and amortization and profit after tax amounted to ₹ 20244.10 million, ₹ 1409.57 million and ₹ 389.10 million respectively, for the six months period ended September 30, 2013.

As on date, our Company has staff strength of 455 employees for its existing operations. For further details kindly refer to "Our Business - Human Resources" on page 135 of this Red Herring Prospectus.

OUR STRENGTHS

Today's dynamic markets and technologies have called into question the sustainability of a competitive advantage. We believe that following competitive advantages of our company would ensure our survival and help us attain a prominent position in the market:

- *One Stop Solution Provider (i.e. Diversified Variety of readily available Steel Material and ability to provide Customised Product Specifications)*

We provide a one stop shop to our clientele for their customized steel product supply needs. Our company offers a variety of sizes, grades and standards of raw material which is procured from various reputed ISPs and further processed according to the customer's specifications. We are a multi-product steel processing company with a service portfolio including Slitting, CTL and Pickling of products in various sizes and shapes. For further details, regarding the current as well as proposed size, thickness and relevant descriptions of the products we service and supply kindly refer to "*Our Business - Products and Services*" on page 118 of this Red Herring Prospectus.

As compared to other independent steel manufacturers who would be able to produce only a particular type of product to a customer, our competitive advantage lies in procurement of raw materials from various leading ISPs which gives us an advantage of servicing our customers with products ranging to all sizes, grades and standards under one roof. We believe that our wide base material range will lead to customer retention and allows us to attract new customers.

Our service centre facility is responsible for the processing of material as per specific technical parameters (TDC) specified by the customers, which include but are not limited to Slitting and CTL in required dimensions, Length tolerance, Butt height tolerance, Width tolerance, Shape "I" roll formed section variance and Pickled surface quality. By providing customised products we ensure zero wastage for the end user of steel and hence increase the overall efficiency of the steel supply chain. This provides us a distinctive edge over other suppliers or ISPs who sell steel in large quantities and hence lead to additional wastage at the end user's site.

- *Dual Focus on Quality and Service*

Our products adhere to high quality standards and our processing facilities are ISO 9001:2008 certified. Our SSC operates in three shifts each day and hence ensures that all our products go through exhaustive R&D and rigorous inspection by trained and experienced personnel. This ensures that our products are consistently within the specification parameters. We maintain an in house Physical and Chemical laboratory to test the quality of raw materials which we supply as per customer specifications. Thus the consistencies achieved in the high quality of our products provide a vital edge to our company. Further, we provide support to our customers through a 24 x 7 x 365 operative telemarketing and technical support teams.

- *Diversified Customer base and Long-term relationship with our customers*

We have a well diversified customer base of more than 500 regular large and medium size customers all over India. No single customer accounted for more than 1% of our net sales in fiscal 2013, while our ten largest customers represented less than 5% of our net sales in fiscal 2013. Our customers include global authorized vendors of leading corporate houses and OEMs covering more than 100 types of industry segments and sub segments such as Automobile, General & Heavy Engineering, Fabrication, Pipe & Tubes and Power & Infrastructure. This reduces the intensity of any significant single industry's contribution in our revenues.

We are also diversified on geographical basis, with focus on distinct geo strategic regions. This protects us against regional fluctuations in demand, thereby reducing the off-take risk and bringing stability to the revenues of our company.

Our continuous focus on providing quality products and services consistently to our customers has helped us nurture long-term relationships with them. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them. We have a history of high customer retention and derive a significant proportion of our revenue from repeated business.

- *Locational Advantages*

The existing steel service centre is located at Khopoli, which is situated in the Raigad district of Maharashtra, approximately 45 km from Panvel railway station. The location at Khopoli has the following key advantages:

- ✓ Well-developed industrial area having basic infrastructure facilities like power & water available locally
- ✓ Availability of cheap labour from nearby villages and surrounding areas
- ✓ Availability of skilled personnel from the nearby cities such as Panvel
- ✓ Proximity to NhavaSheva port providing easy access to imported HR coils and also for exporting its products in future
- ✓ Proximity to Pune, which is one of the major auto market hubs in India

- *Experienced and strong Management Team*

Our Company is managed by a team of professionals led by the Chairman & Managing Director, Mr. Rajesh Poddar, who has been associated with the Steel Industry since almost three decades. We believe our growth strategy in combination with management's demonstrated ability to manage metal procurement and inventories to consistently meet our customers' high expectations for service and reliability, serves as a foundation for future revenue growth and stable operating profit. The Promoter and the Senior Management team of our Company have significant industry experience and have been instrumental in the consistent growth of our Company's performance. For further details on education, experience and other details of our Management and our Key Managerial Personnel, kindly refer to the Chapter titled "*Our Management*" beginning on page 163 of this Red Herring Prospectus.

OUR STRATEGIES

Our strategic objective is to be the "SSC of First Choice" for consumers by providing supply chain management, procurement services, technical services, stocking, customized processing, and just-in-time (JIT) delivery services thereby redefining the Indian steel sector effectively. We intend to achieve this by implementing the following strategies:

- *Increase in Order-taking Appetite by augmenting our working capital base*

We believe there is growing trend towards buying steel from Steel Service Centres in order to enjoy customised as well as readily available diversified products. Hence in our opinion, the total steel produced in India, would directly or indirectly have the requirement of processing and under the current scenario, approximately 10-15% if being processed by organised SSC's. Hence we believe that the estimated growth rate for SSC's could be higher than the estimated growth of steel production in India. In line with our strategy to position ourselves as a well-organised Independent Steel Service Centre, we plan to increase our order-taking appetite by expanding our operational capabilities. Currently, our Company has started commercial production of the Cold Rolling Mill (CRM) Complex with the automatic push-pull pickling line in September 2012 and the remaining processes of CRM, Skin Pass Mill, Rewinding cum Slitting Line and Bell Annealing Furnace have been commissioned in the first quarter of FY 2013-14. In addition, our company is in the process of augmenting its capacity of its existing steel service centre at Khopoli by setting up additional Cut to Length lines and Slitting Lines of 1,281,900 TPA. Hence, in order to effectively operate the aforementioned additional facilities along with the existing facilities we need to have access to a larger amount of liquid funds and sufficient working capital. The same are proposed to be funded from the IPO proceeds and from Banking Facilities. For further details of the proposed working capital requirements of the company, kindly refer to the Chapter titled "*Objects of the Issue*" beginning on page 81 of this Red Herring Prospectus.

- *Add Variety in the Product Range and thereby increase plant capacity*

Our focus is to cater to every consumer of steel products. We have been continuously expanding and revamping the range of products and services. We intend to enhance the range of services in flat products and further broaden the scope by processing of long products, thus enabling our customers to get all their processed steel requirements at a single place. Considering the future market potential for higher dimensions of thickness and width, we are increasing the processing range of machineries from thickness 0.3 – 4.0 mm CR and to 1.00 mm – 25 mm HR and a maximum width from 2,000 mm to 2500 mm at our existing steel service centre at Khopoli by setting up additional

CTL lines, slitting lines and other variety of processing lines. We have also set up CRM facility at Taloja, where CR processing activities for thickness 0.1 – 3.0 mm (with input material ranging from 1.0-4.0 mm HR) and a maximum width upto 400 mm will be carried out.

- *Diversifying into different product segments through a Franchisee Model and also becoming an Integrated Metal & Steel Service Centre.*

We have ready infrastructure available at Khopoli and Taloja and we have already purchased and installed the plant and machinery which have multipurpose properties and can be used to process steel as well as metals. Hence, we aim to become a diversified Metal Service Centre by diversifying into different metals and expanding the scope of Value Added Services which are currently being provided to our customers. We look forward to process non-ferrous metals, as well as products that require significant value-added processing which are highly customized. This focus will enable us to further leverage our state-of-the-art processing facilities and provide value-added processing functions such as precision blanking, laser & plasma cutting and Roll Forming lines. Further, in order to create a foothold in long products market, we are in process of making tie-ups with Rolling Mills; wherein; we plan to market (through a franchisee model) structural steel products such as TMT Bars, Channels, Angles, Beams etc under our Brand name – Loha Shakti. We believe this will also enable us to fulfil a greater proportion of our customers’ steel/metal related requirements and will lead to an increased demand for our products and services.

- *Backward integration through setting up Cold Rolled Mill*

Our objective to set up CRM facility serves as a backward integration for the company. Presently we procure CRCA coils from ISPs to process in our SSC. With this expansion project we will be manufacturing CRCA coils at our Taloja facility. This will enable a stable supply of inputs and ensure consistent quality in our final products.

For details regarding our marketing strategies, kindly refer to “Our Business - Marketing Setup” on page 123 of this Red Herring Prospectus.

DETAILS OF OUR BUSINESS OPERATIONS

Location

Registered and Corporate Office:

Our Registered and Corporate Office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

Steel Processing and Servicing Facilities:

Currently, we operate two service facilities located in Western Maharashtra.

Unit I (Steel Service Centre) is located at Khopoli Pen Road, Khalapur Taluka, Raigad District - 410 203, Maharashtra. The process of Decoiling / Recoiling, Slitting, Shearing, Cut to Length and other value additions such as Pickling, Oiling, CNC Plasma Cutting, Profiling, Roll Forming, (Trapezoidal, Corrugated), Trapezoidal Cutting, Gas Cutting etc. is carried out here.

Unit II is operating through four plots in M.I.D.C, Taloja, where manual pickling operations are carried out (Plot No. E-19) and where the proposed CRM Complex (Plot No. E-6/1, A-79 and A-69) including Automated Push-Pull Pickling, CRM, Skin Pass Mill, Rewinding cum Slitting Line and Bell Annealing Furnace facilities is being set up.

For details on the aforementioned Units and other Properties owned/leased by us, kindly refer to “Our Business - Property” on page 137 of this Red Herring Prospectus.

Products and Services

We offer a product range which includes a variety of grades, thicknesses, widths and standards, in HR, CR, HRPO, CRCA, Galvanized coils and plates. Our Company serves diversified industries such as Automobile, Infrastructure, General & Heavy Engineering, Home Appliances and Construction.

Our company's products and their relevant specifications are as follows:

(mm)

Sr. No.	Description	Type	Thickness	Width
1	HR Coils & Sheets & Plates	Mild Steel	1.0 – 25.0	20 - 2500
2	HR Skin Pass Coils & Sheets	Mild Steel	1.5 – 10.0	600 - 2000
3	HRPO Coils & Sheets	Mild Steel	1.5 – 10.0	20 - 2000
4	HR Chequered Plate	Mild Steel	3.0 – 10	900 – 2000
5	HR Boiler Quality Plate	Mild Steel	5.0 – 100	900 – 4000
6	HR High Tensile Plate	Mild Steel	5.0 – 100	900 – 4000
7	CR Coils & Sheets	Mild Steel	0.3 – 4.0	10 – 2000
8	CRFH Coils	Mild Steel	0.2 – 2.0	600 - 1250
9	CRGO & CRNGO Coils / Sheets	Electrical Steel	0.5 – 0.65	100 – 1000
10	GP Coils & Sheets	Mild Steel	0.4 – 1.0	900 – 1250
11	Colour Coated Sheets	Mild Steel	0.10 – 2.5	600 - 1250

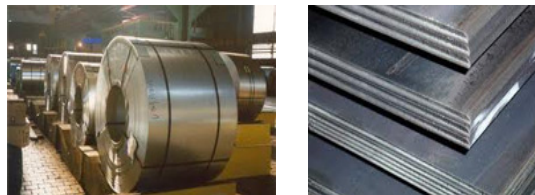
The other relevant details of the aforementioned Products are given below:

1) Hot Rolled Coils & Sheets &/ Plates



PRODUCT	PRODUCT GRADES	APPLICATION
Hot Rolled Coils & Sheets & Plates	IS 10748/1995, GRADES I, II, III, IV, V, IS 1079/ 1994, GRADES O, D, DD, EDD, IS 2062/2006, SAILMA, IS 2062/2006, GRADES B, C , IS 5986/ 1992, FE 330, 360, 410, IS 5986/1992, FE 510, IS 8500/ 1992,IS 11513/ 1985, GRADES O D, DD, EDD	<ul style="list-style-type: none"> • Roofs • Outer walls • Ovens • Electrically controlled cabinets • Industrial freezers • Explosive proof steel • Wheels • Brakes • Body structural parts • Bumpers • Suspension components • Drive train • Hydro formed tubes • Interior parts

2) *Hot Rolled Skin Pass Coils & Sheets*



PRODUCT	PRODUCT GRADES	APPLICATION
Hot Rolled Skin Pass Coils & Sheets	IS 10748/1995, GRADES I, II, III, IV, V, IS 1079/ 1994, GRADES O, D, DD, EDD, IS 2062/2006, SAILMA, IS 2062/2006, GRADES B, C , IS 5986/ 1992, FE 330, 360, 410, IS 5986/1992, FE 510, IS 8500/ 1992,IS 11513/ 1985, GRADES O D, DD, EDD	<ul style="list-style-type: none"> • Roofs • Outer walls • Ovens • Electrically controlled cabinets • Industrial freezers • Explosive proof steel

3) *Hot Rolled Pickled & Oiled Coils & Sheets*



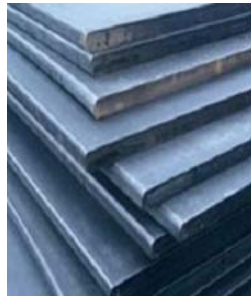
PRODUCT	PRODUCT GRADES	APPLICATION
Hot Rolled Pickled & Oiled Coils	IS 10748/1995, GRADES I, II, III, IV, V, IS 1079/ 1994, GRADES O, D, DD, EDD, IS 2062/2006, SAILMA, IS 2062/2006, GRADES B, C , IS 5986/ 1992, FE 330, 360, 410, IS 5986/1992, FE 510, IS 8500/ 1992,IS 11513/ 1985, GRADES O D, DD, EDD	<ul style="list-style-type: none"> • Mine Machinery, Textile Machinery, Common Machinery • Wind Mill • Apparatus • Holders of Compressors • Inner Hull of water heater chemical can • Components of bicycles • Different Welded Pipes
Hot Rolled Pickled & Oiled Sheets	IS 10748/1995, GRADES I, II, III, IV, V, IS 1079/ 1994, GRADES O, D, DD, EDD, IS 2062/2006, SAILMA, IS 2062/2006, GRADES B, C , IS 5986/ 1992, FE 330, 360, 410, IS 5986/1992, FE 510, IS 8500/ 1992,IS 11513/ 1985, GRADES O D, DD, EDD	<ul style="list-style-type: none"> • Guard rail of highway • Supermarket shelves • Metal Ladder • Household Apparatus • Various stamping parts • Automobile body parts

4) *Hot Rolled Chequered Plate*



PRODUCT GRADES	APPLICATION
IS 3502/ 1994(BASE MATERIAL AS PER IS 2062/ 2006 AND IS 1977/ 1996)	<ul style="list-style-type: none"> • For protecting walls from damage while moving heavy goods • As steel plates to cover floors of large areas • In the cement and construction industries • General fabrication • Infrastructure • Railway Bridges , Coaches etc

5) *Hot Rolled Boiler Quality Plates*



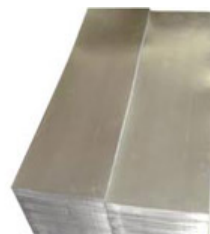
PRODUCT GRADES	APPLICATION
IS 2002 / 1992; ASTM A 516 Gr. 70	Boiler Plates are used in the following processes: <ul style="list-style-type: none"> • Manufacturing boilers, pressure vessels, gas turbines • Manufacture of heat exchangers, spheres, compressors and storage tanks • Manufacturing a variety of skid mounted equipment designed for the oil and gas industry • Other industrial and commercial purposes

6) *Hot Rolled High Tensile Plates*



PRODUCT GRADES	APPLICATION
S-355 / ST 52; Fe 510	Mainly used in the following sectors: <ul style="list-style-type: none"> • Special Purpose • Boiler and pressure vessel manufacture • Ship building • Pipe • Machine Building • Marine containers • Coal and mining • General as well as Heavy Engineering

7) *Cold Rolled Coils and Sheets*



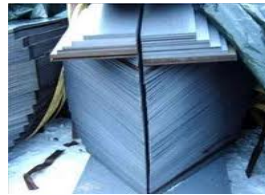
PRODUCT	PRODUCT GRADES	APPLICATION
Cold Rolled Steel Coils / Cold Rolled Steels Sheets	IS 513/1995 D, DD, EDD	<ul style="list-style-type: none"> • Manufacturing automobile components, precision tubes and consumer durables • Production of heavy machinery • Bicycle parts, office equipment and furniture • Automobile • Manufacture of bodies for railway coaches • Panel applications in refrigerator bodies and washing machines • Manufacture of tin plates, drums and barrel • General Engineering

8) CRFH Coils



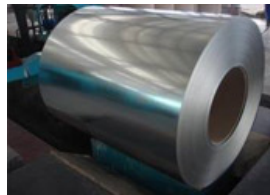
PRODUCT GRADES	APPLICATION
IS 513 (Full Hard)	<ul style="list-style-type: none"> • Corrosion Resistance • General Engineering • Fabrication • Automobile

9) CRGO / CRNGO Coils and Sheets



PRODUCT GRADES	APPLICATION
CRGO / CRNGO	<ul style="list-style-type: none"> • Distribution Transformers • Motors • Electrical Laminations • Other related industries

10) Galvanized Steel Coils and Sheets



PRODUCT	PRODUCT GRADES	APPLICATION
Galvanized Steel Coils	IS 513/1995 D, DD, EDD	<ul style="list-style-type: none"> • Automobile • Boiler and pressure vessel manufacture • Ship building • Railways • Transmission towers • Marine containers • Coal and mining • General as well as heavy engineering • Corrosion resistance • Fabrication

PRODUCT		PRODUCT GRADES	APPLICATION
Galvanized Sheets	Steel	900/1000/1250 mm	<ul style="list-style-type: none"> • Installation of Outdoor sign boards as well as Hoardings • Construction of Truck bodies • Construction of Water Tanks • Building milk containers • Building Air Conditioning Ducts

11) Colour Coated Sheets



PRODUCT GRADES	APPLICATION
120 GSM Color Coated	<ul style="list-style-type: none"> • Roofing & Shed Structures • Construction & Infrastructure related Industries

Client Base

Our Company has a well-diversified customer base catering to various segments. We have consistent retention of key customer segments which has ensured us with more than 500 client base all over India. The following illustration shows our lack of dependence on a few customers:

Particulars	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
% of Sales from Top 10 Customers	3.44%	4.21%	2.15%	3.31%	1.82%

No single customer accounted for more than 1% of our net sales in each of the last five fiscal years and our ten largest customers represented less than 5% of our net sales in each of the last five fiscal years.

Some of our important clients during the last 5 years include KLT Automotive & Tabular Products Ltd., Budhale & Budhale, Godrej & Boyce Mfg. Co. Ltd., Pratibha Pipes & Structural Ltd., Patny Systems, Zenith Tube, Autoline Industries Ltd., Rane Axle and Pressing Pvt. Ltd., Sharada Industries, Japtech Industries I, Nargolkar Heavy Pressing, Balmer Lawrie Vanleer Ltd., EBCO Pvt. Ltd., Tulsi Foundries Ltd., Matrix Tools & Metaplast Pvt. Ltd., DTL Ancillaries Ltd., Panse Autocomps Pvt. Ltd., Windal's Precision Pvt. Ltd., Tata International DLT Pvt. Ltd., Takshi Auto Components Pvt. Ltd., Kailash Vahan, Alf Engg. P. Ltd., Lokesh Engineering Pvt. Ltd., Spectrum Fabrication (I) Pvt. Ltd., Setco Automotive Ltd., Guru Industries, Shankara Ispat Infra Ltd., AVN Tubes Ltd., Aster Pvt. Ltd., Belmark Metal India Ltd., Aditya Automotive, Dilip Buildcon Ltd., Titagarh Wagon Ltd., Automotive Stampings and Assemblies Ltd., Mandovi Dry Docks, Artson Engg. Ltd., Innoventive Industries/ Arihant Domestic Appliances, Rewale Engineering Pvt. Ltd, Dyna-K Automotive Stampings Pvt. Ltd., Thermax Group, Maryti Strips Ferro Alloys, Veer Energy and Infrastructure Ltd., Era Building Systems Ltd., and Times Technoplast Group amongst others.

Exports and Export Obligations

Our Company has identified certain key export markets for its different products based on the type of industrial demand in the respective markets. Our focus in the Export Segment mainly lies in products such as pipes, tubes, scaffolding, roll forming, drums and barrels. The key export markets identified by us are Bahrain, Iraq, Kuwait, Qatar, United Arab Emirates, Oman, and Saudi Arabia. Our General Manager (Marketing), Mr. Sachin Shelke is responsible for Business Development in these regions. He reports to Mr. Rajesh Poddar, who is placed in the Registered & Corporate Office in Mumbai.

The following table sets forth the export figures for the last three years:

YEAR	EXPORT SALES (₹ in million)
2012-13	4.29
2011-12	70.55
2010-11	104.00

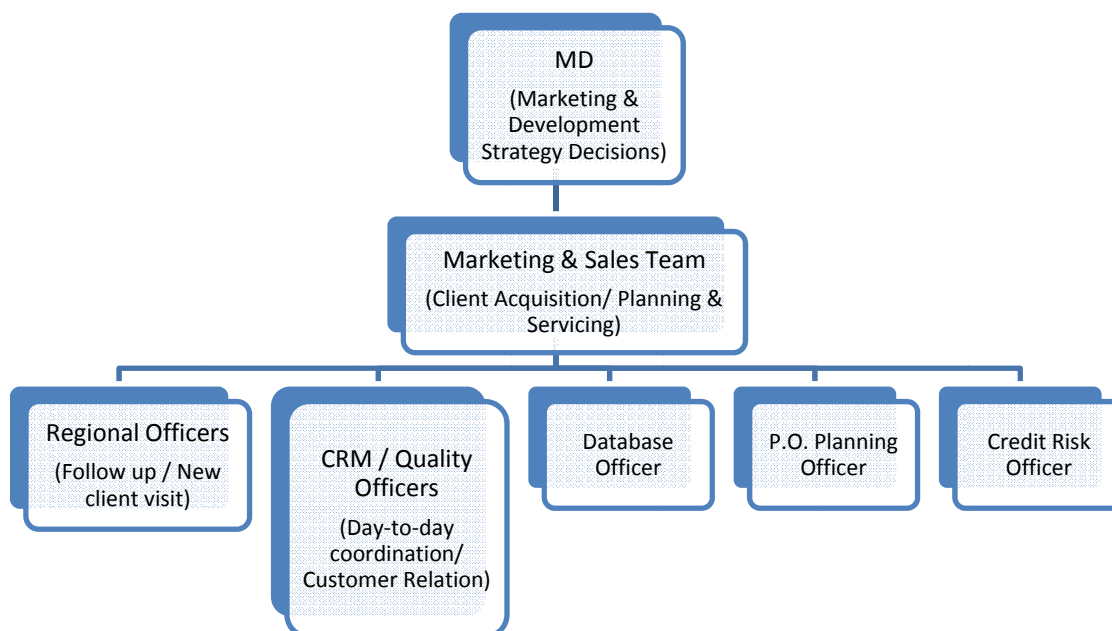
We do not have any export obligation as on date of this Red Herring Prospectus.

Marketing Set Up

Our Marketing team is led personally by our Chairman & MD - Mr. Rajesh Poddar who is a pioneer in the business of Independent Steel Service Centres in India and has a deep sense of understanding regarding the core value added by an SSC i.e. to bridge the gap between Manufacturer and end user by being a One Stop Solution for Steel Processing along with requisite Product Variety.

We have developed a strong marketing network across various states in the country, with a majority of our current sales coming from Maharashtra, Gujarat, Goa, Madhya Pradesh, Karnataka, Andhra Pradesh, Tamil Nadu, Rajasthan, Himachal Pradesh, Delhi NCR, Punjab & Haryana and Uttar Pradesh.

The Marketing Division operates as explained below:



The Marketing & Sales Team (which currently consists of 3 Managers – namely –Mr. Adhikrao Bhosale, Mr. Manohar Patil and Mr. Sachin Shelke reports to the Chairman & MD – Mr. Rajesh Poddar who is responsible for overall marketing strategies and guiding the team personally to achieve maximum order generation. For further details regarding the educational qualifications and experience of our Marketing and Sales Team, kindly refer to “Our Management - Key Managerial Personnel” on page 173 of this Red Herring Prospectus.

Since the future of steel processing industry lies in customized & localized service, we have hired localized marketing personnel which are geographically distributed in the Northern, Western, Central and Southern regions of

India for marketing of Flat and Long Products. Sales Coordinators & P.O. processing team at Head Office keeps in constant touch with the Plant Personnel & Marketing Team Pan India for timely processing of Orders & Dispatch.

Also, this team of Regional representatives are provided periodical training programmes which covers:

- ✓ Extensive knowledge about products to offer
- ✓ Processing line specifications & new improvements
- ✓ Target Industry features
- ✓ Presentation skill development
- ✓ Advantages of SSC Utilities to mid/small size customers
- ✓ Database generated at Head Office for new client acquisition in respective regions.

These training programmes are jointly conducted by Mr. B. N. Chakraborty (Director-Technical & Projects) and Marketing and Sales Team. This team of local representatives are responsible for customer relations, order follow up and constantly reporting to above mentioned Managers with customer feedback and requirements. These regional officers are controlled by Head Office Marketing and Sales team who trains & guides them to achieve maximum order generation. The Marketing & Sales Team pays periodical visit to each customer and industrial zones across India to market the company's products & Services.

Further, our Marketing Division operates based on a localized strategy for each core region. The following illustration explains our location wise strategies:

Location	Company Strategy
Western India	Western India hosts a significant number of steel consumers like Automobile & Auto Ancillaries manufacturers, General & Heavy Engineering, Pipes manufacturing and Fabrication companies. We serve them from our Offices located in Mumbai and Pune. The OEMs and authorized vendors of companies under these sectors form our customer base. Company already has a strong presence in western region.
Southern India	Our Marketing representatives located at Chennai, Bangalore and Hyderabad forms a backbone for supply to companies located in Southern India. Our customers in this region are authorized vendors to Volvo, Toyota, Ashok Leyland, Hyundai, Ford, ABB, BEML, Thermax, etc.
Central India	Central India is being developed by the state government as an upcoming industrial & transportation hub by the establishment of Multi-Modal International Hub Airport (MIHAN), Nagpur. Being present over there gives us an advantage of capturing the future growth Potential. Madhya Pradesh Industrial zones and nearby demand is looked after by Marketing representatives of Central Zone
Northern India	Northern India has access to ancillaries and processing companies, who have linkages with large manufacturers. We serve them from our representatives located at Jaipur, Faridabad and Lucknow.
Export Market	<p>In order to venture into the international market through logistically beneficial sea ports, we have formed two wholly owned subsidiaries in Dubai and Hong Kong, which will be used as a platform for expansion in these regions.</p> <p>The key export markets identified by us for our different products, based on the type of industrial demand in their respective regions, are mainly located in the Middle-East region. The geographic advantage of Dubai facilitates international trade of steel flat products and makes it accessible to global markets by linking western markets - including Europe and North America – African and Asian markets. Dubai has the ability to attract steel flat product businesses, particularly from Asia, as it offers several advantages in terms of efficiency, low-cost freight services, and the ability to reach vital markets overseas.</p> <p>The Subsidiary in Hong Kong was set up to be a logistical sourcing point for procurement of quality raw material, high-grade HR/CR Sheets and Plates and other rolled products to cater to the premium segment customers in India at competitive prices to cater to the requirements of our operations in India.</p> <p>Our Subsidiaries will mainly focus on the exports to the developing nations through trading and value-added processing of HR, CR, and GP/GC – coils, plates and sheets.</p>

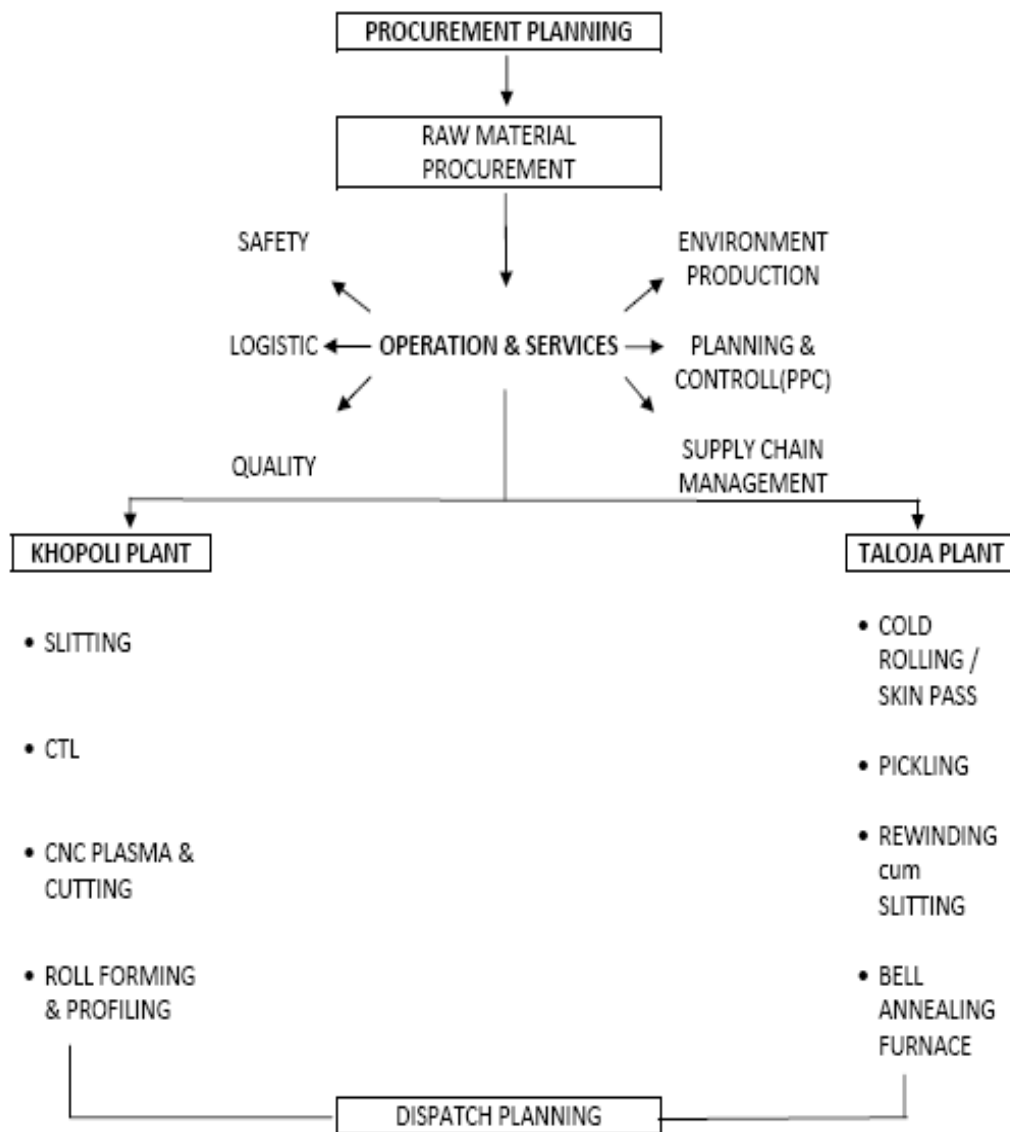
Further we propose to increase our export business by implementing the following:

- Setting up its official website along with its B2B portal to serve the global customers
- Appointment of Commission Agents who can market and sell our products on commission basis
- Tie-ups with Stockists etc., who deal in our products, in order to cater to the demands of the respective countries
- Recruitment of Marketing Executives, Business Development Officers in the high prospective countries to market its products.

Plant, Machinery and Process

We operate as an independent Steel Service Centre that purchases raw materials like Hot Rolled Coils, HRPO, Cold Rolled Coils, CRCA, HR Chequered Coils etc. from steel manufacturers and converts them into various shapes and forms through slitting and shearing.

The following flowchart describes the overall process of our functions as a Steel Centre:



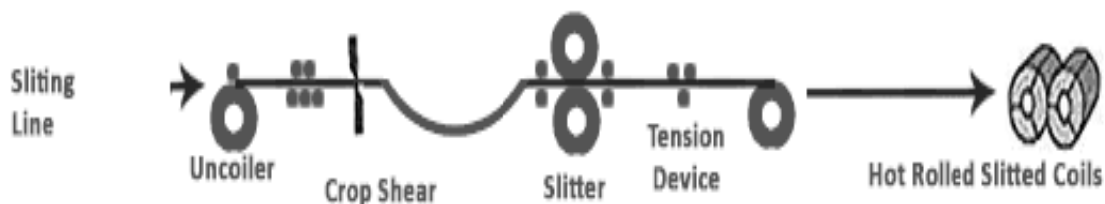
The following key processes are/shall be carried out at our Plants:

- Slitting
- Cut to Length
- CNC Plasma Cutting
- Roll Forming (Trapezoidal and Corrugated Roofing)
- Cold Rolling / Skin Pass
- Manual Pickling
- HR to HRPO (Automatic Push-Pull Pickling)
- Rewinding cum Slitting
- Bell Annealing

The other value additional processes such as Decoiling, Recoiling, Oiling, Profiling, Trapezoidal Cutting and Blanking, Gas Cutting etc. are also processed at our Plants.

1. Slitting Line

Slitting is a process in which a coil of material is cut down into a number of smaller coils of narrower measure. The slitting machine consists of three main parts i.e. uncoiler, slitter and recoiler. Our slitting line is designed to enable continuous slitting of HR, CR and CRGP coils into customized strips and then re-wind them into coils again. The following figure shows the process flow diagram of slitting line:



2. Cut to Length (CTL) Line

A Cut to Length (CTL) unwinds the coils, straightens them and cuts them to the required length suitable for further handling & usage. CTL facility mainly consists of entry coil car, uncoiler, peeler, hold down rolls, two stage leveler, heavy duty conveyor, heavy duty shear, stacking system and outbound conveyor.

Following is a brief description of the CTL process:

- The coils to be cut to the required length are placed with the help of an overhead crane on the entry side of the coil car. The coil car travels towards the uncoiler to locate the eye of the coil in the un-coiler mandrel.
- The uncoiler is equipped with the peeler arm and hold down assembly which peels the front end from the coil and feeds it to the primary leveler located ahead of the hold down roll.
- The strip is fed to the first leveler which consists of a set of two bottom rolls. The strip is passed through the second leveler which is located in tandem with the first leveler. The two levelers operate in synchronization, iron out the strip, remove any waviness and impart flatness.
- The duly flattened strip arising out of the leveler rolls on the steel roll conveyor which is provided with the side guides to align the strip both along and across the length. The strip is then fed to the automatic heavy duty shear. The strips are cut into pre-determined lengths at the shear with great accuracy while the strip is moving further.
- The cut plates are pushed on to the stacker located ahead of the shear. The cut plates are piled on top of one another after which the entire stack is moved further on the exit roller table for strapping and dispatch.

The following flow-chart describes the Process flow of a CTL:



Our HR / CR cut to length lines have the following high-tech features:

- High speed hence increased productivity
- Digital High End PLC Control Electronics with latest sensing transducers for very high accuracy levels
- In Line Changing of Operational Slitter Head with Pre-Set Slitter Head with Pull-Side Shift-Push Mechanism operated hydraulically
- High End hydraulic System with latest circuits
- Quick opening hydraulically operated mechanism for flattener
- Hydraulically operated strip handling mechanisms
- Reliable and reputed make of drives for drive controls

The above features result in the increased availability of the slitting line, which is the workhorse and feed stock source to all downstream processing operations.

3. CNC Plasma Cutting

In this process, heavier thickness Hot Rolled Plates are cut to desired shapes with the help of a plasma cutting torch along with sets of gas cutting nozzles with rigid rail, rapid traverse, and multi-tool station cutting system. This system offers a standard cut-length of 10, 12, 20 and 24 feet. It can also meet high production cutting needs by utilizing a rigid beam and pedestal mounted rail system.

4. Roll Forming (Trapezoidal and Corrugated Roofing)

This process begins with supporting Cold Rolled Steel Coils on an Uncoiler. The strip is fed through an entry guide in order to align the material properly, as it passes through the roll stands of Roll Forming, where each set of rolls forms a bend until the material reaches its desired shape. Roll sets are typically mounted one over the other on a pair of horizontal parallel shafts supported by stand(s). Side rolls and cluster rolls may also be used to provide greater precision and flexibility and to limit stresses on the material. The shaped strips can be cut to length ahead at the end of the Roll Forming Line.

The following types of profile can be produced in roofing roll forming segment:

- Trapezoidal roofing roll forming
- Single ribbed trapezoidal roofing roll forming
- Double ribbed trapezoidal roofing roll forming
- Corrugated roofing rolls forming

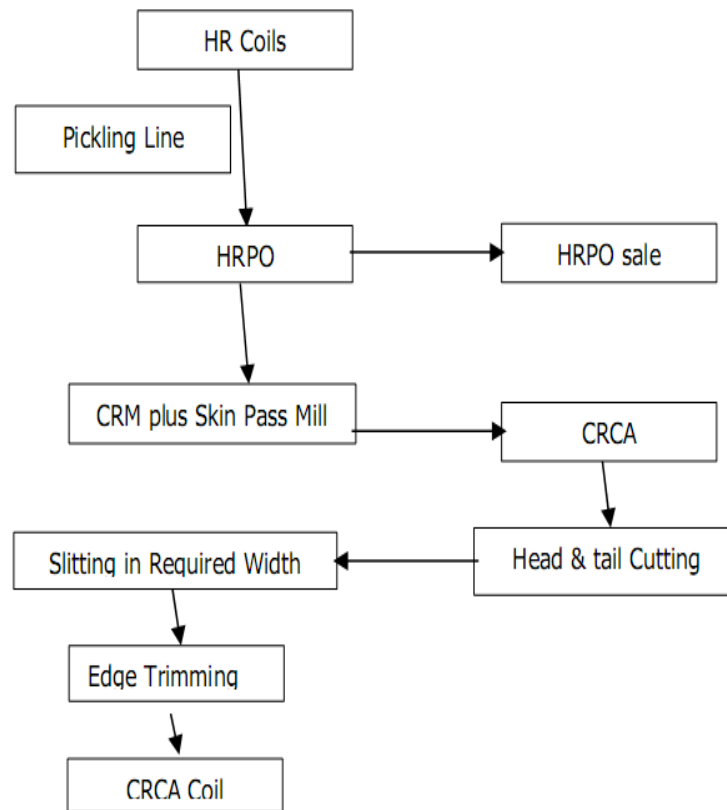
5. Cold Rolling / Skin pass

The process consists of reducing thickness of hot rolled coils to desired thickness in several passes. This results in:

- Closer dimensional tolerance
- Improved shape
- Improved surface

Our mill will be fitted with automatic gauge control to achieve uniform thickness throughout the width of the coil.

The process flow diagram for CRM is as follows:



Skin passing of annealed cold rolled steel coils is carried out for the following purposes:

- To suppress the yield point phenomenon which can cause stretcher, strains on formed component.
- To remove the wrinkles & achieve flatness that is caused due to annealing.
- To impart matte or bright finish depending on customers' requirements.

In addition to this semi-processed electrical steels are given about 7-8% critical reduction in order to improve their magnetic properties.

6. Manual Pickling

In manual pickling we use a separate tank for HCL acid and another one for Lime. All the processes are operated manually by dipping the HR Sheets in the acid tank for the required time period and soaking in the lime water tank. This is followed by a water wash to complete the process. Our in-house pickling facility has span of 5000 mm x 2000 mm x 400 mm. These processes are undertaken on the raw materials which come in Hot Roll or Cold Roll form depending upon the customer requirements.

7. HR to HRPO (Automatic Push-Pull Pickling)

This facility is part of our current expansion and has been commissioned in September 2012.

Metal surfaces of HR coils are usually coated with a thick layer of scale (like rust & oil) when they are processed at higher temperatures, without the protective gas covering. This scale has to be removed before any further processing (viz. cold rolling) is done. Cleansing of metal surfaces through chemical or electrochemical means is called pickling. We use 20% concentrated hydrochloric acid (HCL) for pickling.

In this process, the coil is passed through a shallow pickling tank consisting of two to three cells where the acid flows countercurrent to the flow of strip. The acid is usually heated to a temperature of about 800 C with the help of steam coils or hot water under high pressure. The process flow diagram for pickling is as follows:



In fully continuous pickling line surface, oxide layer of HR Coils are removed by the action of warm HCL acid, which is subsequently rinsed by cold and hot water such that pickled HR coils do not carry any acid and is not under or over pickled.

8. Bell Annealing

Steel after undergoing cold rolling becomes very hard because of work hardening & has got only limited use e.g. galvanizing because of loss of ductility. In order to restore Ductility, Formability, CR coils are annealed in protective Nitrogen - Hydrogen atmosphere in order to attain desired grain size and orientation. This process results in improvement in formability related properties and also in its microstructure.

9. Rewinding cum Slitting

The material which is processed from the Bell Annealing Furnace is further processed for rewinding in the coil form. Simultaneously, the coils are further slit to the required width are trimmed to the desired width in the same line.

Details of Plant and Machinery

Following is the list of main equipments used in the aforementioned processes, including, but not limited to:

➤ *Slitting and Cut to Length Facilities:*

- ✓ Cranes
- ✓ In-house Forklift Cranes
- ✓ In-house Mobile Cranes
- ✓ In-house Trailer / Trucks
- ✓ Uncoiler
- ✓ Shear
- ✓ Slitter
- ✓ Tension Device
- ✓ Edge Side Trimmer
- ✓ Scrap Bundelling Machines
- ✓ Precision Levelers
- ✓ In-House Packing Equipments
- ✓ Side Disc Cutting
- ✓ Bending Machines
- ✓ In-house Rolls/Cutter Grinding
- ✓ In-house Workshop Facility
- ✓ Welding Machine
- ✓ Plazma Cutting Grinders
- ✓ Heavy Duty Shaping Machine
- ✓ Cylindrical / Surface Grinding Machines
- ✓ Lathe Machines

- ✓ Radial Drilling Machines
- ✓ Hacksaw Machines
- *CNC Plasma Cutting*
- ✓ Oxyfuel gas cylinders
- ✓ Cranes
- ✓ Cooling towers
- *Roll forming*
- ✓ Cranes
- ✓ C-hook
- ✓ Cooling towers
- ✓ Air Compressor
- *Cold Rolling / Skin pass Facilities:*
- ✓ Roll Collant Filter System
- ✓ Hydraulic System
- ✓ Electrical Control System
- *Manual Pickling Facilities:*
- ✓ Acid Berth
- ✓ Washing Berth
- *HRPO Facilities*
- ✓ Uncoiler
- ✓ Flattener
- ✓ Acid Tank with Squitch Roll
- ✓ Rinse Tank with Squitch Roll
- ✓ Hot Air Dryer
- ✓ Tension Pack with Oiler
- ✓ Defleeter
- ✓ Uncoiler with Coil Car
- ✓ Shearing Machine
- ✓ ETP Plant
- ✓ Fuel Exhaust System
- ✓ Acid Storage
- ✓ paint Storage
- ✓ Power System
- ✓ Water Cooling System
- ✓ Hot Water Generator
- *Bell Annealing:*
- ✓ Bell Annealing Furnace
- ✓ Cooling Hood
- ✓ Inner Cover
- ✓ Nitrogen Plant
- ✓ Hydrogen Plant
- ✓ DG
- *Rewinding cum Slitting:*
- ✓ Uncoiler

- ✓ Slitter Head
- ✓ Recoiler
- ✓ Tension Pack

Testing Facilities

We maintain an in house laboratory to test the quality of raw materials which we supply as per customer specifications. Our Testing Laboratory is enabled to perform in-house as well as third party inspections and issue Test Certificates to its clientele.

➤ Following is the list of Material Testing Equipments at our Laboratory in Khopoli:

- ✓ Testing Machine – Hardness
- ✓ Testing Machine–Cupping Value/Deep Drawing
- ✓ Portable Hardness Tester
- ✓ Tensile Testing
- ✓ Impact Testing Machine
- ✓ Rockwell Hardness Tester
- ✓ Brinee Hardness Tester
- ✓ Optical Emission Spectrometer

Proposed

- ✓ Ultrasonic Testing

➤ Following is the list of Material Testing Equipments at our Laboratory in Taloja:

- ✓ Iron Testing Equipment
- ✓ Acid Testing Equipment

Capacity

The following table sets forth an overview of the existing facilities of our Company:

Line Label	Product	Range Thickness x Width	Avg. Thickness (mm)	Avg. Width (mm)	Capacity (TPA)
KHOPOLI					
SLITTING LINES					
1	Cold Rolled / Galvanized Plain	(0.3 – 1.2) x 470	0.5	350	254,260
2		(0.3 – 2.5) x 490	1.2	350	
3		(0.3 – 3.0) x 600	2.0	500	
4		(0.3 – 4.0) x 2000	1.5	1250	
5	Hot Rolled	(1.5 – 6.0) x 300	3.0	200	482,153
6		(1.5 – 6.0) x 500	5.0	400	
7		(1.5 – 8.0) x 600	5.0	400	
8		(1.5 – 10.0) x 2000	3.0	1250	
CUT TO LENGTH LINES					
1	Cold Rolled / Galvanized Plain	(0.3 – 2.5) x 1250	1.2	1000	121,076
2		(0.3 – 1.2) x 500	0.8	300	
3		(0.3 – 4.0) x 2000	1.5	1250	
4	Hot Rolled	(1.5 – 4.0) x 600	2.0	500	954,411

Line Label	Product	Range Thickness x Width	Avg. Thickness (mm)	Avg. Width (mm)	Capacity (TPA)
5		(1.5 – 6.0) x 650	5.0	500	
6		(1.5 – 8.0) x 600	5.0	500	
7		(1.5 – 8.0) x 2000	4.0	1250	
8		(1.5 – 10.0) x 2000	4.0	1250	
9		(1.5 – 10.0) x 2000	4.0	1250	
10		(5.0 - 10.0) x 650	5.0	500	
11		(5.0 – 25.0) x 2500	10.0	1650	
TALOJA					
10	HRPO (Manual Pickling)	1.6 to 8 mm x up to 1500	2.5 to 3 mm	800 mm	105,000

The following table sets forth year-wise breakup of the existing installed and utilized capacity at Khopoli and Taloja facilities in the last three years:

PARTICULARS	FOR THE FINANCIAL YEAR		
	2012-13	2011-12	2010-11
Khopoli – SSC			
Installed Capacity (TPA)	1,811,900	900,000	900,000
Quantity Processed (MT)	799,710	682,205	503,231
Capacity Utilization (%)	44%	76%	56%
Taloja – HRPO (Manual)			
Installed Capacity (TPA)	105,000	105,000	105,000
Quantity Processed (MT)	93,600	93,600	93,000
Capacity Utilization (%)	89%	89%	89%

Proposed Capacity

Following are the details of the proposed installed and utilized capacity as per Company's Estimates for the next three years:

PARTICULARS	FOR THE FINANCIAL YEAR		
	2013-14	2014-15	2015-16
Capacity (TPA)			
SSC – Existing	900,000	900,000	900,000
SSC – Expansion*	1,281,900	1,281,900	1,281,900
CRM Complex – Expansion*	30,000	30,000	30,000
Production (TPA)			
SSC – Existing	720,000	720,000	720,000
SSC – Expansion	512,760	705,045	897,330
CRM Complex - Expansion	15,000	18,000	22,500
Capacity Utilization			
SSC – Existing	80%	80%	80%
SSC – Expansion	40%	55%	70%
CRM Complex - Expansion	50%	60%	75%

**As per the Fifth Construction Monitoring Report (Sept 2012) issued by Mott MacDonald, the expansion project at both locations has started initial commercial production and is at a very advance stage of being completely commissioned.*

For providing capacity utilisation figures we have assumed that the entire facilities are expected to commence production by the first quarter of FY 2013-14. For further details regarding the progress of the expansion projects kindly refer to the Chapter titled “Objects of the Issue” beginning on page 81 of this Red Herring Prospectus.

Infrastructure Facilities and Utilities

The details of the currently available infrastructure, utilities and other facilities are as follows:

- *Raw Materials*

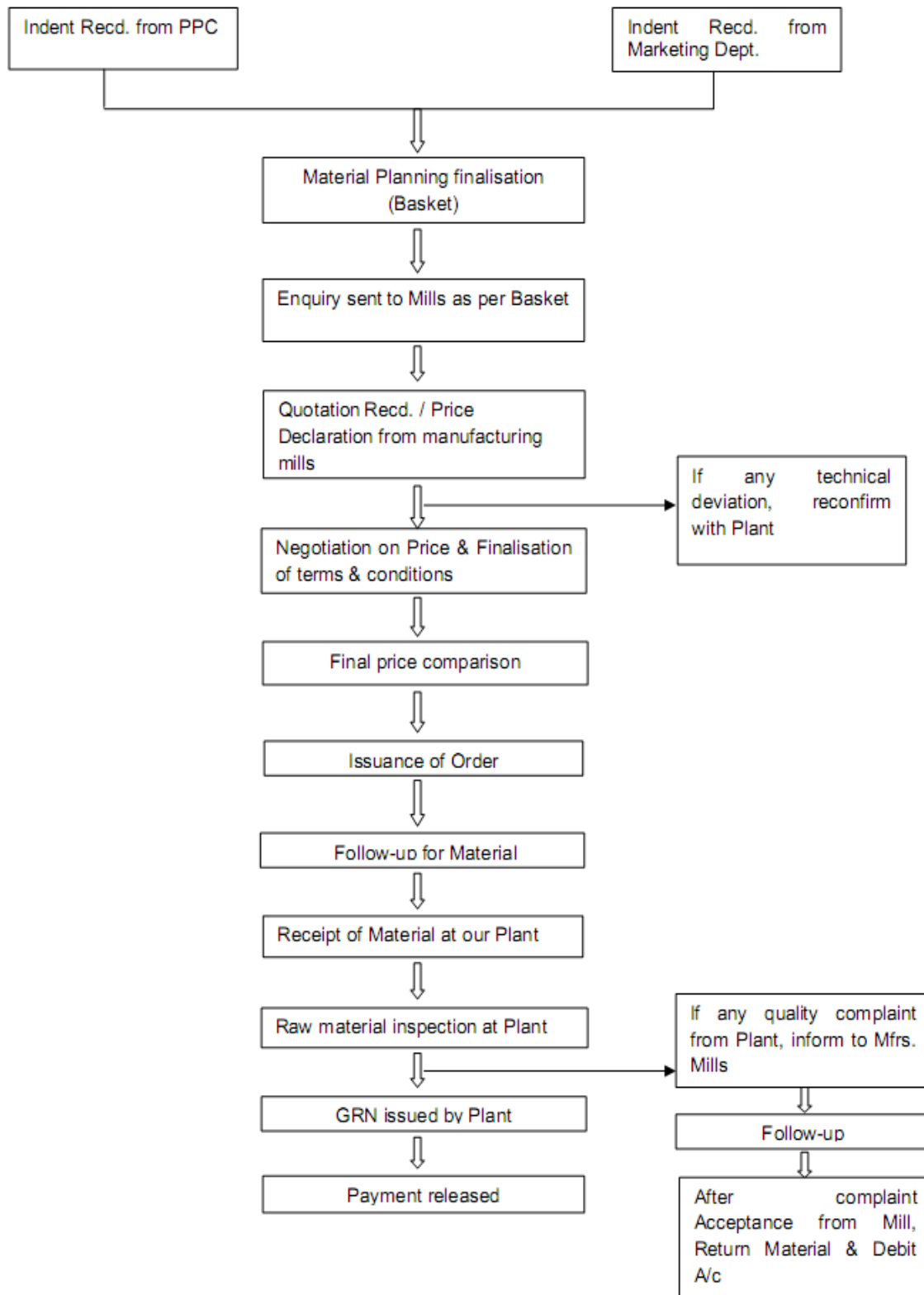
The key raw materials include HR coils, HR plates, Galvanized coils/sheets, CR coils etc. We procure raw materials from the four categories of suppliers; i.e. Integrated Steel Producers (such as JSW Group, Uttam Galva Steels, Essar Steel etc), Global Commodity Houses (such as Stemcor Group, Marubeni Itochu etc), International Steel Mills (such as Nippon Group, Tianjin, JFE, Rezhou Group etc.) as well as local Importers & traders (such as MMTTC, MSTC, Vikram Coils, Superstar Multi Trade, etc).

The following illustration shows the share of our top ten suppliers for last 5 fiscal years:

Particulars	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
% of Purchase from Top 10 Suppliers	24.56%	19.61%	19.83%	7.78%	12.09%

The Company has long-standing association with its suppliers for supply of raw materials and hence the Company does not anticipate any problem in procuring raw materials. The Company has also established two wholly owned subsidiary companies one at Dubai and another at Hong Kong for procurement of raw materials at competitive prices from overseas suppliers.

The following flowchart describes the process of Raw Material Procurement:



- *Power*

Power is supplied through an overhead line of 22 kV from MSEB to MRSS at plant boundary at both our locations - Khopoli and Taloja. Power is stepped down to 415 V through a transformer for catering to the respective existing loads. The following table sets forth the details of the respective loads:

Power	Processing Facility	Location
4999 KVA	Slitting and Cut to Length	SSC at Khopoli
500 KVA	Manual Pickling	Plot no. E-19, Taloja
500 KVA	Pickling	Plot no. E-6/1, Taloja
2000 KVA	Cold Rolled Mill	Plot no. A-69, Taloja
500 KVA	Annealing	Plot no. A-79, Taloja

In addition, our Company has installed three Diesel Generators of 500 KVA, 160 KVA and 62.5 KVA for back-up power for administrative use at Khopoli.

- *Water*

At Taloja, water is primarily used in pickling operation after the neutralization of HCL acid with lime water to wash the sheets. We have obtained the water supply connection from MIDC. However, the quality of water is not suitable for plant operation. Therefore, we have constructed a water storage tank of 30,000 litres, and we procure the required water through external service providers. Water requirement for push-pull pickling line is 5,000 litres a day.

- *Effluent*

At the SSC located in Khopoli, steel scrap/strips is a major effluent, which doesn't require any treatment and can be easily sold in the open market.

There is an Effluent Treatment Plant at our Taloja facility. We use HCL as a cleansing agent for producing HRPO at Taloja. Since HCL needs to be neutralized before it can be sold as scrap or destroyed. We use lime as the neutralizing agent for reducing the acidity of HCL. Our Company ensures that the concentration of HCL is reduced well below the prescribed level by the pollution control board before selling it as scrap in the open market or destroying it.

- *Human Resources*

Our processing facility requires a mix of skilled, semi-skilled and un-skilled labour. The Company currently has a size of 455 employees for the operation of its existing facilities.

Category	No. of employee
Directors	3
KMP	14
Managers / Executives	300
Semi-skilled and Unskilled Labour	138
Total	455

The entire staff mentioned above is on the pay-roll of our Company.

For details on our key managerial personnel and various labor agreements, kindly refer to the Chapters titled “*Our Management*” and “*Government and Other Key Approvals*” beginning on pages 163 and 266, respectively, of this Red Herring Prospectus.

We do not have any Trade Unions at our processing units.

- *Enterprise Resource Planning (“ERP”)*

We have implemented company-wide EPPS (Enterprise Process Protocol System) ERP system. This system is used to manage and co-ordinate all the resources, information and functions of the business on a real-time basis.

The EPPS ERP system helps in:

- ✓ the Integration among different functional areas to ensure proper communication, productivity, quality and efficiency in decision making
- ✓ the tracking of the revenue, cost and profit at a granular level

- *Health, Safety and Environment*

We are committed to protecting the health and safety of our employees working in our factories. We have policies in place for health and safety for our workmen which have the following salient features:

- ✓ Compliance with relevant Safety and Statutory Regulations and Rules both in letter and in spirit
- ✓ Ensuring cleanliness of work place in compliance with the relevant regulations
- ✓ Providing work force with helmets, gloves, appropriate tools
- ✓ Knowledge/instructions on work procedures and safety precautions
- ✓ Conducting classes on safety, first aid training, fire fighting, mock drills, safety audit, risk analysis studies, etc.
- ✓ Ongoing assessment on the status of safety, health and environment at the work place and take appropriate measures to improve the same
- ✓ Obligation and responsibility on every employee to perform the tasks ensuring complete safety.

We also comply with all the provisions of The Maharashtra Pollution Control Board.

Competition

The Steel Service Industry is highly competitive and fragmented, with no single service provider controlling significant market share. The organized sector is largely dominated by leading Integrated Steel Producers and mill-backed service centres, such as Tata Steel Processing and Distribution, SAIL, Essar Steel, JSW steel.

Our competition depends on the products being offered by various companies in the organized segment besides several other factors like quality, price and capacity to deliver. Competition emerges not only from organized sector but also from the unorganized sector and from both small and big players. We believe that we are able to compete effectively with them due to our diversified product portfolio, strong marketing network, customized and quality processing services.

Property

We own and lease certain properties. The brief details of the properties owned / leased by us are set out below:

Freehold Properties:

Our Khopoli Unit is situated at Khopoli Pen Road, Khalapur Taluka, Raigad District - 410 203, Maharashtra. It comprises of the following Plots:

S. No.	Survey No.	Hissa No.	Area (Sq. mt.)	Name of Seller	Agreement Details
1	7	1/A/3	3895.05	• Mr. Vishnu Sitaram Lohaar	Dated: 05/09/2007; Registered Sale Deed No. 6775
2	7	3	1972.85		
3	4	2	2023.40	• Mr. Hari Valku Patil	Dated: 31/10/2007; Registered Sale Deed No.8193
4	5	1/C/2	3470.13	• Ms. Arundati Shiram Pimpalkhare • Mr. Hari Valku Patil	Dated: 31/10/2007; Registered Sale Deed No.8194
5	5	4	3723.06	• Mr. Hari Valku Patil	Dated: 31/10/2007; Registered Sale Deed No.8193
6	6	2	910.53		
7	7	2	12585.55		
8	5	1/A	5867.86	• Mr. Janardan Ganpath Joshi	Dated:31/10/2007; Registered Sale Deed No.8195
9	5	2	3126.15	• Mr. Vasant Tukaram Bhikot • Mr. Janardan Tukaram Bhikot • Mr. Harishchandra Tukaram Bhikot • Ms. Babubai Janu Kharivale • Ms. Kashibai Baarku Patil • Ms. Leelabai Maruti Dhamale	Dated: 30/10/2007; Registered Sale Deed No.8815
10	2	6	1001.58	• Ms. Arundati Shriram Pimpalkhare • Mr. Sambhu Parshuram Lohaar alias More	Dated: 30/9/2007; Registered Sale Deed No.7483
11	7	1/A/1	4825.81	• Mr. Sambhu Parshuram Lohaar alias More	Dated: 5/9/2007; Registered Sale Deed No.7000
12	2	1	3136.27	• Ms. Sonibai Babu More • Ms. Nirmala Mahadev Maner • Ms. Kunda Shantaram Gharde • Ms. Hausa Shankar Somase • Ms. Shanta Babu More	Dated: 12/09/2007; Registered Sale Deed No.7001
13	6	3	809.36		
14	7	1/A/2	4097.39	• Mr. Dattatray Chintaman More • Mr. Ramdas Chintaman More • Mr. Mangesh Chintaman More • Ms. Tarabai Shankar Chaure • Ms. Ahilya Eknath Jadhav • Ms. Sulochna Chintaman More	Dated: 5/9/2007; Registered Sale Deed No.6800
15	7	1/D	2023.40	• Mr. Dattatray Chintaman More • Mr. Ramdas Chintaman More • Mr. Mangesh Chintaman More • Ms. Tarabai Shankar Chaure • Ms. Ahilya Eknath Jadhav • Ms. Sulochna Chintaman More	Dated: 5/9/2007; Registered Sale Deed No.6799

S. No.	Survey No.	Hissa No.	Area (Sq. mt.)	Name of Seller	Agreement Details
16	2	4	1810.94	<ul style="list-style-type: none"> Ms. Arundati Shiram Pimpalkhare Mr. Babu Jagannat More 	Dated: 30/9/2007; Registered Sale Deed No. 7482
17	2	4/A	708.19	<ul style="list-style-type: none"> Ms. Arundati Shiram Pimpalkhare Mr. Harishchandra Tukaram More Mr. Kamlakar Tukaram More Mr. Dilip Tukaram More Mr. Ravindra Tukaram More Ms. Sulochana Ramakant Manavachare Ms. Sushila Shankar Vyapari Ms. Gulab Gajanan Chandane 	Dated: 28/03/2008; Registered Sale Deed No. 882
18	5	1/B	7152.72	<ul style="list-style-type: none"> Mr. Raghunath Haribhau More Mr. Gopinath Haribhau More Ms. Durgabai Dattatray Pawar 	Date of Registration: 31/10/2007; Registered Sale Deed No.8192;
19	5	3	101.17	<ul style="list-style-type: none"> Mr. Gopinath Haribhau More Mr. Raghunath Haribhau More Ms. Durgabai Dattatray Pawar 	Dated: 06/09/2007; Registered Sale Deed No.6798
20	2	2	1851.41		
21	7	1/B	708.19	<ul style="list-style-type: none"> Ms. Shoba Ram Khare Ms. Kalpana Anand Mulgund Mr. Gopinath Haribhau More Mr. Raghunath Haribhau More Ms. Durgabai Dattatray Pawar 	Dated: 03/10/2007; Registered Sale Deed No.7480;
22	2	5	1416.38	<ul style="list-style-type: none"> Ms. Arundati Shiram Pimpalkhare Mr. Gopinath Haribhau More Mr. Raghunath Haribhau More Ms. Durgabai Dattatray Pawar 	Dated: 3/9/2007; Registered Sale Deed No.7481
23	96	0	404.68	<ul style="list-style-type: none"> Ms. Shoba Ram Khare Ms. Kalpana Anand Mulgund 	Dated: 03/10/2007 Registered Sale Deed No.7479;
24	7	1/C	718.31	<ul style="list-style-type: none"> Ms. Shoba Ram Khare Ms. Kalpana Anand Mulgund Mr. Harishchandra Tukaram More Mr. Kamlakar Tukaram More Mr. Dilip Tukaram More Mr. Ravindra Tukaram More Ms. Sulochana Ramakant Manvachare Ms. Sushila Shankar Vyapari Ms. Gulab Gajanan Chandane 	Dated: 28/03/2008; Registered Sale Deed No. 883
25	4	1	7699.04	<ul style="list-style-type: none"> Ms. Ambika Vithoba Kadam 	Dated: 12/06/2008; Registered Sale Deed No. 2045

We also own a property at Sihor, Gujarat, details of which are as below:

Location	Area	Name of Seller	Agreement Details
Plot No.3 forming part of Survey No.151, 166 and 167, Village Ghangari, Sihor Taluka.	1522 sq.mt.	Mr. Sabirhussein Akabarali Virani and Mr. Mohamad Ikabal Akabarali Virani	Registered Deed of Conveyance No. 1024 Dated 26/06/2000

Leave and License Properties:

Location	Area	Name of Licensor	Rent	Deposit	License Period
REGISTERED AND CORPORATE OFFICE					
9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051	13,264 sq. ft.	Altius Properties Private Limited	₹ 20,000 per month + applicable service tax	NIL	May 01, 2012 to April 30, 2017
DETAILS OF ACCOMODATION PROVIDED TO EMPLOYEES					
802/803, Tulip Building, Regency Garden, Plot No. 10, Sector 6, Kharghar, Navi Mumbai	2400 sq. ft.	Braj Kishore Singh and Kanti Singh	₹ 20,000 per month	₹ 50,000	July 01, 2013 to May 31, 2014

Leasehold Properties:

Location	Area	Name of Lessor	Rent	Deposit	Lease Period
SUBSIDIARIES					
Office No. S10123O003, Jebel Ali, Dubai, United Arab Emirates	12.44 sq. mt.	The Government of Dubai	AED 40,000 p.a.	NIL	November 09, 2013 to November 08, 2014
Flat/RMA 30/F, Rhine Terrace, 28, Castle Peak Road, Sham Tseng Hong Kong	1450 sq. ft.	Liang Chang Yuan	HKD 2,000 p.a. (towards Advance rent)	NIL	April 01, 2013 to March 31, 2014
PLOTS AT TALOJA					
Plot No. E-19	2400 sq. mt.	Maharashtra Industrial Development Corporation	₹ 1 p.a.	₹ 720,000	December 01, 1988 to November 30, 2083
Plot No. A-69 ⁽¹⁾	880.00 sq. mt.	Maharashtra Industrial Development Corporation	₹ 1 p.a.	₹ 484,000	August 1995 to July 2090
Plot No. A-79 ⁽²⁾	1000 sq.mt.	Maharashtra Industrial Development Corporation	₹ 1 p.a.	₹ 1,200,000 (as consideration money) and ₹ 15,000 as Processing fee	May 01, 1982 to April 30, 2077

Location	Area	Name of Lessor	Rent	Deposit	Lease Period
Plot No. E-6/1	990 sq. mt.	Maharashtra Industrial Development Corporation	₹ 1 p.a.	₹ 181,200 (as consideration money)	February 01, 1982 to January 31, 2077

⁽¹⁾The plot was leased to M/s Ayushman Steels Private Limited vide an Agreement dated September 24, 1997. In 2006, M/s Ayushman Steels Private Limited was amalgamated with our Company.

⁽²⁾MIDC leased the plot to M/s Ravikamal Steel Processors Pvt. Ltd. vide Lease Agreement dated July 19, 2000. MIDC vide its consent letter dated April 10, 2003 granted its consent and permission for the transfer of the leasehold interest of the said plot by M/s Ravikamal Steel Processors Pvt. Ltd. (“Assignor”) in favor of M/s Anushka Ispat Pvt. Ltd. (“Assignee”). At the request of the “Assignor” and the “Assignee”, MIDC vide its consent letter dated November 5, 2003 granted its consent and permission for the transfer of the leasehold interest of the said plot in favor of Loha Ispaat Ltd.

Intellectual Property

Our Company has applied for registration of certain trademarks of the Company under the Trademarks act, 1999 to the Trademarks Registry, Mumbai. For details regarding the applications, kindly refer to “Government and Other Key Approvals – Pending Approvals” on page 276 of this Red Herring Prospectus.

Quality Certification:

Issuing Body	Date of Certificate	Date of Expiry	Certificate	Description
BSI India	January 17, 2013	March 04, 2016	ISO 9001:2008	We hold Certificate No. FM 559188 approving that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 for the following scope: The steel service centre for slitting, shearing of steel sheets, plates and coils.

Insurance

Except for the Computers aggregating to ₹ 38.72 million, all the Insurable Fixed Assets (i.e. all Fixed Assets except Freehold and Leasehold Land) of the company aggregating to ₹ 3505.10 million as per respective book values as on September 30, 2013 have been adequately insured. The key details regarding our insurance coverage are as below:

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy	Insured Amount (in ₹)	Premium (in ₹)										
1	Contractor's Plant and Machinery Insurance Policy	14060044130700000031	New India Assurance Co. Ltd.	02/10/13 to 01/10/14	<p>Location: Village Ransai, Taluka Khalapur, Opposite Positive Packing, District Raigad NA, Khopoli, Maharashtra, 410203.</p> <p>Specifics of Assets Insured:</p> <table border="1"> <tr> <td>Machine Description</td> <td>FLT 32 1200 With Fork Coil Handling Attachments 5 MT Lift Height And Side shift Arrangement Cum MINS, FLT 32 1200 (GR-III) Name of the Manufacturer : FLT 32 1200, Machine Serial Number: 80F62686269</td> </tr> <tr> <td>Year of Manufacture</td> <td>2009</td> </tr> <tr> <td>Excess due to AOG perils</td> <td>₹ 107,988.88</td> </tr> <tr> <td>Excess due to Other than AOG Perils</td> <td>₹ 107,988.88</td> </tr> <tr> <td>Excess for Boom Selection</td> <td>20% of claim amount subject to minimum of ₹ 25,000.00</td> </tr> </table>	Machine Description	FLT 32 1200 With Fork Coil Handling Attachments 5 MT Lift Height And Side shift Arrangement Cum MINS, FLT 32 1200 (GR-III) Name of the Manufacturer : FLT 32 1200, Machine Serial Number: 80F62686269	Year of Manufacture	2009	Excess due to AOG perils	₹ 107,988.88	Excess due to Other than AOG Perils	₹ 107,988.88	Excess for Boom Selection	20% of claim amount subject to minimum of ₹ 25,000.00	10,798,888.00	30941.00
Machine Description	FLT 32 1200 With Fork Coil Handling Attachments 5 MT Lift Height And Side shift Arrangement Cum MINS, FLT 32 1200 (GR-III) Name of the Manufacturer : FLT 32 1200, Machine Serial Number: 80F62686269																
Year of Manufacture	2009																
Excess due to AOG perils	₹ 107,988.88																
Excess due to Other than AOG Perils	₹ 107,988.88																
Excess for Boom Selection	20% of claim amount subject to minimum of ₹ 25,000.00																
2	Contractor's Plant and Machinery	14060044130700000030	New India Assurance Co. Ltd.	02/10/13 to 01/10/14	<p>Location: Village Ransai, Taluka Khalapur, Opposite Positive Packing, District Raigad NA, Khopoli,</p>	8,07,000.00	3,399.00										

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy	Insured Amount (in ₹)	Premium (in ₹)										
	Insurance Policy				Maharashtra, 410203. Specifics of Assets Insured: <table border="1"> <tr> <td>Machine Description</td> <td>Hydraulic Mobile Crane with Tool KIT ACE 12XW Machine Serial Number: 1911646</td> </tr> <tr> <td>Year of Manufacture</td> <td>2009</td> </tr> <tr> <td>Excess due to AOG perils</td> <td>₹ 25,000.00</td> </tr> <tr> <td>Excess due to Other than AOG Perils</td> <td>₹ 10087.50</td> </tr> <tr> <td>Excess for Boom Selection</td> <td>20% of claim amount subject to minimum of ₹ 25,000.00</td> </tr> </table>	Machine Description	Hydraulic Mobile Crane with Tool KIT ACE 12XW Machine Serial Number: 1911646	Year of Manufacture	2009	Excess due to AOG perils	₹ 25,000.00	Excess due to Other than AOG Perils	₹ 10087.50	Excess for Boom Selection	20% of claim amount subject to minimum of ₹ 25,000.00		
Machine Description	Hydraulic Mobile Crane with Tool KIT ACE 12XW Machine Serial Number: 1911646																
Year of Manufacture	2009																
Excess due to AOG perils	₹ 25,000.00																
Excess due to Other than AOG Perils	₹ 10087.50																
Excess for Boom Selection	20% of claim amount subject to minimum of ₹ 25,000.00																
3	Contractor's Plant and Machinery Insurance Policy	14060044130700000032	New India Assurance Co. Ltd.	02/10/13 to 01/10/14	Location: Village Ransai, TalukaKhalapur, Opposite Positive Packing, District Raigad NA, Khopoli, Maharashtra, 410203. Specifics of Assets Insured: <table border="1"> <tr> <td>Machine Description</td> <td>Hydraulic Mobile Crane with Tool KIT 12XW ACE 12XW, (GR-III), Name of the manufacturer: ACE 12XW,</td> </tr> </table>	Machine Description	Hydraulic Mobile Crane with Tool KIT 12XW ACE 12XW, (GR-III), Name of the manufacturer: ACE 12XW,	857,292.00	3,612.00								
Machine Description	Hydraulic Mobile Crane with Tool KIT 12XW ACE 12XW, (GR-III), Name of the manufacturer: ACE 12XW,																

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy	Insured Amount (in ₹)	Premium (in ₹)										
					<table border="1"> <tr> <td></td> <td>Machine Serial Number 189705</td> </tr> <tr> <td>Year of Manufacture</td> <td>2008</td> </tr> <tr> <td>Excess due to AOG perils</td> <td>₹ 25,718.00</td> </tr> <tr> <td>Excess due to Other than AOG Perils</td> <td>₹ 10716.15</td> </tr> <tr> <td>Excess for Boom Selection</td> <td>20% of claim amount subject to minimum of ₹ 25,000.00</td> </tr> </table>		Machine Serial Number 189705	Year of Manufacture	2008	Excess due to AOG perils	₹ 25,718.00	Excess due to Other than AOG Perils	₹ 10716.15	Excess for Boom Selection	20% of claim amount subject to minimum of ₹ 25,000.00		
	Machine Serial Number 189705																
Year of Manufacture	2008																
Excess due to AOG perils	₹ 25,718.00																
Excess due to Other than AOG Perils	₹ 10716.15																
Excess for Boom Selection	20% of claim amount subject to minimum of ₹ 25,000.00																
4	Contractor's Plant and Machinery Insurance Policy	14060044130700000033	New India Assurance Co. Ltd.	02/10/13 to 01/10/14	<p>Location: Village Ransai, Taluka Khalapur, Opposite Positive Packing, District Raigad NA, Khopoli, Maharashtra, 410203.</p> <p>Specifics of Assets Insured:</p> <table border="1"> <tr> <td>Machine Description</td> <td>Hydraulic Mobile Crane with Tool KIT 12XW ACE 12XW, (GR-III), Name of the manufacturer - ACE 12XW, Machine Serial Number 177909</td> </tr> <tr> <td>Year of Manufacture</td> <td>2007</td> </tr> <tr> <td>Excess due to AOG perils</td> <td>₹ 25,000.00</td> </tr> <tr> <td>Excess due to Other than AOG Perils</td> <td>₹ 8887.50</td> </tr> <tr> <td>Excess for Boom Selection</td> <td>20% of claim amount subject to</td> </tr> </table>	Machine Description	Hydraulic Mobile Crane with Tool KIT 12XW ACE 12XW, (GR-III), Name of the manufacturer - ACE 12XW, Machine Serial Number 177909	Year of Manufacture	2007	Excess due to AOG perils	₹ 25,000.00	Excess due to Other than AOG Perils	₹ 8887.50	Excess for Boom Selection	20% of claim amount subject to	711,000.00	2996.00
Machine Description	Hydraulic Mobile Crane with Tool KIT 12XW ACE 12XW, (GR-III), Name of the manufacturer - ACE 12XW, Machine Serial Number 177909																
Year of Manufacture	2007																
Excess due to AOG perils	₹ 25,000.00																
Excess due to Other than AOG Perils	₹ 8887.50																
Excess for Boom Selection	20% of claim amount subject to																

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy	Insured Amount (in ₹)	Premium (in ₹)																				
					minimum of ₹ 25,000.00																						
5	Marine Cargo Open Policy	14010421120200000021	New India Assurance Co. Ltd.	25/03/13 to 24/03/14	Journey From: Anywhere in India Journey To: Anywhere in India Asset Insured: Metal Scrap	1,000,000,000.00	78,653																				
6	Standard Fire & Special Perils (Material Damage) Policy	000000001542800	SBI General Insurance	01/02/14 to 31/01/15	Location: Village Ransai, Taluka-Khalapur, Raigad, Maharashtra – 410203. Assets Insured: <ul style="list-style-type: none"> • Building, • Plant and Machinery 	Computation of Sum Insured: <table border="1"> <tr> <td>Building</td> <td>852,523,147.00</td> </tr> <tr> <td>Plant & Machinery</td> <td>2820200367.00</td> </tr> <tr> <td>Total Sum Insured</td> <td>3,672,723,514.00</td> </tr> </table>	Building	852,523,147.00	Plant & Machinery	2820200367.00	Total Sum Insured	3,672,723,514.00	Computation of Premium: <table border="1"> <tr> <td>Gross Premium</td> <td>826,363.00</td> </tr> <tr> <td>Service Tax (12%)</td> <td>99,164.00</td> </tr> <tr> <td>Educational Cess (2%)</td> <td>1,983.00</td> </tr> <tr> <td>Higher Educational Cess (1%)</td> <td>992.00</td> </tr> <tr> <td>Final Premium</td> <td>928,501.00</td> </tr> </table>	Gross Premium	826,363.00	Service Tax (12%)	99,164.00	Educational Cess (2%)	1,983.00	Higher Educational Cess (1%)	992.00	Final Premium	928,501.00				
Building	852,523,147.00																										
Plant & Machinery	2820200367.00																										
Total Sum Insured	3,672,723,514.00																										
Gross Premium	826,363.00																										
Service Tax (12%)	99,164.00																										
Educational Cess (2%)	1,983.00																										
Higher Educational Cess (1%)	992.00																										
Final Premium	928,501.00																										
7	Standard Fire & Special Perils (Material Damage) Policy	000000001542800	SBI General Insurance	01/02/14 to 31/01/15	Location: MIDC, Taloja, District Raigad, Maharashtra 410208. Assets Insured: <ul style="list-style-type: none"> • Building, Plant & Machinery A-69, • Building, Plant & Machinery A-79, • Building, Plant & Machinery E-19 and • Building, Plant & Machinery E-6/1. 	Computation of Sum Insured: <table border="1"> <tr> <td>Building, Plant & Machinery A-69,</td> <td>142,985,366.00</td> </tr> <tr> <td>Building, Plant & Machinery A-79,</td> <td>88,887,395.00</td> </tr> <tr> <td>Building, Plant & Machinery E-19</td> <td>31,076,121.00</td> </tr> <tr> <td>Building, Plant & Machinery E-6/1</td> <td>67,605,842.00</td> </tr> <tr> <td>Total Sum Insured</td> <td>330554724.00</td> </tr> </table>	Building, Plant & Machinery A-69,	142,985,366.00	Building, Plant & Machinery A-79,	88,887,395.00	Building, Plant & Machinery E-19	31,076,121.00	Building, Plant & Machinery E-6/1	67,605,842.00	Total Sum Insured	330554724.00	Computation of Premium: <table border="1"> <tr> <td>Gross Premium</td> <td>74,375.00</td> </tr> <tr> <td>Service Tax (12%)</td> <td>8,925.00</td> </tr> <tr> <td>Educational Cess (2%)</td> <td>178.00</td> </tr> <tr> <td>Higher Educational Cess (1%)</td> <td>89.00</td> </tr> <tr> <td>Final Premium</td> <td>83,568.00</td> </tr> </table>	Gross Premium	74,375.00	Service Tax (12%)	8,925.00	Educational Cess (2%)	178.00	Higher Educational Cess (1%)	89.00	Final Premium	83,568.00
Building, Plant & Machinery A-69,	142,985,366.00																										
Building, Plant & Machinery A-79,	88,887,395.00																										
Building, Plant & Machinery E-19	31,076,121.00																										
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Total Sum Insured	330554724.00																										
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Service Tax (12%)	8,925.00																										
Educational Cess (2%)	178.00																										
Higher Educational Cess (1%)	89.00																										
Final Premium	83,568.00																										
8	Commercial Goods Carrying Vehicle Policy	00000000421199-01	SBI General Insurance	05/09/13 to 04/09/14	Specifics of Assets Insured: <table border="1"> <tr> <td>Make And Model</td> <td>Tata Motors, LPT 909-9600 GVW</td> </tr> </table>	Make And Model	Tata Motors, LPT 909-9600 GVW	415,887.50	Computation of Premium: <table border="1"> <tr> <td>Total own Damage Premium</td> <td>2392.90</td> </tr> </table>	Total own Damage Premium	2392.90																
Make And Model	Tata Motors, LPT 909-9600 GVW																										
Total own Damage Premium	2392.90																										

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy		Insured Amount (in ₹)	Premium (in ₹)	
					Year of Manufacturing	2009		Total Liability Premium	14140.00
					Registration Number	MH 06AQ 5189		Total Policy Premium	16532.90
					Engine Number	2818294		Service Tax	2043.47
					Chassis Number	13697		Total Premium	18576.00
					Gross Vehicle Weight(GVW)	9600			
					Carrying Capacity	2			
					Vehicle Body Type	BOX TRUCKS			
					RTO Location Name	PEN			
9	Burglary and Housebreaking Insurance Policy	1424 0046 1301 0000 0024	New India Assurance Co. Ltd.	25/06/13 to 24/06/2014	Specifics of Assets Insured:		15,975,721.00	Basic Premium	9584.00
					Optical Emission Spectrometer	3,999,499		Service Tax	1185.00
					Roll-O-Turn heavy duty Lethe Machine & Accessories	775,575		Net Premium	10769.00
					Rollex Heavy Duty Precision Shaping Machine	351,540			
					Hilton Two speed Hydraulic Hacksaw	85,050			
					Rollex Hydraulic Surface Grinder & Accessories	653,569			
					Rollex Universal Cylindrical Grinding Machine & Accessories	2,462,794			
					Rollex	892,013			

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy	Insured Amount (in ₹)	Premium (in ₹)	
					Precision Heavy Duty Precision All geared Radial Drilling Machine Rollex All geared fully Automatic Heavy Duty Universal Milling machine Metturgical Image Analyser Metturgical Microscope Tensile Testing machine Electronic Extensometer Motorised Automatic Digital Ericson Cupping Machine Dead weight Tear tester with all accessories D-Meter time make	1,221,750 438,722 347,878 598,359 130,078 234,141 3,751,453 33,300		
10	Standard Fire & Special Perils Policy	1424 0011 1301 0000 0168	New India Assurance Co. Ltd.	25/06/13 to 24/06/14	Specifics of Assets Insured: The same assets as covered above under Policy no. 14240046130100000024	15,975,721.00	Basic Premium 13,180.00 Service Tax 1,630.00 Net Premium 14,810.00	
11	Personal Accident Insurance Policy	1401 0442 1301 0000 0179	New India Assurance Co. Ltd.	30/04/13 to 29/04/14	31 persons covered	37,394,000.00	Premium 21,668.00 Service Tax 2,679.00 Total 24,347.00	
12	Nagriksuraksha Group Policy	1245 00/4 8/20 14/1 063	Oriental Insurance Co. Ltd.	30/04/13 to 29/04/14	446 persons covered	₹ 400,000 (for 154 lives); ₹ 500,000 (for 292 lives)	Gross Premium 133,262.00 Service Tax 16,471.00 Stamp 20.00	

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets and Persons covered in policy	Insured Amount (in ₹)	Premium (in ₹)	
							duty	
							Total	149,733
13	Workman's Compensation Insurance Policy	4010/794/46767/00/000		25/04/13 to 24/04/14	446 employees covered Places of Employment: 1) Village Ransai, Taluka- Khalapur, Raigad, Maharashtra – 410203. 2) Plot nos. E-19, E-6/1, A-69 and A-79, MIDC, Taloja, District Raigad, Maharashtra 410206	64,869,496.00	Gross Premium	175,443.00
							Service Tax (12%)	21,053.16
							Education al Cess (2% of Service Tax)	421.06
							Secondary and Higher Education al Cess (1% of Service Tax)	210.53
							Total Premium	197,128.00
14	Smart Marine Insurance Open Policy	MC O/I1 4226 36/2 3/11/ M12 34F	Bharti Axa General Insurance Co. Ltd.	To take all shipments where transit commences between 17/11/13 to 16/11/14 (both days inclusive)	Voyage from anywhere in the world to Khopoli excluding: a) shipments from prohibited countries as identified by United Nations and / or Government of India b) Tail end transit c) shipments from Nepal, Bangladesh, Iraq, Iran, Afghanistan, Angola, Cuba, Ethiopia, Pakistan, Lebanon, Liberia, Libya, Nicaragua, Nigeria, North Korea, Rwanda, Sierra Leone, Somalia, Sudan, Syria, Zimbabwe, Uganda, Myanmar, Yemen, Colombia, Bhutan and Demographic Republic of Congo. Conveyance is by vessels stated in the policy or road vehicle. Assets Insured: H.R. Coils, H.R. Plates, C.R. Coils, Galvanized Coils, PPGI Coils	487,842,218.00	Gross Premium	170,745.00
							Service Tax	21,104.08
							Total Premium	191,850.08

*Our Company has taken this insurance policy for the flat owned by Mr. Manish Garg.

^ Our Company has taken this insurance policy for the flat owned by Ms. Anju Poddar.

Note: Our Company has availed the mandatory vehicle insurance for all the vehicles forming part of the fixed assets

of the company as on date.

Our Subsidiary (Loha Ispaat Middle East FZCO) has taken the following policies for its existing operations:

S. No	Name of the Policy	Policy No.	Insurance Company	Tenure	Location and Assets covered in policy	Insured Amount (in ₹)	Premium (in ₹)	Other Details
1	Third Party Liability Insurance	04/1111/1013/192	Emirates Insurance Co.	April 15, 2013 to April 14, 2014	Cover: in accordance with the UAE Federal Labor Law and Clause 5.2.2 of the Jebel Ali Free Zone Rules (Premises risk only)	Limit of Indemnity: Dhs. 500,000.00 any one occurrence and in the aggregate	Dhs. 1,000/- per month	Territory/Jurisdiction: UAE

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page 266 of this Red Herring Prospectus.

We are engaged in the business of processing of steel i.e. slitting and shearing of HR Coils and CR Coils. Our business is governed by various central and state legislations that regulate the substantive and procedural aspects of our business. We are required to obtain and regularly renew certain licenses/ registrations and / or permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies.

Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us.

Labour Laws

Employees Provident Fund and Miscellaneous Provisions Act, 1952

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund.

There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. This act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of ₹ 1,000,000 for an employee.

The Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the “ESI Act”) provides for certain benefits to employees in case of sickness, maternity and employment injury. The ESI Act is applicable to all factories including a factory belonging to the Government other than seasonal factories and any other establishment as the appropriate Government may determine. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages. The Act lists Agricultural and Non Agricultural employment where a prescribed minimum rate of wages is to be paid to employees.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a Company is punishable with imprisonment upto six months or a fine up to ₹ 1,000 or both.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It provides, *inter alia*, for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women, etc.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (“PWA”) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

Equal Remuneration Act, 1979

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

The Employees’ Compensation Act, 1923

The Employees’ Compensation Act, 1923 (the “ECA”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The ECA makes every employer liable to pay compensation in accordance with the ECA if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the ECA within 1 (one) month from the date it falls due, the commissioner appointed under the ECA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

Laws governing the Manufacturing Sector

The Factories Act, 1948

The Factories Act, 1948 (the "Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires *inter alia* the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

The Maharashtra Factories Rules, 1963

The Maharashtra Factories Rules, 1963 (the "Rules") seek to regulate labour employed in factories in the State of Maharashtra and makes provisions for the safety, health and welfare of the workers. The Rules also mandate maintenance of certain statutory registers in the factory.

The Industrial Disputes Act, 1948

The Industrial Disputes Act, 1947 (the "IDA") was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment.

Environment Related Laws

Environment Protection Act, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

Water (Prevention and Control of Pollution) Act, 1974

Our Company is required to obtain consents under the Water (Prevention and Control of Pollution) Act 1974 for discharge of sewage and trade effluents.

Air (Prevention and Control of Pollution) Act, 1981

Our Company is required to obtain consents under the Air (Prevention and Control of Pollution) Act, 1981 for establishing and operating industrial plants.

Intellectual Property

The Trademarks Act, 1999 ("Trademarks Act")

Under the Trademarks Act, 1999, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 years, which may be renewed for similar periods on payment of a prescribed renewal fee

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act, grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and

economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire. The penalty for general infringement of copyright is imprisonment of maximum three years and a fine of up to ₹ 200,000.

Tax Related Legislations

The Central Sales Tax Act, 1956

The Central Sales tax (“CST”) is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the Central Sales Tax Act, 1956. If the goods move between States pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, the taxability of a sale of movable goods within the jurisdiction of the State is determined as per the local sales tax/Value Added Tax legislation in place within such State.

For details of the Company’s material registrations under the applicable the CST legislations, kindly refer to the Chapter titled “*Government and Other Key Approvals*” beginning on page 266 of this Red Herring Prospectus.

Value Added Tax

Value Added tax (“VAT”) is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period.

VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Sales Tax Officer of the respective State.

The following are the acts and rules and regulations thereunder, as are applicable to our establishments:

Andhra Pradesh Value Added Tax 2005;
Gujarat Value Added Tax Act, 2003;
Haryana Value Added Tax Act, 2003;
Karnataka Value Added Tax Act, 2003;
Maharashtra Value Added Tax Act, 2002;
Rajasthan Value Added Tax Act, 2003;
Orissa Value Added Tax Act, 2004;
Tamil Nadu Value Added Tax Act, 2006;
Uttar Pradesh Value Added Tax Act, 2007; and
Chhattisgarh Value Added Tax Act, 2005

For details of the Company’s material registration under the applicable State VAT legislations, kindly refer to the chapter titled “*Government and Other Key Approvals*” beginning on page 266 of this Red Herring Prospectus.

Income-tax Act, 1961

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, defined therein. The service provider of taxable services is required to collect service tax from the

recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Other Laws

The Bombay Shops and Establishments Act, 1948

The Company has its registered office at 903, 9th Floor, Naman Centre, C-31, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 052 and accordingly the provisions of Bombay Shops and Establishments Act, 1948 are applicable to the Company. These regulations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (the “L.M. Act”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L. M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

Additionally, the Act provides for the following penalties in case of contravention of certain provisions of the Act:

1. Penalty for use of weight, measure or numeration in contravention of the Act;
2. Penalty for alteration or tampering with the weight or measure;
3. Penalty for making a transaction, deal or contract in contravention of the Act;
4. Penalty for the buyer (buying in excess of the quantity specified, or price paid for) and seller (selling less the quantity specified, or price paid for).

Transfer of Property Act, 1882 ("T.P. Act")

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the T.P. Act. The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the

transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognises, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price, paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognises several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

The Registration Act, 1908

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Stamp Act which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Specific Relief Act, 1963

The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

Competition Act, 2002

The Competition Act 2002 (the “Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (the “Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

The Companies Act, 1956

The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Companies Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. The Ministry of Corporate Affairs, in future, will also issue rules complementary to the Act establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Act.

Regulations regarding Foreign Investment

Under the Industrial Policy, FEMA, Consolidated FDI Policy dated April 05, 2013 issued by the Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the FIPB or the RBI are required for such Allotment of Equity Shares under this Issue. Our Company will be required to make certain filings with the RBI after the completion of the Issue.

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable Regulations. The DIPP has issued ‘Circular 1 of 2013’ (the “FDI Circular”) which consolidates the policy framework on FDI, with effect from April 05, 2013. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till April 04, 2013. All the press notes, press releases, clarifications on FDI issued by DIPP till April 04, 2013 stand rescinded as on April 05, 2013. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the approval route, prior approval of the GoI through FIPB is required. FDI for the items or activities that cannot be brought in under the

automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the FIPB, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where FIPB approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004

An Indian Company may make direct investment in a Joint Venture or Wholly Owned Subsidiary outside India provided that the total financial commitment of the Indian Company in the Joint Ventures/Wholly Owned Subsidiaries shall not exceed 100% of the net worth of the Indian Party as on the date of the last Audited Balance Sheet. Application for Direct Investment in a Wholly Owned Subsidiary outside India, or by way of exchange for shares of a Foreign Company, shall be made in Part I of the Form ODI. Reserve Bank will allot a Unique Identification Number (UIN) for each Joint Venture (JV) or Wholly Owned Subsidiary (WOS) outside India and the Indian Party shall quote such number in all its communications and reports to the Reserve Bank and the Authorised Dealer.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Promoter, Mr. Rajesh Poddar, entered the steel trading business in 1985 with a partnership concern M/s Pragati Enterprises. Our Company was incorporated as Loha Ispat Private Limited on December 20, 1988 under the Companies Act, 1956, bearing Registration No. 050107 having its Registered Office in Mumbai, Maharashtra. Subsequently, the Company became a Public Limited Company in pursuance to a special resolution passed by the members of our Company at the EGM held on March 17, 1999. A fresh Certificate of Incorporation consequent to change of name as a result of conversion to a public limited company was issued on June 01, 1999 by the Registrar of Companies, Mumbai, Maharashtra. In 2005, the name of the company was changed from “Loha Ispat Limited” to “Loha Ispaat Limited” in pursuance to a special resolution passed by the members of our Company at the EGM held on January 25, 2005. A fresh Certificate of Incorporation consequent to such change of name was issued on February 03, 2005 by the Registrar of Companies, Mumbai, Maharashtra. The Company’s Corporate Identity Number is U27200MH1988PLC050107 and its Registered Office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

We are one of the organized Independent Steel Service Centers in India having an existing client base of over 500 customers Pan India, making us a major player in the flat steel product (i.e. HR and CR Coils, Sheets and Plates) markets in India.

We operate as an independent Steel Service Centre that purchases raw materials like Hot Rolled Coils and Cold Rolled Coils from steel manufacturers and converts them into various shapes and forms through slitting, shearing, and other value additions such as Pickling, Oiling etc. We serve an important function as an intermediary between primary metal producers that generally sell large volumes of limited sizes and configurations, and end-users that require efficient services and economical quantities of customized products.

For further details regarding our Business Operations, kindly refer to the Chapter titled “*Our Business*” beginning on page 114 of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, there are eleven shareholders of our Company.

Major events in the History of our Company:

YEAR	MAJOR EVENT
1988	Incorporation of our Company and commencement of Business Activities
1989	Acquired the running business of a partnership firm M/s Global Steel Industries
1990	Acquired the running business of a partnership firm M/s Pragati Enterprises
2001	Commenced processing activities by commissioning the slitting and shearing (cut to length) line at Taloja
2004	Commenced the Pickling Line at Taloja
2006	Amalgamation of Ayushman Industries Ltd. with our Company*
2007	Shifting of the Processing Line from Taloja to Khopoli
2008	Splitting of the face value from ₹ 100 to ₹ 10
2008	Bonus issue by capitalizing ₹ 150 million
2009	Increased our Processing capacity to 900,000 TPA
2010	Received ISO Certification from BSI approving that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 for the following scope: The steel service centre for slitting, shearing of steel sheets, plates and coils.
2010	Incorporation of Loha Ispaat Hong Kong Ltd. as a foreign Subsidiary
2010	Incorporation of Loha Ispaat Middle East FZCo. as a foreign Subsidiary
2012	Commencement of Initial Commercial Production for both the expansion projects (i.e. Khopoli and Taloja)
2013	Increased our Processing capacity to 1,811,900 TPA
2013	Received renewed ISO Certification from BSI approving that our Quality Management System was found to be in accordance with the requirements of ISO 9001:2008 for the following scope: The steel service centre for slitting, shearing of steel sheets, plates and coils.
2013	Pre-IPO Placement of 1,187,844 Equity Shares for an aggregate consideration of ₹ 92.65 million at a subscription price of ₹ 78 per Equity Share

YEAR	MAJOR EVENT
2014	Pre-IPO Placement of 2,348,000 Equity Shares for an aggregate consideration of ₹ 183.14 million at a subscription price of ₹ 78 per Equity Share.**

**For details on the Scheme of Amalgamation, kindly refer to “Scheme of Amalgamation of Ayushman Industries Ltd. with our Company” on page 159 of this Red Herring Prospectus.*

***For details regarding the Pre-IPO Placement, kindly refer to “Notes to the Capital Structure” beginning on page 63 of this Red Herring Prospectus.*

For details on the changes in our Registered Office Address, kindly refer to “Changes in Registered Office of our Company” on page 158 of this Red Herring Prospectus.

Main Objects of our Company

The main object of our Company is as follows:

To carry on business as manufacturers, fabricators, processors, re-rollers, refiners, smelters, converters, producers, exporters, importers, traders, dealers, distributors, stockists, buyers, sellers, agents or merchants, in all kinds and forms of steel including mild, high carbon spring, high speed tool, alloy stainless and special steels, iron, ferrous and non-ferrous metals and their alloys in all forms including scrap and their products, ingots, billets, bars, joints, rods, squares, structural tubes, poles, pipes, sheets, castings, wires, rails, rolling materials, other materials made wholly or partly of iron, steel, alloys, and metals commercial, domestic, building, power, transmission and/or construction purposes.

Changes in Registered Office of our Company

Date of Change of Registered Office	Address
May 15, 1992	Change of registered office from 52, Gautam Apartment, 31, Juhu Road, Santacruz (W), Mumbai - 400 054 to T.K. Industrial Estate, Gr. Floor, Kind Edward Cross Lane, Opp. Thakre Garden, Sewri, Mumbai - 400 015
July 01, 1995	Change of registered office from T.K. Industrial Estate, Gr. Floor, Kind Edward Cross Lane, Opp. Thakre Garden, Sewri, Mumbai - 400 015 to 4-A/B Shri Kishanlal Surekha Industrial Estate, Gupte Wadi, A.D. Marg, Sewri (W), Mumbai - 400 015
September 29, 1998	Change of registered office from 4-A/B Shri Kishanlal Surekha Industrial Estate, Gupte Wadi, A.D. Marg, Sewri (W), Mumbai - 400 015 to E-19, M.I.D.C, Taloja, Dist. Raigad - 410 026
September 29, 2003	Change of registered office from E-19, M.I.D.C, Taloja, Dist. Raigad - 410 026 to DDE Gupta Mill Compound, 1st Floor, Reay Road, Mumbai - 400 010
October 17, 2003	Change of registered office from DDE Gupta Mill Compound, 1st Floor, Reay Road, Mumbai - 400 010 to 001, Varun Amin Villa, Dattatray Road, Santacruz (W), Mumbai - 400 054
August 20, 2008	Change of registered office from 001, Varun Amin Villa, Dattatray Road, Santacruz (W), Mumbai - 400 054 to 2, Ganesh Kunj, 1st Floor, Next to Juhu Police Station, J.V.P.D. Scheme, V.M. Road, Vile Parle (W), Mumbai - 400 049
May 02, 2012	Change of registered office from 2, Ganesh Kunj, 1st Floor, Next to Juhu Police Station, J.V.P.D. Scheme, V.M. Road, Vile Parle (W), Mumbai - 400 049 to 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai 400051

The changes in our registered office were to ensure greater operational efficiency.

Amendments to the Memorandum of Association

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

DATE	NATURE OF AMMENDMENT
November 05, 1990	The authorised share capital was increased from ₹ 500,000 to ₹ 1,000,000
March 05, 1991	The authorised share capital was increased from ₹ 1,000,000 to ₹ 2,000,000
March 01, 1997	The authorised share capital was increased from ₹ 2,000,000 to ₹ 3,500,000
March 05, 1998	The authorised share capital was increased from ₹ 3,500,000 to ₹ 7,500,000
June 01, 1999	Conversion of Private Limited Company to Public Limited Company
March 11, 2000	The authorised share capital was increased from ₹ 7,500,000 to ₹ 20,000,000
March 03, 2002	The authorised share capital was increased from ₹ 20,000,000 to ₹ 35,000,000
December 23, 2002	The authorised share capital was increased from ₹ 35,000,000 to ₹ 55,000,000
February 27, 2004	The authorised share capital was increased from ₹ 55,000,000 to ₹ 75,000,000
October 25, 2004	The authorised share capital was increased from ₹ 75,000,000 to ₹ 105,000,000
December 23, 2004	The authorised share capital was increased from ₹ 105,000,000 to ₹ 107,000,000
February 03, 2005	Change of name from “Loha Ispat Limited” to “Loha Ispaat Limited”
February 27, 2006	The authorised share capital was increased from ₹ 107,000,000 to ₹ 122,000,000
March 08, 2007	The authorised share capital was increased from ₹ 122,000,000 to ₹ 200,000,000
October 15, 2007	The authorised share capital was increased from ₹ 200,000,000 to ₹ 300,000,000
March 27, 2008	The authorised share capital was increased from ₹ 300,000,000 to ₹ 350,000,000
October 13, 2008	The face value of the equity shares of our Company was split from ₹ 100 each to ₹ 10 each and consequently, the authorized share capital of our Company of ₹ 350,000,000 was split into 35,000,000 equity shares of ₹ 10 each
October 13, 2008	The authorised share capital was increased from ₹ 350,000,000 to ₹ 650,000,000
November 24, 2009	The authorised share capital was increased from ₹ 650,000,000 to ₹ 660,000,000
March 23, 2011	The authorised share capital was increased from ₹ 660,000,000 to ₹ 750,000,000
September 29, 2012	The authorised share capital was increased from ₹ 750,000,000 to ₹ 1,030,000,000

Scheme of Amalgamation of Ayushman Industries Ltd. with our Company

On March 31, 2004, our Board approved the Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 for the amalgamation of Ayushman Industries Ltd. with our Company, whereby the undertakings, all debts, the running business assets and liabilities, duties, obligations etc. of Ayushman Industries Ltd. were transferred to our Company and Ayushman Industries Ltd. was dissolved without winding up, pursuant to a report by the official liquidator, with effect from the September 09, 2005. Our Company obtained the order of the High Court of Judicature at Mumbai for the Scheme of Amalgamation on September 09, 2005. The Scheme of Amalgamation envisaged the transfer of the undertakings, business, investments, obligations, employees, etc. from Ayushman Industries Ltd. to our Company and the consequent issue of 1 (one) Equity Share of ₹ 100 each by our Company to the shareholders of Ayushman Industries Ltd. for every 10 (ten) Equity Shares of ₹ 10 each held by the then shareholders of Ayushman Industries Ltd. in the manner provided therein.

The Scheme of Amalgamation, inter alia, provided the manner of vesting and transfer of the assets and undertakings of Ayushman Industries Ltd. to our Company, the transfer of all contracts, deeds, bonds, agreements, arrangements, charges and other instruments of whatsoever nature of Ayushman Industries Ltd. to our Company and the continuance of our Company as a party in Ayushman Industries Ltd's place in the same, the transfer of all debts and obligations of Ayushman Industries Ltd. to our Company, the transfer of all legal and other proceedings by or against Ayushman Industries Ltd. to our Company and the transfer of all the employees and staff engaged by Ayushman Industries Ltd. to our Company on terms and conditions not less favourable than those on which they were engaged in Ayushman Industries Ltd.

The accounting treatment for the Scheme of Amalgamation is in compliance with AS-14.

Shareholders' Agreement

There are no shareholders' agreements currently subsisting where our Company is a party. However, our Company has entered into share subscription agreements (collectively called the "SSA") dated December 24, 2013 with M/s Passage to India Master Fund Limited (PIMFL), January 14, 2014 with M/s Prograss Investments Limited (PIL) and January 30, 2014 with M/s. Pacatolus Opportunity Limited (POL) (PIMFL, PIL and POL collectively referred to as the "Investors") in the Pre-IPO Placement pursuant to which PIML, PIL, POL have been allotted 1,187,844 Equity Shares, 1,815,000 and 533,000 Equity Shares, respectively, at a subscription price of ₹ 78 per Equity Share aggregating to ₹ 275.80 million.

Other Agreements

Except the contracts/agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement/contract as on the date of this Red Herring Prospectus.

Financial Partners

We do not have any financial partners as on the date of this Red Herring Prospectus.

Strategic Partners

We do not have any strategic partners as on the date of this Red Herring Prospectus.

OUR SUBSIDIARIES

Our Company has two Subsidiaries. None of the Subsidiaries have made any public or rights issue in the last three years, have not become sick companies under the meaning of SICA and are not under winding up.

1. Loha Ispaat Hong Kong Limited (LIHL)

Corporate Information

LIHL was incorporated as Loha Ispaat Hong Kong Limited under the Companies Ordinance (Chapter 32) and a Certificate of Incorporation was issued by the Registrar of Companies, Hong Kong on January 22, 2010. LIHL was set up to be a logistical sourcing point for procurement of quality raw materials, high-grade HR/CR Sheets and Plates and other rolled products to cater to the premium segment of customers in India at competitive prices. This Subsidiary will mainly focus on exports to the developing nations through trading and value-added processing of HR, CR, and GP/GC – coils, plates and sheets.

Its registered office is situated at Flat/RM A, 30/F, Rhine Terrace, 28 Castle Peak Road, Sham Tseng, Hong Kong.

Board of Directors

- Loha Ispaat Ltd. (Corporate Director)
- Liang Chang Yuan

Capital Structure

Particulars	No. of Equity Shares of HK\$ 1.00 each
Authorised capital	10,000
Issued, subscribed and paid-up capital	10,000

Shareholding Pattern

LIHL is a wholly-owned subsidiary of our Company.

Financial Information

The summary of audited financials of LIHL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	0.07	0.07	0.06
2.	Reserves (excluding revaluation reserve) and Surplus	(0.77)	(0.59)	(0.21)
3.	Income including other income	Nil	Nil	Nil
4.	Profit/ (Loss) after tax	(0.13)	(0.14)	Nil
5.	Earnings per share (face value of HK\$1.00 each) (in ₹)	(12.96)#	(13.80)*	Nil^
6.	Net asset value per share (face value of HK\$1.00 each) (in ₹)	Nil	Nil	Nil

#18.95HKD * 6.84 HKD

*21.073HKD * 6.55 ₹/HKD

^(1HKD = ₹ 5.73)

2. Loha Ispaat Middle East FZ Company (LIMEF)

Corporate Information

LIMEF was incorporated as Loha Ispaat Middle East FZCO on February 02, 2010 in the Jebel Ali Free Zone bearing Registration No. 136011, pursuant to the laws and regulations of Jebel Ali Free Zone Authority in respect of formation of Free Zone Company. LIMEF was set up to take advantage of Dubai's strategic location for International Business of Steel related products. Dubai's coast is stretched along 400 miles in the middle of U.A.E. The geographic advantage of Dubai makes international trade of steel flat products accessible to global markets by linking western markets - including Europe and North America – African and Asian markets. Dubai has the ability to attract steel flat product businesses, particularly from Asia, as it offers several advantages in terms of efficiency, low-cost freight services, and the ability to reach vital markets overseas.

Its registered office is situated at Office No. S10123O003, Jebel Ali, Dubai, United Arab Emirates.

Board of Directors

- Mr. P. Gopakumar
- Mr. Sanjay Bansal

Capital Structure

Particulars	No. of Equity Shares of AED 100,000 each
Authorised capital	10
Issued, subscribed and paid-up capital	10

Shareholding Pattern

The shareholding Pattern of LIMEF as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Loha Ispaat Ltd.	9	90.00%
2.	Rajesh Poddar	1	10.00%
	Total	10	100.00%

Financial Information

The summary of audited financials of LIMEF is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	14.78	13.85	12.17
2.	Reserves (excluding revaluation reserve) and Surplus	4.85	0.64	(3.20)
3.	Income including other income	249.51	107.31	(9.08)
4.	Profit/ (Loss) after tax	4.07	4.28	(2.98)
5.	Earnings per share (face value of AED 100,000 each) (in ₹)	407,264#	427,735*	(298,358)^
6.	Net asset value per share (face value of AED 100,000 each) (in ₹)	1,962,710.70	1,449,024.30	897,761.50

#(281,993AED*14.442 ₹/AED)

*(30883.37*13.85 ₹/AED)

^(24515.85AED*12.17 ₹/AED)

OUR MANAGEMENT

Board of Directors

At present, we have 3 Executive Directors and 3 Non-Executive Independent Directors.

The following table sets forth details regarding our Company's Board of Directors as on the date of this Red Herring Prospectus:

S. No.	Name, Designation, Address, Occupation, Term, Date of Birth and DIN	Nationality	Age	Other Directorships
1	<p>Mr. Rajesh Poddar Chairman & Managing Director</p> <p><i>Address:</i> 52, 5th Floor, Gautam Apts., 31 Juhu Rd, Santacruz (W), Mumbai - 400054</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> January 01, 2010 to December 31, 2014</p> <p><i>Date of birth:</i> December 18, 1965</p> <p><i>DIN:</i> 01384067</p>	Indian	48 years	<ul style="list-style-type: none"> • Dhanidevi Processors Private Limited • Loha Investments Private Limited • Loha International Limited • Poddar Finin Consultancy Private Limited • Poddar Advantage Advisors Private Limited • Loha Power and Infrastructure Limited
2	<p>Mr. Sanjay Bansal Whole-Time Director</p> <p><i>Address:</i> A-602, Haware Vrindavan Tower ABD CHS, A - 602, Sector - 9, Khanda Colony, New Panvel, Navi Mumbai - 410206</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> August 01, 2012 to July 31, 2015</p> <p><i>Date of birth:</i> June 15, 1983</p> <p><i>DIN:</i> 00064532</p>	Indian	30 years	<ul style="list-style-type: none"> • Loha International Limited • Poddar Finin Consultancy Private Limited • Loha Power and Infrastructure Limited • Poddar Advantage Advisors Private Limited • Loha Ispaat Middle East FZCo.
3	<p>Mr. Biswanath Chakraborty Whole-Time Director</p> <p><i>Address:</i> 43, Purbachal North, Kalitala Link Road, Kolkata – 700078</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> July 12, 2013 to July 11, 2014</p> <p><i>Date of birth:</i> January 01, 1956</p> <p><i>DIN:</i> 05325864</p>	Indian	58 years	<ul style="list-style-type: none"> • Loha International Limited
4	<p>Ms. Shruti Shah Non-Executive Independent Director</p> <p><i>Address:</i> 10, Raturaj, 2nd Floor, Opp. S.N.D.T. College, Juhu Road, Santacruz (W), Mumbai - 400049</p>	Indian	41 years	NIL

S. No.	Name, Designation, Address, Occupation, Term, Date of Birth and DIN	Nationality	Age	Other Directorships
	<i>Occupation:</i> Professional <i>Term:</i> Retirement by Rotation <i>Date of birth:</i> November 29, 1972 <i>DIN:</i> 06423477			
5	Ms. Sujata Chattopadhyay Non-Executive Independent Director <i>Address:</i> D-103, Jal Vayu Vihar, Powai, Mumbai – 400 076. <i>Occupation:</i> Professional <i>Term:</i> Retirement by Rotation <i>Date of birth:</i> August 27, 1964 <i>DIN:</i> 02336683	Indian	49 years	<ul style="list-style-type: none"> Choice Capital Advisors Private Limited
6	Ms. Sandhya Malhotra Non-Executive Independent Director <i>Address:</i> B2-703, Rosemary, Runwal Garden City, Balkum, Thane (W) - 400608 <i>Occupation:</i> Professional <i>Term:</i> Retirement by Rotation <i>Date of birth:</i> September 15, 1978 <i>DIN:</i> 06450511	Indian	35 years	NIL

For further details on their qualification, experience etc., kindly refer to their respective biographies under the heading “*Brief Biographies*” below.

Other Notes:

- None of the Directors on our Board are related to each other.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or member of our senior management were appointed / selected.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of our Directors of our Company are debarred from accessing the capital market under any order by SEBI.
- None of our Directors are/were directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the Stock Exchange(s) / SEBI / other regulatory authority in the last 5 years.

- None of our Directors are/were directors of any company which was delisted from stock exchange(s) or under any order or directions issued by the Stock Exchange(s) / SEBI / other regulatory authority in the last 5 years.

Brief Biographies

- **Mr. Rajesh Poddar**

Mr. Rajesh Poddar, aged 48 years is the Founding Promoter of our Company and is also the Chairman & Managing Director of the company. He has completed his second year of Commerce from the Mithibhai College, Mumbai. He is a first generation entrepreneur with more than 29 years of experience and an in depth knowledge and acumen of the Iron and Steel Industry. The business was set-up by Mr. Rajesh Poddar and family in the year 1985 as a partnership firm which was brought into a company in 1989. He has successfully demonstrated vision by introducing the concept of Independent Steel Service Centres in India and has been instrumental in making our company one of the known and established performers in the Steel Industry. His functional responsibility in our Company involves handling the overall business affairs of the Company including devising business marketing strategies, capacity expansion, and overall development of the business of our Company.

- **Mr. Sanjay Bansal**

Mr. Sanjay Bansal, aged 30 years was appointed as the Whole-Time Director of our Company on March 15, 2004. He has completed his Matriculate from Rajasthan State Board. He has been involved in the overall management of all activities at the factory for over 9 years and is well versed with the day to day operations of the company. His functional responsibility includes assisting the MD in core areas of business and supervising compliance with labour laws at the factory.

- **Mr. Biswanath Chakraborty**

Mr. Biswanath Chakraborty, aged 58 years was appointed as the Whole-Time Director of our Company on July 12, 2012. He holds a Bachelor's degree in Science and has also done his AMIE Electricals Engineering pursuant to which he completed his MBA programme. Mr. Biswanath Chakraborty has an experience of 38 years in handling various projects and is instrumental in giving shape to the successful accomplishment of the projects. His past assignments include that with Simon Carves, Otto India, Precision Construction Company, Larsen & Toubro, Crompton Greaves, GEC, English Electric, Alstom, M M Steel Ltd, TRF, Supreme and TATA Steel Ltd. He is associated with our Company as the 'Chief Technical Officer' and his functional responsibilities include Contract, Design Engineering, Development and Execution, Electrical Power design, and Engineering & Technical Department. His core activities include Design Engineering of any Plant, Specifications & Drawings, Execution and Construction at Site, Pre-Testing and Commissioning and Handover, Setting up SSC, Steel Melting Shop, Project Management and Business Development. He was appointed as Director- Technical & Projects of the Company in the month of July 2012.

- **Ms. Shruti Shah**

Ms. Shruti Shah was appointed as a Non-Executive Independent Director of our Company with effect from November 27, 2012. She is a B.Com Graduate from H. L. College of Commerce, Ahmedabad and a Fellow Member of The Institute of Chartered Accountants of India (ICAI). She has a professional experience of around 16 years in the field of Systems Consultancy, Service Tax, Excise and Customs Compliance Audit and Consultancy, VAT Audit and Consultancy, Business Process Outsourcing, Internals Audits and Statutory Audits. She also undertakes ISO certification Audits. She is currently a Partner in the firm "Shruti Shah & Co.". Ms. Shah is currently a Council Member of the Western India Regional Council of ICAI and has been the Chairperson of various committees of Regional Councils such as Information Technology, Allied Laws, Study Circle, Internal Audit, Student Committee, Direct Tax Committee etc. She is also an active member in Public Relation Committee of the Bombay Chartered Accountants Society, and is a Treasurer of "L.I.B.E.R.A.T.E. India", a forum for electoral reforms. She is also president for Narmada Kidney Foundation, Surat.

- **Ms. Sujata Chattopadhyay**

Ms. Sujata Chattopadhyay was appointed as a Non-Executive Independent Director of our Company with effect from November 27, 2012. She is a B.Com Graduate from Delhi University. She is a Fellow Member of the Institute of Cost & Works Accountants in India and an Associate Member of the Institute of Company Secretaries of India. She has a professional experience of around 17 years in the field of Legal, Finance and Accountancy. She started her professional career as a Cost Accounts Officer in Kelvinator India Ltd., pursuant to which she worked with various Companies such as M/s NI Mehta & Co. as a Cost Auditor, G. R. Kumar & Co., as a Company Law Consultant, Choice International Ltd. as a Director, amongst a few. She worked as a Full Time Practising Cost Accountant for about six years where she carried out activities like Project funding, Preparation of Banker's Appraisal Note, Raising funds, etc. Currently, she is a Whole Time Director at Choice Capital Advisors Pvt. Ltd.

- **Ms. Sandhya Malhotra**

Ms. Sandhya Malhotra was appointed as a Non-Executive Independent Director of our Company with effect from December 12, 2012. She has completed her Graduation in BA in Industrial Relations and Personnel Management from Delhi University, and holds a degree in Law from Mumbai University. She is also a Fellow Member of The Institute of Company Secretaries of India. She has a professional experience of around 13 years in the Secretarial and Legal field. She has worked with various companies such as Cinevistaas Ltd. as a Company Secretary & Compliance Officer, Walchand Peoplefirst Ltd. as a Company Secretary and Dharampal Satyapal Ltd. as an Assistant Company Secretary. She was also associated with the Investor Grievances Forum. Further, she has conducted lectures on various aspects of Corporate Law and Secretarial Practice at the Oral Coaching Centres of ICSI. She is currently working as a Practising Company Secretary and is associated with various Private and Public Limited Companies.

Borrowing Powers of our Board of Directors

Pursuant to a Resolution passed by our shareholders at the EGM held on February 22, 2014 and subject to the provisions of the Companies Act, 1956, Companies Act, 2013, and other laws in force, our Articles of Association authorize our Board of Directors to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company on such terms and conditions as it may think appropriate, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹ 20000 million. We confirm that the borrowing powers of directors are in compliance with the relevant provision of the Companies Act, 1956 and Companies Act, 2013.

Remuneration of Directors

a) Executive Directors

The remuneration of our Executive Directors is as per the terms of appointment contained below:

- **Mr. Rajesh Poddar, Chairman & Managing Director**

The compensation package payable to him as resolved in the Board meeting held on December 07, 2009 is stated hereunder:

Salary: ₹ 300,000 per month (w.e.f July 01, 2010)

Bonus: Nil

Perquisites:

- Provident Fund, Pension / Superannuation Fund, Annuity Fund as per rules of the Company
- Medical Re-imburement
- Re-imburement of expenses incurred for travelling, boarding and lodging including for his spouse and attendant(s) during business trips

- Utilisation of gas electricity, water and repairs,
- Leave travel concession for self and family including dependents'
- Club membership fees
- Medical insurance
- Telephone, fax and internet at Residence
- Car with driver
- Security Guards
- House maintenance and servant allowances

Commission:

Mr. Rajesh Poddar shall be entitled to receive commission not exceeding 0.5% of the net profits of the Company for each financial year as computed in the manner referred to under section 198(1) of the Companies Act, 1956.

The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions as may be amended from time to time.

The amount of remuneration paid to Mr. Rajesh Poddar for FY 2012-13 is ₹ 3.60 million.

• **Mr. Sanjay Bansal, Whole-Time Director**

The compensation package payable to him as resolved in the shareholders meeting held on September 29, 2012 is stated hereunder:

Salary: ₹ 75,000 per month

Bonus: Nil

Perquisites:

- Gratuity as per the rules of the Company
- Mobile phone for use on official duties
- Fuel re-imbursment for use of car on official duties
- Reimbursement of expenses incurred for travelling, boarding and lodging while on official duties

The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions as may be amended from time to time.

The amount of remuneration paid to Mr. Sanjay Bansal for FY 2012-13 is ₹ 0.85 million.

• **Mr. Biswanath Chakraborty, Whole-Time Director**

The compensation package payable to him as resolved in the shareholders meeting held on May 20, 2013 is stated hereunder:

Salary: ₹ 0.2 million per month

Bonus: Upto a sum of ₹ 0.8 million p.a.

Perquisites:

- Leave Travel Allowance of ₹ 50,000 p.a.
- Fully furnished accommodation
- Provision of Chauffer driven car with fuel reimbursement
- Mediclaim policy for an amount of ₹ 0.50 million for self and spouse
- Gratuity as per the rules of the Company

- Mobile phone for the purpose of the business of the Company and personal use
- For domestic tour on official duties, entitlement for an allowance of ₹ 1000 per day along with hotel accommodation and conveyance at actuals
- For overseas visit on official duties, entitlement for an allowance as per Company's rules
- Privilege leave to the extent of 30 days for every completed year of service or part thereof
- Privilege leave to the extent of 300 days can be accumulated and it can be encashed as per current rate of salary

The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions as may be amended from time to time.

The amount of remuneration paid to Mr. Biswanath Chakraborty for FY 2012-13 is ₹ 2.40 million.

b) Non-Executive Independent Directors

The Non-Executive Independent Directors shall be paid sitting fees for attending the meetings of the Board as well as relevant committees. The same has been approved by our board of directors on December 12, 2012.

The sitting fees paid to the Non Executive Independent Directors in FY 2012-13 is as below –

Name of Non Executive Independent Directors	Amount (₹ in million)
Ms. Shruti Shah	0.12
Ms. Sujata Chattopadhyay	0.12
Ms. Sandhya Malhotra	0.06

Shareholding of Directors

The following table sets forth the shareholding of our Directors as on the date of this Red Herring Prospectus:

Name of Directors	No. of Equity Shares held
Mr. Rajesh Poddar	49,583,721
Mr. Sanjay Bansal	0
Mr. Biswanath Chakraborty	0
Ms. Shruti Shah	0
Ms. Sujata Chattopadhyay	0
Ms. Sandhya Malhotra	0
TOTAL	49,583,721

Interest of Directors

Except as stated in the Chapter titled “*Related Party Transactions*” beginning on page 189 of this Red Herring Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from.

Interest as to Property

We have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which our directors are directly or indirectly interested and no payments have been made to them in respect of any contracts, agreements or arrangements which are proposed to be made to them.

Changes in our Board of Directors in the last three years

NAME	DATE OF CHANGE	REASON
Mr. Biswanath Chakraborty	July 12, 2012	Fresh Appointment
Ms. Anju Poddar	September 21, 2012	Resigned
Mr. Manish Garg	September 21, 2012	Resigned
Ms. Umita Desai	November 27, 2012	Fresh Appointment
Ms. Shruti Shah	November 27, 2012	Fresh Appointment
Ms. Sujata Chattopadhyay	November 27, 2012	Fresh Appointment
Ms. Sandhya Malhotra	December 12, 2012	Fresh Appointment
Ms. Umita Desai	December 03, 2012	Resigned

Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE & NSE with respect to Corporate Governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchange.

Our Company has taken necessary steps to implement the provisions of the Corporate Governance. The constitution of our Board of Directors is in compliance with the said provisions and it has the necessary committees in place in compliance with the said provisions:

1. Audit Committee
2. Shareholders/Investor Grievance Committee
3. Remuneration Committee

1. Audit Committee

Our Company has constituted an audit committee, as per the requirements of the Listing Agreement proposed to be entered into with the Stock Exchanges. The audit committee was constituted on December 12, 2012. The following table sets forth the composition of the Audit Committee:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Ms. Shruti Shah	Chairperson	Non-Executive Independent Director
2	Ms. Sujata Chattopadhyay	Member	Non-Executive Independent Director
3	Mr. Rajesh Poddar	Member	Managing Director

The scope of Audit Committee shall include but shall not be restricted to the following:

1. Oversee of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular references to:
 - Matters, required to be included in the Director's Responsibility statement be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report

5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the Matter to the board.
11. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee enjoys following powers:

- a. To invite such of the executives, as it considers appropriate (and particularly the head of finance function) to be present at the meetings of the Committee,
- b. To investigate any activity within its terms of reference,
- c. To seek information from any employee
- d. To obtain outside legal or other professional advice, and
- e. To secure attendance of outsiders with relevant expertise if considered necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meeting of Audit Committee

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

2. Shareholders / Investor Grievance Committee

Our Company has constituted a shareholders/investor grievance committee. The constitution of the shareholders / investor grievance committee was approved by a meeting of the Board of Directors held on December 12, 2012. The following table sets forth the composition of the Shareholders / Investor Grievance Committee:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Ms. Sandhya Malhotra	Chairperson	Non-Executive Independent Director
2	Mr. Sanjay Bansal	Member	Whole-Time Director
3	Mr. Rajesh Poddar	Member	Managing Director

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

1. Allotment and listing of our shares in future
2. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of our Company acts as the Secretary to the Committee.

In order to expedite the process of share transfer, this committee has delegated powers to a sub-committee consisting company secretary and executive director, who shall attend the work of share transfer formalities atleast once in a fortnight and report to this committee on a regular basis.

Mr. Rajesh Poddar, Chairman & Managing Director, is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

3. Remuneration / Compensation Committee

Our Company has constituted a remuneration/compensation committee. The constitution of the remuneration/compensation committee was approved by a meeting of the Board of Directors held on December 12, 2012. The following table sets forth the composition of the Remuneration / Compensation Committee:

S. No.	Name	Designation in Committee	Nature of Directorship
1	Ms. Sujata Chattopadhyay	Chairman	Non-Executive Independent Director
2	Ms. Shruti Shah	Member	Non-Executive Independent Director
3	Ms. Sandhya Malhotra	Member	Non-Executive Independent Director

The Committee is required to meet at least once a year.

The remuneration committee has been constituted to recommend/review remuneration of Directors and key managerial personnel based on their performance and defined assessment criteria. The remuneration policy of our Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

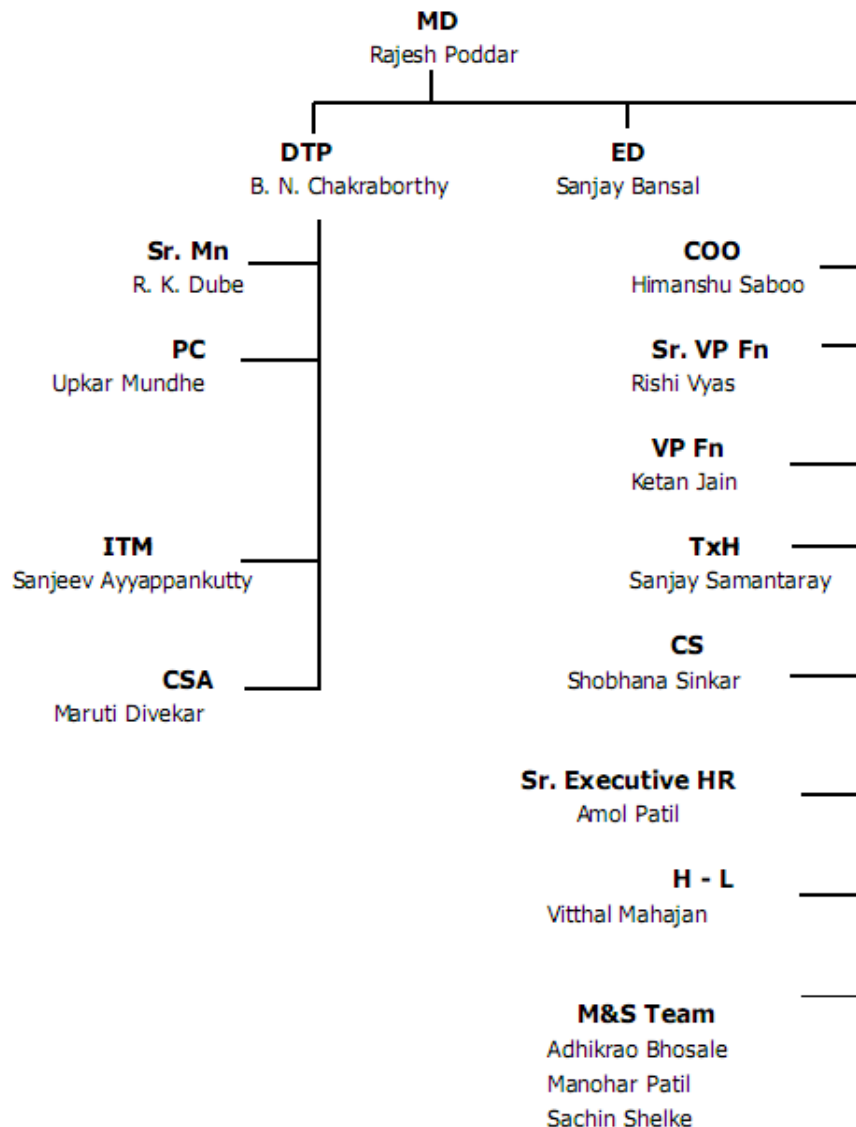
The Board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference of our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. To avoid conflicts of interest, the remuneration committee,

would determine the remuneration packages of the executive directors. It comprises of at least three directors, all of whom are non-executive directors the chairman of committee being an independent Director.

The scope of Remuneration/Compensation Committee shall include but shall not be restricted to the following:

1. To recommend to the Board, the remuneration packages of the Company’s Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
2. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company’s policy on specific remuneration packages for Company’s Managing / Whole-time/ Executive Directors, including pension rights and any compensation payment;
3. To implement, supervise and administer any share or stock option scheme of the Company;
4. To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Management Organisation Structure



Term	Description
COO	Chief Operating Officer
CS	Company Secretary(s)
CSA	Chief System Administrator
DTP	Director – Technical & Projects
ED	Executive Director
Fn	Finance
HR	Human Resources
ITM	IT Manager
LH	Legal Head
M&S	Marketing and Sales
MD	Managing Director
PC	Project Co-ordinator
Sr. Mn	Senior Manager
TxH	Taxation Head
VP	Vice President

Key Managerial Personnel

The following table sets forth the Key Managerial Personnel and their significant details:

Name of Employee	Designation & Functional Area	Date of Joining	C.T.C (₹ in million)	Perks & Requisites	Qualification	Name of Previous Employer(s)	Total years of experience
Himanshu Saboo	Chief Operating Officer	December 01, 2013	3.00	Mobile phone	<ul style="list-style-type: none"> • B.Sc. • PGDBM • LLB (Acad) 	<ul style="list-style-type: none"> • Dynamic Orbits Advisory Pvt. Ltd. • Anagram Capital Ltd. • Eqcap Advisory & Consulting Pvt. Ltd. • Loha Investments Pvt. Ltd. 	10 years
PROJECT AND FACTORY							
R. K. Dube	Sr. Manager	January 01, 2010	0.92	• Mobile phone	• B.Sc.	<ul style="list-style-type: none"> • Asian Concretes & Cements • Heidelberg Cement India Ltd. • Mahendra Cements Ltd. • Panchmahal Cement Co. Ltd. • Shez Cements Ltd. • Gujarat High-Tech Ind. Ltd. • Abhishek Cements Ltd. 	24 years

Name of Employee	Designation & Functional Area	Date of Joining	C.T.C (₹ in million)	Perks & Requisites	Qualification	Name of Previous Employer(s)	Total years of experience
Upkar Mundhe	Project Co-coordinator	June 11, 2011	0.50	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor degree in Engineering • Diploma in Mechanical Engineering 	<ul style="list-style-type: none"> • Esmech Equipments Pvt. Ltd. • SS Engineers and Consultants • Siemens Ltd. 	4 years
PROCUREMENT AND SALES							
Adhikrao Bhosale	GM - Marketing	October 30, 1998	1.28	<ul style="list-style-type: none"> • Mobile phone • Car • Fuel Re-imbursement 	<ul style="list-style-type: none"> • Master's Degree in Commerce • Government Diploma in Co-Operation and Accountancy Board 	<ul style="list-style-type: none"> • Kohinoor Packaging Pvt. Ltd. • Dharkar & Co. 	17 years
Manohar Patil	GM - Marketing	January 07, 2000	1.40	<ul style="list-style-type: none"> • Mobile phone • Fuel Re-imbursement 	<ul style="list-style-type: none"> • Bachelor's Degree in Commerce 	<ul style="list-style-type: none"> • N. Mohanlal & Co. 	15 years
Sachin Shelke	GM - Marketing	March 12, 2006	1.40	<ul style="list-style-type: none"> • Mobile phone • Car • Fuel Re-imbursement 	<ul style="list-style-type: none"> • Master's Degree in Science 	<ul style="list-style-type: none"> • Sudarshan Chemicals Ltd. • Associated Chemicals 	13 years
ACCOUNTS / FINANCE / COMMERCE / TAXATION							
Rishi Vyas	Sr. VP - Finance	January 27, 2010	1.70	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor's degree in Commerce • Member of The Council of Chartered Financial Analysts of India 	<ul style="list-style-type: none"> • Globeop Financial Services • Citibank Corporate Finance 	8 years
Ketan Jain	VP - Finance (Accounts /Operations)	February 06, 2008	0.72	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor's degree in Commerce • Member of The Institute of Chartered Accountants of India 	Nil	5 years
Sanjay Samantaray	Head - Taxation	May 02, 2012	1.08	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor's degree in Commerce • Member of The Institute of Chartered Accountants of India 	<ul style="list-style-type: none"> • Kailash Chand Jain and Co. (Chartered Accountants) 	6 years

Name of Employee	Designation & Functional Area	Date of Joining	C.T.C (₹ in million)	Perks & Requisites	Qualification	Name of Previous Employer(s)	Total years of experience
SECRETARIAL AND LEGAL COMPLIANCE							
Shobhana Sinkar	Company Secretary and Compliance Officer	February 03, 2009	1.40	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor's degree in Commerce • Master of Law Degree • Associate Member of The Institute of Company Secretaries of India 	<ul style="list-style-type: none"> • Martinho Ferrao & Associates (PCS) • R.G. Mehta & Co. (Chartered Accountants) • CVK & Associates (Chartered Accountants) 	22 years
Vitthal Mahajan	Head Legal	October 05, 2012	1.50	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor's degree in Law • Master Degree in Law 	<ul style="list-style-type: none"> • Khaitan and Jayakar • The Law Point 	8 years
INFORMATION TECHNOLOGY							
Sanjeev Ayyappankutty	Manager - IT	May 03, 2011	0.61	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • B. Tech Degree in Computer Science 	<ul style="list-style-type: none"> • POSHS Infotech Pvt. Ltd. • POSHS Metal Industries Pvt. Ltd. • 3i Infotech • Relational Technologies Pvt. Ltd. 	12 years
Maruti Divekar	Chief System Administrator	February 09, 2009	0.60	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Diploma in Computer Engineering 	<ul style="list-style-type: none"> • Cheers Interactive (I) Pvt. Ltd. • Infotech BPO (I) Pvt. Ltd. 	9 years
HUMAN RESOURCE AND ADMIN							
Amol Patil	Sr. Executive – HR	July 11, 2011	0.66	<ul style="list-style-type: none"> • Mobile phone 	<ul style="list-style-type: none"> • Bachelor's degree in Arts • Master of Social Work Degree 	<ul style="list-style-type: none"> • Macleods Pharmaceuticals Ltd. • Godrej Tyson Foods Ltd. 	6 years

The aforementioned KMP are on the payrolls of our Company as permanent employees.

Relationship amongst the Key Managerial Personnel

None of the aforementioned KMP are related to each other.

Also, none of them have been selected pursuant to any arrangement/understanding with major shareholders/customers/ suppliers.

Shareholding of Key Managerial Personnel

None of the KMP in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus.

Bonus or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have fixed bonus/profit sharing plan for any of the employees, key managerial personnel.

Employee Share Purchase and Employee Stock Option Scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Changes in the Key Managerial Personnel in the three years preceding the date of filing this Red Herring Prospectus

NAME	DESIGNATION	DATE OF JOINING	DATE OF LEAVING
Himanshu Saboo	Chief Operating Officer	December 01, 2013	N.A.
Abhay Surve	Sr. VP –Procurement& International Business Development	August 01, 2009	February 25, 2014
Rajesh Ingale	GM - Marketing	October 31, 2008	June 05, 2013
Sanjay Shendage	DGM – Projects	December 01, 2010	July 12, 2012
Vijay Kumar	VP – Project & Operations	December 06, 2010	February 15, 2012
Sanjeev Ayyappankutty	Manager – IT	May 03, 2011	N.A.
Upkar Mundhe	Project Co-ordinator	June 11, 2011	N.A.
Amol Patil	Sr. H.R. Executive	July 11, 2011	N.A.
Sanjay Samantaray	Head Taxation	May 02, 2012	N.A.
P. Gopakumar	Manager – Commercial	March 07, 2012	December 01, 2013
Anup Katariyar	GM – Marketing	September 27, 2012	July 01, 2013
Vithal Mahajan	Head – Legal	October 05, 2012	N.A.

Payment or Benefit to our Officers

Except for the statutory benefits upon termination of their employment, payment of salaries and yearly bonus, we do not provide any other benefit to our employees. Our Company has a policy of providing certain privileges like Gratuity, Provident Funds, cell phones, accommodation etc. to certain employees. For details regarding benefits provided to our KMP, kindly refer to the table on KMP above. For details regarding benefits provided to our Directors, kindly refer to “*Remuneration of Directors - Executive Directors*” on page 166 of this Red Herring Prospectus.

OUR PROMOTER, PROMOTER GROUPS AND GROUP COMPANIES

OUR PROMOTER

Mr. Rajesh Poddar is the Principal Promoter of our Company.

The details of our Promoter are provided below:



Mr. Rajesh Poddar

PAN:AAFPP3092C

Passport No: Z2480847

Driver's License No:MH02 20100097534

Voter's ID No:2608842

Bank A/c No: 00000010001715254

Name of Bank & Branch: State Bank of India; Commercial Branch (Dadar)

For additional details on the age, background, personal address, educational qualifications, experience, positions/posts held in the past and Directorship held, kindly refer to the Chapter titled "Our Management" beginning on page 163 of this Red Herring Prospectus.

For details of the build-up of our Promoter's shareholding in our Company, kindly refer to "Capital Structure – Notes to Capital Structure" on page 63 of this Red Herring Prospectus.

Other Understandings and Confirmations

We confirm that the PAN, the Bank Account Number and the Passport Number of the Promoter have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges.

Our Promoter, the members of our Group Companies and relatives of our Promoters (as per the Companies Act) have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoter, Promoter Groups or Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which our Promoter is or was associated as a promoter, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Interests of Promoter and Common Pursuits

The Promoter of our Company is interested to the extent that he has promoted the Company and that he along with his relatives and other members of the Promoter Group hold Equity Shares in our Company. For details on the shareholding of the Promoter and Promoter Groups in the Company, kindly refer to the Chapter titled "Capital Structure" beginning on page 61 of this Red Herring Prospectus.

Further, our Promoter is also a Director on the boards of or a member of certain Promoter Group entities and he may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For further details, kindly refer to the Chapters titled "Our Promoter, Promoter Groups and Group Companies" and "Our Management" beginning on pages 177 and 163 respectively, of this Red Herring Prospectus. For the payments that are made by our Company to certain Promoter Group entities, kindly refer to the section titled "Related Party Transactions" beginning on page 189 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Prospectus in which the

Promoters are 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 other than in the normal course of business.

Further, except as disclosed in the chapter titled “*Our Promoter, Promoter Groups and Group Companies*” on page 177 of this Red Herring Prospectus, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Payment or benefit to our Promoter

Except as stated in the paragraph titled “*Related Party Transactions*” on page 189 of this Red Herring Prospectus, there has been no amount or benefit paid to the Promoter or Promoter Groups during the two years preceding the date of this Red Herring Prospectus.

Companies with which the Promoter has disassociated in the last three years

Our promoter has not disassociated themselves from any company or firm in the last three years.

OUR PROMOTER GROUP

Apart from our Promoter, the following individuals and entities constitute our Promoter Group:

1. Natural Persons who are Part of the Promoter Group

As per Regulation 2(1)(zb)(ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoter, are as follows:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Mr. Rajesh Poddar	Gaurishankar Poddar	Father
	Lata Poddar	Mother
	Anju Poddar	Wife
	Aayush Poddar	Son(s)
	Anushka Poddar	Daughter(s)
	Omprakash Garg	Wife’s Father
	Urmila Devi Garg	Wife’s Mother
	Manish Garg	Wife’s Brother(s)

2. Other Individuals who are part of the Promoter Group

None

3. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(zb)(iv) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Sr. No.	Relationship	Name of Promoter Group Entity
(A)	Any body corporate in which ten per cent or more of the equity share capital is held by the promoters or an immediate relative of the promoters or a firm or Hindu Undivided Family in which the promoter or any one or more of his immediate relative is a member;	<ul style="list-style-type: none"> • Dhanidevi Processors Private Limited; • Loha Investments Private Limited; • Loha International Limited; • Poddar Renaissance Realty Private Limited; • Poddar Advantage Advisors Private Limited; • Poddar Finin Consultancy Private Limited; • Loha Power and Infrastructure Limited;

Sr. No.	Relationship	Name of Promoter Group Entity
		<ul style="list-style-type: none"> • Loha Commodities (HK) Limited; • Loha Commodities Singapore Pte. Ltd.
(B)	Any body corporate in which a body corporate as provided in (A) above holds ten per cent or more, of the equity share capital;	--
(C)	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten per cent. of the total;	Rajesh Poddar HUF

OUR GROUP COMPANIES

Companies forming part of the Group Companies

Unless otherwise stated none of the companies forming part of the Group Companies had remained defunct during the five years preceding the date of this Red Herring Prospectus or is a sick company under the meaning of SICA and none of them are under winding up. Further, all the Group Companies are unlisted companies and they have not made any public issue of securities (including rights) in the preceding three years. The information provided in this section is as of the date of this Red Herring Prospectus.

The Group Companies are as follows:

Companies:

- Dhanidevi Processors Private Limited
- Loha Investments Private Limited
- Loha International Limited
- Poddar Renaissance Realty Private Limited
- Poddar Advantage Advisors Private Limited
- Poddar Finin Consultancy Private Limited
- Loha Power and Infrastructure Limited
- Loha Commodities (HK) Limited;
- Loha Commodities Singapore Pte. Ltd.

Partnership firms: Nil

HUF's: Rajesh Poddar HUF

Trusts:

- Poddar Charitable Trust
- Rajesh Poddar Family Trust
- Dhanidevi Family Private Trust

DETAILS OF OUR GROUP ENTITIES

1. *Dhanidevi Processors Private Limited (herein after known as "DPPL")*

Corporate Information

Dhanidevi Processors Pvt. Ltd. was incorporated under the Companies Act, 1956 on March 15, 2000 in the state of Maharashtra. The main object of DPPL was to carry on the business of dealers, exporters, importers, agents, stockists, processors and warehouseers of Iron and Steel and ferrous and non-ferrous metals.

Its registered office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.

Board of Directors

- Mr. Sudhir Singh
- Mr. Rajesh Poddar

Shareholding Pattern

The shareholding Pattern of DPPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Rajesh Poddar	7,225,047	84.37%
2.	Poddar Advantage Advisors Pvt. Ltd.	1,338,770	15.63%
	Total	8,563,817	100.00%

Financial Performance

The summary of audited financials of DPPL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	85.64	85.64	85.64
2.	Reserves (excluding revaluation reserve) and Surplus	276.42	276.42	276.65
3.	Income including other income	Nil	Nil	0.08
4.	Profit/ (Loss) after tax	Negligible	(0.23)	Negligible
5.	Earnings per share (face value of ₹10 each) (in ₹)	Negligible	(0.03)	Negligible
6.	Net asset value (in ₹)	42.28	42.28	42.30

2. Loha Investments Private Limited (herein after known as "LIPL")

Corporate Information

Loha Investments Pvt. Ltd. was incorporated under the Companies Act, 1956 on December 29, 2008 in the state of Maharashtra. The main object of LIPL was to invest with a mid-term and long-term perspective and helping the beneficiary grow with its expertise in various fields and assist its Group Companies with financial expertise and corporate assistance.

Its registered office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

Board of Directors

- Mr. Himanshu Saboo
- Mr. Rajesh Poddar

Shareholding Pattern

The shareholding Pattern of LIPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Rajesh Poddar	3,399,851	99.99%
2.	Himanshu Saboo	100	Negligible
	Total	3,399,951	100.00%

Financial Performance

The summary of audited financials of LIPL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	10.87	10.87	10.87
2.	Reserves (excluding revaluation reserve) and Surplus	28.49	29.08	29.40
3.	Income including other income	Nil	Nil	Nil
4.	Profit / (Loss) after tax	(0.59)	(0.32)	Nil
5.	Earnings per share (face value of ₹10 each) (in ₹)	(0.54)	(0.30)	Nil
6.	Net asset value (in ₹)	36.19	36.74	37.04

3. Loha International Limited (formerly known as “Loha Commodities Limited”)

Corporate Information

The Company was originally incorporated as Loha Commodities Ltd. under the Companies Act, 1956 on October 18, 2010 in the state of Delhi. Later the name of the Company was changed to Loha International Ltd. and a fresh certificate of incorporation was obtained on November 29, 2013. Loha International Ltd. is a global trading organisation having its core activities in international trading and distribution of various commodities, Minerals, Agri-Commodities, Contract Farming, FMCG products etc.

Its registered office is situated at 6-E, 6th Floor, Gopala Tower, 25 Rajendra Place, New Delhi – 110008.

Board of Directors

- Mr. Sanjay Bansal
- Mr. Rajesh Poddar
- Mr. Biswanath Chakraborty

Shareholding Pattern

The shareholding Pattern of Loha International Limited as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Poddar Advantage Advisors Pvt. Ltd.	700,000	17.77%
2.	Poddar Finin Consultancy Pvt. Ltd.	500,000	12.69%
3.	Rajesh Poddar	2,739,960	69.54%
4.	Anju Poddar	10	Negligible
5.	Aayush Poddar	10	Negligible
6.	Sanjay Bansal	10	Negligible
7.	Seema Garg	5	Negligible
8.	Rajesh Garg	5	Negligible
	Total	39,40,000	100.00%

Financial Performance

The summary of audited financials of Loha International Limited is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	39.40	3.40*	0.50
2.	Reserves (excluding revaluation reserve) and Surplus	450.12	3.50	Nil
3.	Income including other income	2457.30	281.64	Nil
4.	Profit/ (Loss) after tax	7.43	1.10	Nil
5.	Earnings per share (face value of ₹10 each) (in ₹)	1.89	3.24	Nil
6.	Net asset value (in ₹)	124.24	20.29	10

* Equity Capital includes 100,000 Equity Share of ₹10 each fully paid-up and 1,200,000 Equity Share of ₹10 each and paid-up to the extent of ₹2 each.

4. Poddar Renaissance Realty Private Limited (herein after known as “PRRPL”)

Corporate Information

Poddar Renaissance Realty Pvt. Ltd. was incorporated under the Companies Act, 1956 on October 20, 2011 in the state of Maharashtra. The main object of PRRPL was to establish and carry on business as real estate developers, property owners, builders, estate agents, lessors, lessees, licensors, licensees, building constructors on job work or works contract basis and purchasers, vendors and dealers in real estate, lands, building, structure, immovable properties or any interest in immovable properties with or without construction, in developed, semi-developed or underdeveloped stage.

Its registered office is situated at 42, Gautam Apartments, 31 Juhu Road, Santacruz (West), Mumbai – 400054.

Board of Directors

- Mr. Aayush Poddar
- Mr. Om Prakash Garg

Shareholding Pattern

The shareholding Pattern of PRRPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Aayush Poddar	4,106,690	99.99%
2.	Omprakash Garg	10	Negligible
	Total	4,106,700	100.00%

Financial Performance:

The summary of audited financials of PRRPL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	41.07	N.A.	N.A.
2.	Reserves (excluding revaluation reserve) and Surplus	116.23	N.A.	N.A.
3.	Income including other income	Nil	N.A.	N.A.
4.	Profit/ (Loss) after tax	(0.90)	N.A.	N.A.

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
5.	Earnings per share (face value of ₹10 each) (in ₹)	(0.22)	N.A.	N.A.
6.	Net asset value (in ₹)	38.30	N.A.	N.A.

The Company was incorporated in October 2011 and hence the Annual Reports for the financial years 2010-11 and 2011-12 are not available.

5. Poddar Advantage Advisors Private Limited (herein after known as "PAAPL")

Corporate Information

Poddar Advantage Advisors Pvt. Ltd. was incorporated under the Companies Act, 1956 on January 17, 2012 in the state of Maharashtra. The main object of PAAPL was to act as management consultant and render services to the company, government, central or state or any municipal or other body corporate or association or individual with capital, credit, means or resources for the prosecution of any works, undertaking, projects or enterprises, render engineering, technical management and other skilled and other services to all types of industry or organizations in India or abroad.

Its registered office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

Board of Directors

- Mr. Sanjay Bansal
- Mr. Rajesh Poddar

Shareholding Pattern

The shareholding Pattern of PAAPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Rajesh Poddar	4,616,180	99.99%
2.	Sanjay Bansal	10	Negligible
	Total	4,616,190	100.00%

Financial Performance:

The summary of audited financials of PAAPL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	46.16	N.A.	N.A.
2.	Reserves (excluding revaluation reserve) and Surplus	346.28	N.A.	N.A.
3.	Income including other income	Nil	N.A.	N.A.
4.	Profit/ (Loss) after tax	(0.47)	N.A.	N.A.
5.	Earnings per share (face value of ₹10 each) (in ₹)	(0.10)	N.A.	N.A.
6.	Net asset value (in ₹)	85.01	N.A.	N.A.

The Company was incorporated in January 2012 and hence the Annual Reports for the financial years 2010-11 and 2011-12 are not available.

6. Poddar Finin Consultancy Private Limited (herein after known as “PFCPL”)

Corporate Information

Poddar Finin Consultancy Pvt. Ltd. was incorporated under the Companies Act, 1956 on January 17, 2012 in the state of Maharashtra. The main object of PFCPL was to venture into financial and management consultancy, and provide advice, services, consultancy in various fields, general administrative, commercial, financial, economic, labour, industrial, public relations, scientific, technical and other levies, statistical, accountancy, quality control and data processing.

Its registered office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

Board of Directors

- Mr. Sanjay Bansal
- Mr. Rajesh Poddar

Shareholding Pattern

The shareholding Pattern of PFCPL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Rajesh Poddar	3,963,180	99.99%
2.	Sanjay Bansal	10	Negligible
	Total	3,963,190	100.00%

Financial Performance:

The summary of audited financials of PFCPL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	39.63	N.A.	N.A.
2.	Reserves (excluding revaluation reserve) and Surplus	222.82	N.A.	N.A.
3.	Income including other income	Nil	N.A.	N.A.
4.	Profit/ (Loss) after tax	(0.43)	N.A.	N.A.
5.	Earnings per share (face value of ₹10 each) (in ₹)	(0.11)	N.A.	N.A.
6.	Net asset value (in ₹)	66.22	N.A.	N.A.

The Company was incorporated in January 2012 hence the Annual Reports for the financial years 2010-11 and 2011-12 are not available.

7. Loha Power and Infrastructure Limited (herein after known as “LPIL”)

Corporate Information

Loha Power and Infrastructure Ltd. was incorporated under the Companies Act, 1956 on March 29, 2012 in the state of Maharashtra. The main object of LPIL was to develop, construct and operate projects in the field of key infrastructural development such as Model-townships, workers/staff colony, contract farming, workshops, school, college, hospitals, Highways, Roads etc. With a vision of building a world-class integrated township model with integrated amenities in India.

Its registered office is situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

Board of Directors

- Mr. Sanjay Bansal
- Mr. Sudhir Singh
- Mr. Rajesh Poddar

Shareholding Pattern

The shareholding Pattern of LPIL as on date of this Red Herring Prospectus is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares Held	% of Total Equity Holding
1.	Rajesh Poddar	49,975	99.94%
2.	Aayush Poddar	5	0.01%
3.	Anju Poddar	5	0.01%
4.	Sanjay Bansal	5	0.01%
5.	Loha Ispaat Ltd.	5	0.01%
6.	Loha International Ltd.	5	0.01%
	Total	50,000	100.00%

Financial Performance:

The summary of audited financials of LPIL is as follows:

(₹ in million, unless stated otherwise)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Equity Capital	0.50	N.A.	N.A.
2.	Reserves (excluding revaluation reserve) and Surplus	Nil	N.A.	N.A.
3.	Income including other income	Nil	N.A.	N.A.
4.	Profit/ (Loss) after tax	(2.55)	N.A.	N.A.
5.	Earnings per share (face value of ₹10 each) (in ₹)	(51.00)	N.A.	N.A.
6.	Net asset value (in ₹)	(41.08)	N.A.	N.A.

Since this Company was incorporated in March 2012, hence the Annual Reports for the financial years 2010-11 and 2011-12 are not available.

8. Loha Commodities (HK) Limited (herein after known as “LCHKL”)

Loha Commodities (HK) Ltd. was incorporated under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) on June 07, 2013. The main object of LCHKL was to trade in commodities.

Its registered office is situated at RM A 30/F Rhine Terrace, 28 Castle Peak Road, Sham Tseng NT, Hong Kong.

Board of Directors

- Liang Chang Yuan

Shareholding Pattern

LCHKL is a wholly-owned subsidiary of our Group Company, namely, Loha International Ltd. (i.e. 10,000 equity shares of HKD 1 each).

Financial Performance

Since this Company was incorporated in June 2013, it has not finished a financial year and hence its Annual Report is not available.

However, LCHKL has filed an application for Deregistration with the Registrar of Companies, pursuant to section 291AA of the Companies Ordinance (Cap. 32).

9. Loha Commodities Singapore Pte. Ltd. (herein referred to as “LCSPL”)

Loha Commodities Singapore Pte. Ltd. was incorporated under the Companies Act (Cap 50) on and from June 11, 2013 as a Private Company limited by shares. The main object of LCSPL was to carry on, undertake, take part or engage in any business or activity, matter or thing of any kind whatsoever, and do any act or enter into any transaction without any restriction or limitation whatsoever as to the nature or description thereof.

Its registered office is situated at 20, Cecil Street, #14-01, Equity Plaza 049705.

Board of Directors

- Dinesh Ramaraju

Shareholding Pattern

LCSPL is a wholly-owned subsidiary of our Group Company, namely, Loha International Ltd. (i.e. 5,000 shares of SGD 1 each).

Financial Performance

Since this Company was incorporated in June 2013, it has not finished a financial year and hence its Annual Report is not available.

However, LCSPL has filed an application for striking off.

10. Rajesh Poddar HUF

Rajesh Poddar HUF is a Hindu Undivided family, formed on April 15, 1990 represented by its Karta Mr. Rajesh Poddar.

Financial Performance

(in ₹)

Sr. No.	Particulars	As at March 31		
		2013	2012	2011
1.	Capital Account	1,463,026	1,378,699.35	1,354,041.17
2.	Interest Income	84,663	24,969.49	361.58
3.	Net Surplus	NIL	NIL	NIL

11. Poddar Charitable Trust

Poddar Charitable Trust formed vide deed dated February 20, 2009 for the charitable purpose.

Ms. Anju Poddar and Ms. Urmila Devi Garg are the trustees in this trust.

12. Rajesh Poddar Family Trust

Rajesh Poddar Family Trust dated February 21, 2008 for the purpose of benefit of family members of Rajesh Poddar.

Mr. Rajesh Poddar is a trustee in this trust.

13. Dhanidevi Family Private Trust

Dhanidevi Family Private Trust dated December 07, 2012 for the purpose of succession planning.

IL&FS Trust Company Limited is a trustee in this trust.

Nature and Extent of Interest of Group Companies

a) In the promotion of the Company

None of the Group Companies have any interest in the promotion of the Company, except to the extent of their shareholding in the Company, if any. For details regarding the shareholding of our Group Companies in our company kindly refer to the Chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.

b) In the properties acquired or proposed to be acquired by the Company in the past two years

Our Company and certain of our Group Companies share the Registered Office situated at 9th Floor, Naman Centre, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The group companies pay rent individually to the licensor. Except as stated herein, our Company has not acquired nor does it propose to acquire any properties from its Group Companies.

c) In transactions for acquisition of land, construction of building and supply of machinery

None of the Group Companies have any interest in any transactions for acquisition of land, construction of building and supply of machinery by our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of the Company

For details, kindly refer to the Chapter titled “*Related Party Transactions*” beginning on page 189 of this Red Herring Prospectus.

Sale / Purchase between Group Companies and Subsidiaries

For details, kindly refer to the Chapter titled “*Related Party Transactions*” beginning on page 189 of this Red Herring Prospectus.

Business Interest of Group Companies and Subsidiaries in the Company

Except as disclosed above, and in the Chapters titled “*Business Overview*” and “*Related Party Transactions*”, none of the Group Companies and Subsidiaries have any business interest in our Company.

Common Pursuits of Promoters and Group Companies

None of our Group Companies is currently engaged in businesses similar to ours. However, certain of our Group Companies have been authorised by their respective Memorandum of Associations to undertake activities which are similar to ours. Following are the Group Companies, whose main objects are similar to ours and this may result in potential conflicts of interest with our Company in the future:

- Dhanidevi Processors Pvt. Ltd.
- Loha International Ltd.

Our Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which our Company is involved, kindly refer to the Chapter titled “*Related Party Transactions*” beginning on page 189 of this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, kindly refer to “*Annexure XIII*” of Consolidated Financial Information of our Company and “*Annexure XIII*” of Unconsolidated Financial Information of our Company on pages 204 and 225, respectively of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our shareholders, at their discretion and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into.

Our Company has no stated equity dividend policy and has not paid any equity dividend in the last five years. The Preference dividends paid by our Company during the last five fiscal years have been presented in “*Annexure XV: Restated Consolidated Statement of Dividend Declared*” and “*Annexure XVI: Restated Unconsolidated Statement of Dividend Declared*” on pages 206 and 229 respectively, of this Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION
CONSOLIDATED FINANCIAL INFORMATION OF OUR COMPANY

Auditor’s Report

To
The Board of Directors
LOHA ISPAAT LIMITED
9th Floor, C-31, Naman Centre,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

We have examined the attached **Restated Consolidated Financial Information of Loha Ispaat Limited(LIL)**, as at September 30, 2013, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and Restated Consolidated Profit & Loss and Cash Flow Statements for the Half Year ended on September 30, 2013 and each of the year ended March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 of **Loha Ispaat Limited** (Collectively the “**Restated Consolidated Financial Statements**”), as approved by the Board of Directors of LIL prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) and the terms of our engagement with you in accordance with our Engagement Letter dated 10th October, 2012 in connection with the Company’s Proposed Initial Public Offer (IPO) of equity shares at ₹ 10/- each at such premium arrived at by the 100% Book Building Process (referred to as the “**Issue**”) as may be decided by the Company’s Management.

1. The Restated Consolidated Financial Information have been extracted by the management from the financial statements for the Half Year Ended on September, 30, 2013 and Financial Year ended 31st March 2013, 31st March 2012, 31st March 2011 and 31st March, 2010. The audit for Financial Years Ended 31st March, 2013, 31st March, 2012, 31st March, 2011 and 31st March, 2010 have been audited by us and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Consolidated Summary Statements under the requirements of Revised Schedule VI of the Act, in relation to the years ended March 31, 2011 and March 31, 2010.
2. In accordance with the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act 1956, the SEBI Regulations; Revised Guidance Notes on Reports in Company Prospectus (as amended from time to time) issued by the Institute of Chartered Accountants of India (ICAI) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at 30th September, 2013, 31st March 2013, 31st March 2012, 31st March 2011 and 31st March 2010 as set out in **Annexure I** to this report read with the Significant Accounting Policies and related Notes in Annexure XVII are after making such adjustments and re-groupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Consolidated Summary Statements.
 - ii. The Restated Consolidated Summary of Profit & Loss Statement of the Company for the Half Year Ended on 30th September, 2013 and year ended 31st March 2013, 31st March, 2012, 31st March, 2011 and 31st March, 2010 as set out in **Annexure II** to this report read with the Significant Accounting Policies and related Notes in Annexure XVII are after making such adjustments and re-groupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Consolidated Summary Statements.
 - iii. We have also examined the following financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the Half Year Ended on 30th September, 2013 and for the year ended on 31st March, 2013, 31st March, 2012, 31st March, 2011 and 31st March, 2010.

Annexure III	Restated Consolidated Statement of Cash Flows
Annexure IV	Restated Consolidated Statement of Fixed Assets
Annexure V	Restated Consolidated Statement of Investments
Annexure VI	Restated Consolidated Statement of Trade Receivables
Annexure VII	Restated Consolidated Statement of Loans and Advances
Annexure VIII	Restated Consolidated Statement of Long Term Borrowings
Annexure IX	Restated Consolidated Statement of Short Term Borrowings
Annexure X	Restated Consolidated Statement of Current Liabilities and Provisions
Annexure XI	Restated Consolidated Statement of Capitalization Statement
Annexure XII	Restated Consolidated Statement of Contingent Liabilities
Annexure XIII	Restated Consolidated Statement of Related Party Transactions
Annexure XIV	Restated Consolidated Statement of Other Income
Annexure XV	Restated Consolidated Statement of Dividend Declared
Annexure XVI	Restated Consolidated Statement of Accounting Ratios
Annexure XVII	Restated Consolidated Statement of Significant Accounting Policies and Notes to Accounts

In our Opinion, the above financial information contained in Annexure I to XVI of this report read along with the Restated Consolidated Statement of Significant Accounting Policies, and related Notes (refer Annexure XVII) are prepared after making adjustments and re-grouping as considered appropriate and have been prepared in accordance with Paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance Notes on the Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for the use of Management and for inclusion in the Draft Offer Document/ Offer Document in connection with the proposed issue of equity shares of the Company and our Report should not to be used, referred to or distributed for any other purpose without our written consent.

For A. JOHN MORIS & CO.
 Chartered Accountants
Registration No. 007220S

CA Vetteeswar P
 Partner
 M. No. 211733

Place: Mumbai
 Dated: February 03, 2014

ANNEXURE I: RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

	Particular	For the 6 months period ended Sept 30, 2013	As on March 31			
			2013	2012	2011	2010
A	Non-Current Assets					
1	Fixed Assets					
	(i) Tangible Assets	3,565.67	3,493.99	1,645.67	1,243.36	1,213.06
	(ii) Intangible Assets	-	-	-	0.44	-
		3,565.67	3,493.99	1,645.67	1,243.80	1,213.06
	Less: Revaluation Reserve	-	-	-	-	-
	Net Block After Adjustment of Revaluation Reserve	3,565.67	3,493.99	1,645.67	1,243.80	1,213.06
	(iii) Capital work in Progress	209.64	74.11	174.70	57.62	10.11
2	Non-Current Investments	2.47	2.47	2.13	2.00	-
3	Long Term Loan & Advances	200.00	224.00	1,273.03	0.10	-
	Total (A)	3,977.79	3,794.56	3,095.52	1,303.52	1,223.17
B	Current Assets					
1	Inventories	9,008.85	7,066.60	7,101.09	5,067.77	3,161.59
2	Trade Receivables	6,958.51	7,199.00	4,153.33	3,812.23	2,095.07
3	Cash and Cash Equivalents	897.13	725.53	671.31	244.36	175.90
4	Short Term Loans and Advances	693.72	628.15	324.43	490.40	468.97
5	Other Current Assets	47.36	25.05	9.24	4.51	0.53
	Total (B)	17,605.56	15,644.33	12,259.40	9,619.27	5,902.06
C	Total Assets (A+B)	21,583.35	19,438.89	15,354.92	10,922.79	7,125.23
D	Non-Current Liabilities					
1	Long Term Borrowings	1,824.81	2,062.36	1,249.86	31.64	79.90
2	Deferred Tax Liabilities (Net)	443.88	415.15	274.18	207.32	131.94
	Total (D)	2,268.69	2,477.51	1,524.04	238.96	211.84
E	Current Liabilities					
1	Short Term Borrowings	6,252.41	6,076.46	4,782.98	3,359.81	2,478.81
2	Trade Payables	6,487.16	5,032.30	4,798.05	3,545.77	1,595.05
3	Other Current Liabilities	576.13	385.55	155.88	69.38	50.39
4	Short Term Provisions	513.58	376.75	166.28	372.13	273.09
	Total (E)	13,829.28	11,871.06	9,903.19	7,347.09	4,397.34
F	Total Liabilities & Provisions (D+E)	16,097.97	14,348.57	11,427.23	7,586.06	4,609.17
G	Net Worth (C-F)	5,485.38	5,090.33	3,927.69	3,336.75	2,516.06
	REPRESENTED BY					
	SHAREHOLDERS' FUND					
	Share Capital	707.59	707.59	697.59	686.65	653.31
	Equity Share Capital	707.59	707.59	677.59	666.65	633.31
	Preference Share Capital	-	-	20.00	20.00	20.00
	Share Application Money (Pending Allotment)	-	-	-	-	150.00

Particular	For the 6 months period ended Sept 30, 2013	As on March 31			
		2013	2012	2011	2010
Minority Interest	7.02	1.96	1.45	0.90	0.96
Reserves & Surplus	4,770.78	4,380.78	3,228.66	2,649.20	1,711.79
Share Premium Account (A)	2,041.90	2,041.90	1,593.86	1,429.80	1,009.75
Profit & Loss Account (B)	2,700.49	2,315.85	1,614.74	1,202.40	687.04
Capital & Currency Translation Reserve	12.39	7.03	6.06	5.00	5.00
General Reserve	16.00	16.00	14.00	12.00	10.00
Net Worth	5,485.38	5,090.33	3,927.69	3,336.75	2,516.06

Note: The above Statements should be read with Notes to the Restated Consolidated Assets and Liabilities, Profit & Loss Statement and Cash Flow Statement as appearing in Annexure XVII.

ANNEXURE II: RESTATED CONSOLIDATED STATEMENT OF PROFITS AND LOSSES

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
REVENUE					
Revenue from Operations	20,216.50	34,290.15	29,202.95	20,847.69	15,220.78
Other Income	27.60	67.09	6.07	18.22	16.79
<i>Total Income</i>	<i>20,244.10</i>	<i>34,357.24</i>	<i>29,209.02</i>	<i>20,865.91</i>	<i>15,237.57</i>
EXPENSES					
Cost of Material Consumed	18,634.27	31,119.98	26,758.80	19093.41	14015.16
Changes in Inventories of Finished Goods	(11.14)	(15.23)	(7.80)	0.00	0.00
Manufacturing Expenses	60.83	322.29	286.80	246.51	67.11
Employee Benefit Expenses	41.76	96.93	80.58	56.84	32.32
Financial Cost	765.65	1,214.10	968.56	520.27	354.96
Other Administrative and Selling & Dist. Exp.	108.82	458.98	396.96	145.88	59.02
Depreciation and Amortization Expenses	89.26	104.30	67.84	59.56	38.39
<i>Total Expenditure</i>	<i>19,689.45</i>	<i>33,301.35</i>	<i>28,551.75</i>	<i>20122.47</i>	<i>14566.97</i>
Net Profit/(Loss) Before Tax	554.66	1,055.89	657.27	743.44	670.61
Less: Provision for Taxation					
Current Years Income Tax	136.83	210.47	166.28	148.82	118.80
Deferred Tax (Asset)\Liability	28.73	140.98	66.86	75.38	92.07
Prior Period Expenses	0.00	0.00	0.00	0.00	0.00
Excess Provisions for Earlier Years W/off	0.00	0.00	6.87	0.00	0.00
Total	165.56	351.45	240.01	224.20	210.87
Net Profit After Tax but Before Extraordinary Items	389.10	704.44	417.26	519.24	459.74
Extraordinary items	0.00	0.00	0.00	0.00	0.00
Net Profit After Extraordinary Items Available for Appropriation	389.10	704.44	417.26	519.24	459.74
Proposed Dividend on Preference Shares	0.00	0.79	1.60	1.60	1.60
Dividend Distribution Tax	0.00	0.13	0.27	0.27	0.27
Transfer to Capital Reserves	0.00	0.92	1.06	0.00	0.00
Transfer to General Reserves	0.00	2.00	2.00	2.00	2.00
Net Profit Carried to Balance Sheet	389.10	700.60	412.33	515.36	455.87

Note: The above Statements should be read with Notes to the Restated Consolidated Assets and Liabilities, Profit & Loss Statements and Cash Flow Statements as appearing in Annexure XVII.

ANNEXURE III: RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit (adjusted) Before Tax and Extraordinary Items	554.66	1,055.89	657.27	743.44	670.61
Adjustments for					
Depreciation	89.26	104.30	67.84	59.56	38.39
Loss /(Profit) on Sale of Assets	0.00	0.14	0.00	0.00	0.00
Prior period Expenses	0.00	0.00	0.00	0.00	0.00
Interest & Finance Charges	765.65	1,214.10	968.56	520.27	354.96
Interest Income	(27.60)	(67.09)	(6.07)	(18.22)	(16.79)
Operating Cash Generated Before Working Capital Changes and Taxes	1,381.97	2,307.34	1,687.60	1305.04	1047.16
(Increase)/Decrease in Inventories	(1,942.25)	34.49	(2,033.32)	(1906.18)	(1424.38)
(Increase)/Decrease in Loans	(61.71)	886.95	(1,345.53)	33.76	(80.27)
(Increase)/Decrease in Receivables	240.49	(3,045.67)	(341.10)	(1717.16)	(168.19)
Increase/(Decrease) in Payables	1,651.39	464.99	1,338.78	1965.20	69.47
Operating Cash Generated Before Taxes	1,269.90	648.09	(693.57)	(319.34)	(556.21)
Less : Income Tax paid (MAT/FBT)	(2.17)	(157.44)	(145.14)	(102.66)	(123.20)
Net Cash Generated from Operating Activities (A)	1,267.73	490.64	(838.71)	(422.00)	(679.41)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets (Net)	(296.48)	(1,852.17)	(586.80)	(137.81)	(716.55)
Interest received	27.60	67.09	6.07	18.22	16.79
Other Investments	0.00	(0.34)	(0.13)	(2.00)	0.00
Net Cash Flow from Investing Activities (B)	(268.88)	(1,785.42)	(580.85)	(121.59)	(699.76)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issue of Share Capital	0.00	458.04	175.55	303.32	762.36
Proceeds from Borrowings	(61.60)	2,105.98	2,641.39	832.75	878.94
Dividend Paid	0.00	(0.92)	(1.87)	(3.74)	(1.87)
Interest Paid	(765.65)	(1,214.10)	(968.56)	(520.27)	(354.96)
Net Cash Flow from Financing Activities (C)	(827.26)	1,349.00	1,846.51	612.06	1,284.47
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	171.60	54.22	426.95	68.47	(94.70)
Opening Balance of Cash and Cash Equivalents	725.53	671.31	244.36	175.90	270.60
Closing Balance of Cash and Cash Equivalents	897.13	725.53	671.31	244.36	175.90

Note:

- 1) The above Statements should be read with Notes to the Restated Consolidated Assets and Liabilities, Profit & Loss Statements and Cash Flow Statements as appearing in Annexure XVII
- 2) Restated Consolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard 3

ANNEXURE IV: RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
Freehold Land	19.95	19.95	19.95	19.95	19.95
Less: Accumulated Depreciation	-	-	-	-	-
<i>Net Block</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>
Leasehold Land	1.90	1.90	1.90	1.90	1.90
Less: Accumulated Depreciation	-	-	-	-	-
<i>Net Block</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>
Factory Building	884.59	867.22	617.04	355.79	336.86
Less: Accumulated Depreciation	80.23	65.59	41.95	28.52	16.90
<i>Net Block</i>	<i>804.36</i>	<i>801.63</i>	<i>575.09</i>	<i>327.27</i>	<i>319.96</i>
Plant & Machinery	2,874.38	2,749.65	1,149.91	964.19	901.78
Less: Accumulated Depreciation	292.32	224.23	153.32	103.52	59.20
<i>Net Block</i>	<i>2,582.06</i>	<i>2,525.42</i>	<i>996.59</i>	<i>860.67</i>	<i>842.58</i>
Electrical Instruments	102.47	102.47	20.34	19.76	18.26
Less: Accumulated Depreciation	6.55	5.34	4.03	3.08	2.17
<i>Net Block</i>	<i>95.92</i>	<i>97.13</i>	<i>16.31</i>	<i>16.68</i>	<i>16.09</i>
Furniture & Fixtures	2.73	2.18	1.69	1.69	1.28
Less: Accumulated Depreciation	0.82	0.74	0.61	0.49	0.39
<i>Net Block</i>	<i>1.91</i>	<i>1.43</i>	<i>1.08</i>	<i>1.20</i>	<i>0.89</i>
Vehicles	26.87	16.43	15.96	11.64	8.87
Less: Accumulated Depreciation	6.10	5.07	4.22	2.97	1.98
<i>Net Block</i>	<i>20.77</i>	<i>11.36</i>	<i>11.74</i>	<i>8.67</i>	<i>6.89</i>
Computer	56.98	49.13	30.39	12.12	8.29
Less: Accumulated Depreciation	18.18	13.98	7.38	5.10	3.49
<i>Net Block</i>	<i>38.80</i>	<i>35.16</i>	<i>23.01</i>	<i>7.02</i>	<i>4.80</i>
Total	3,565.67	3,493.99	1,645.67	1,243.36	1,213.06

Note: The Figures disclosed above are based on the Restated Summary Statement of Assets and Liabilities of the Company

ANNEXURE V: RESTATED CONSOLIDATED STATEMENT OF INVESTMENTS
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
<u>NON CURRENT INVESTMENTS</u>					
A) Long Term Investments					
Equity Instruments	0.00	0.00	0.00	0.00	0.00
-Quoted	2.00	2.00	2.00	2.00	0.00
-Unquoted	0.47	0.47	0.13	0.00	0.00
Share Application Money	0.00	0.00	0.00	0.00	0.00
<i>Total (A)</i>	<i>2.47</i>	<i>2.47</i>	<i>2.13</i>	<i>2.00</i>	<i>0.00</i>
B) Short Term Investments	0.00	0.00	0.00	0.00	0.00
C) Provision for diminution in value of Investments	0.00	0.00	0.00	0.00	0.00
<i>Total (A+B+C)</i>	<i>2.47</i>	<i>2.47</i>	<i>2.13</i>	<i>2.00</i>	<i>0.00</i>
Quoted Investments					
-Book Value	2.00	2.00	2.00	2.00	0.00
-Market Value	1.34	1.53	1.69	1.97	0.00
Unquoted Investments					
-Book Value	0.47	0.47	0.13	0.00	0.00
Total	1.81	1.99	1.81	1.97	0.00

Note

- The Figures disclosed above are based on the Restated Consolidated Summary statement of Assets and Liabilities of the Company
- The above stated Investments are in the name of the Company.

ANNEXURE VI: RESTATED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
(A) Unsecured, Considered good outstanding for a period less than six months					
Amount due from Promoter/Group Co./Directors	-	-	-	-	-
Others	6,871.94	7,138.50	4,097.07	3,768.83	2,046.79
(B) Unsecured, Considered good outstanding or a period more than six months					
Amount due from Promoter/Group Co./Directors	-	-	-	-	-
Others	86.57	60.50	56.26	43.40	48.28
Total	6,958.51	7,199.00	4,153.33	3,812.23	2,095.07

Note: The Figures disclosed above are based on the Restated Consolidated Summary statement of Assets and Liabilities of the Company

ANNEXURE VII: RESTATED CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
LONG TERM LOANS AND ADVANCES					
Capital Advance	200.00	224.00	1,272.87	0.00	0.00
Loans & Advances to Related Parties	0.00	0.00	0.15	0.10	0.00
Total	200.00	224.00	1,273.03	0.10	0.00
SHORT TERM LOANS AND ADVANCES					
Security Deposits	8.36	7.81	2.80	2.68	6.72
Income tax & Advances	166.64	164.47	7.03	240.87	181.60
Loans to Employee	2.47	1.81	1.78	1.92	0.35
Advances to Suppliers	0.00	0.49	0.04	8.87	120.33
Others	0.00	0.00	6.05	6.44	10.47
Vat & Excise and others	516.23	453.56	306.74	229.62	149.50
Total	693.71	628.15	324.43	490.40	468.97
OTHER CURRENT ASSETS					
Other Current Assets	22.60	21.52	4.50	4.05	0.13
Prepaid Exp	24.76	3.53	4.74	0.46	0.41
Total	47.36	25.05	9.24	4.51	0.53

Note

- The Figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company

ANNEXURE VIII: RESTATED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013		For the year ended March 31							
	NCP	CM	2013		2012		2011		2010	
Name of the Bank	NCP	CM	NCP	CM	NCP	CM	NCP	CM	NCP	CM
TERM LOAN										
State Bank of India	-	-	-	-	-	25.02	25.02	36.00	61.01	37.79
Andhra Bank	225.00	67.04	255.00	45.00	104.98	-	-	-	-	-
Bank of India	225.00	67.14	255.00	45.00	185.63	-	-	-	-	-
Canara Bank	225.00	68.31	255.00	45.00	184.92	-	-	-	-	-
City Union Bank	135.00	40.33	153.00	27.00	113.64	-	-	-	-	-
The Federal Bank Ltd	150.00	44.75	170.00	30.00	75.92	-	-	-	-	-
The Indian Overseas Bank	135.00	40.18	153.00	27.00	68.32	-	-	-	-	-
The Karur Vysya Bank Ltd	225.00	66.96	255.00	45.00	186.33	-	-	-	-	-
Punjab National Bank	375.00	111.73	425.00	75.00	226.53	-	-	-	-	-
State Bank of	124.73	37.22	141.36	24.95	103.60	-	-	-	-	-

Particular	For the 6 months period ended Sept 30, 2013		For the year ended March 31							
			2013		2012		2011		2010	
Tranvencore										
VEHICLE LOAN										
Kotak Mahindra Bank Ltd*	-	-	-	-	-	6.63	6.63	13.66	18.88	12.60
HDFC Bank Ltd.	5.08	2.55	-	-	-	-	-	-	-	-
Total	1824.81	546.19	2062.36	363.95	1,249.86	31.64	31.64	49.66	79.90	50.39

*Includes some of the vehicles, which were shown in Plant & Machinery depending upon the nature of the Vehicles.

Notes:

1. The Figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company
2. NCP stands for Non-Current Portion & CM stands for Current Maturity
3. Terms and Conditions of Sanction of each and every Loan are as follows:

Term Loan

Nature of Security	First Pari-Passu charge on all the present and future project assets including but not limited to plant and machinery, machinery spares, tools & accessories and such other assets created out of the Facilities and other funds raised for implementation of the Project.
	First charge on the project accounts including but not limited to DSR Account and Trust & Retention Account
	Second Charge on-Second Pari Passu charge on the Borrower's Block of Assets which include
	Land at Plot No. E-19, A-69, E-6/1 and A-79 at MIDC Taloja, Dist Raigad Building at Plot No. E-19, A-69, and A-79 at MIDC Taloja, Dist Raigad
	Land & Building, Plant and machinery situated at Village-Ransai, Tal.-Khalapur, District - Raigad
	Borrower's existing plant and machinery and other moveable fixed assets present and future situated at all places
Terms of repayment	Loan to be repaid by 20 quarterly Instalments beginning from Q1 FY 2014 and ending on Q4 FY 2018
Guarantee	Personal, unlimited and unqualified guarantee of Mr. Rajesh Poddar, MD

Vehicle Loan

Nature of Security & Repayment	Secured against Hypothecation of Vehicles and repayable in every month in equal instalments till the completion of Loan
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ANNEXURE IX: RESTATED CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS
(₹ in million)

Name of the Bank	Type of Facility	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
			2013	2012	2011	2010
Working Capital Facilities (FB)						
State Bank of India	Working Capital	2,241.97	2,086.00	1,676.83	1,614.74	1,777.23
The Federal Bank Ltd	Working Capital	733.01	788.75	653.90	691.51	477.27
Bank of India	Working Capital	869.86	863.47	678.05	465.91	197.65
Bank of Maharashtra	Working Capital	13.77	24.90	15.06	25.44	26.65
Andhra Bank	Working Capital	352.76	354.55	295.37	302.07	-
The Karur Vysya Bank Ltd	Working Capital	403.54	302.95	276.63	123.35	-
Canara Bank	Working Capital	252.44	251.75	219.07	-	-
City Union Bank Ltd	Working Capital	201.93	123.33	130.79	-	-
ICICI Bank Ltd	Working Capital	209.39	352.04	238.51	-	-
The Indian Overseas Bank Ltd	Working Capital	269.04	251.77	223.83	-	-
Punjab National Bank	Working Capital	153.24	86.36	69.05	-	-
State Bank of Travancore	Working Capital	454.57	454.05	293.10	-	-
South Indian Bank	Working Capital	96.89	100.02	-	-	-
From Others	Unsecured Loan	-	36.50	12.81	136.81	-
	Total	6,252.41	6,076.46	4,782.98	3,359.81	2,478.81

Notes:

- The Figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company

Terms and Conditions of Short Term Borrowings
Working Capital Facilities

Working Capital Loan from & Terms of Repayment	As above stated Working Capital Facilities are obtained from various Banks as stated above and repayable on demand
Nature of Security	<p>PRIMARY SECURITY First Pari Passu charge on entire stocks, books debts/receivables and all current assets of the Borrower, both present and future.</p> <p>COLLATERAL SECURITY</p> <p>First Pari Passu mortgage/charge on Land and Building at E-19, A-69, A-79 MIDC Taloja, Dist Raigad,</p> <p>First Pari Passu mortgage/charge on Land at E-6/1, MIDC Taloja, Dist.-Raigad,</p> <p>First Pari Passu mortgage/charge on Land and Building at Ransai, Taluka - Khalapur, Dist.-Raigad,</p> <p>First Pari Passu Mortgage/Charge on residential Flat No. E-202, Versova Sameer o-operative Housing Society Ltd.,7 Bungalow, Off. J P Road, Behind Avinash Building, Andheri (West), Mumbai - 400053, belonging to Ms. Anju Poddar</p> <p>First Pari Passu Mortgage/Charge on residential Flat No.3, Ground Floor, Santacruz Prem Sagar Co-Operative Housing Society, Plot No.21, 17th Road, Santacruz (West), Mumbai - 400 054 belonging to Mr. Manish Garg.</p> <p>First charge on all plant and machinery and other fixed asserts which are attached to earth in properties of the Borrower, present and future situated at all the places excluding vehicles separately financed, subject to prior charge in favour of Term Lenders on Project Assets to</p>

	secure Term Loan facility. First Pari Passu Charge/right of lien- set off vis-a-vis FD in the name of the Company (Face value TDR-₹ 5.00 Million) First Pari Passu Charge/right of lien- set off vis- a vis FD in the name of the Company (Face value TDR-₹ 3.00 Million) Second Pari-Passu Mortgage Charge on: All future Project Assets including but not limited to Plant and Machinery, machinery spares, tools and accessories and other such assets to be financed out of the proposed Term Loan sanctioned by the Term Loan Lenders.
Guarantee	Personal Guarantees of Mr. Rajesh Poddar (MD), Ms. Anju Poddar and Mr. Manish Garg The aforesaid security is to rank Pari Passu inter se amongst the Lenders in all respects without any preference or priority to one over or others.
Unsecured Loan	The Company has availed Bill Discounting Facility from IFCI Factors Ltd ₹ 36.05 Million as at March 31, 2013, ₹ 12.81 Million as at March 31, 2012 and from YES Bank Ltd. ₹ 136.81 Million as at March 31, 2011 and the said facilities are repayable in 3 months from the date of loan.

ANNEXURE X: RESTATED CONSOLIDATED STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
Current Liabilities					
Trade Payables	6,487.16	5,032.30	4,798.05	3,545.77	1,595.05
Other Current Liabilities	29.94	385.55	155.88	69.38	50.39
Total (A)	6,517.11	5,417.85	4,953.93	3,615.15	1,645.44
Short Term Provisions					
For Taxation	513.58	376.75	166.28	372.13	266.70
For Other Expense	0.00	0.00	0.00	0.00	4.52
For Pref. Div & DDT	0.00	0.00	0.00	0.00	1.87
Total (B)	513.58	376.75	166.28	372.13	273.09

Notes:

- The Figures disclosed above are based on the Restated Consolidated Summary of Assets and Liabilities of the Company

ANNEXURE XI: RESTATED CONSOLIDATED STATEMENT OF CAPITALIZATION

(₹ in million)

Particular	Pre Issue as on Sept 30, 2013	Pre Issue as on March 31, 2013	Post Issue
Debt			
Long Term Debt	1,824.81	2,062.36	•
Short Term Debt	6,798.60	6,440.41	•
Total Debts (A)	8,623.41	8,502.76	•
Equity (Shareholder's funds)			
Equity share capital	707.59	707.59	•
Reserve and Surplus	4,770.78	4,380.78	•
Total Equity(B)	5,478.37	5,088.37	•
Long Term Debt / Equity Shareholder's funds	0.33:1	0.41:1	•
Total Debts / Equity Shareholder's funds	1.58:1	1.67:1	•

Notes:

- The above has been computed on the basis of Restated Consolidated Summary Statements of the Company.
- The Corresponding Post Issue (IPO) Capitalization data for each of the amounts given in above table is not determinable at this stage pending the Completion of the Book Building Process and hence the same has not been provided in the above Statement

ANNEXURE XII: RESTATED CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
Contingent Liabilities at the end of year/period					
Guarantee given to bank in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners.	250.00	250.00	0.00	0.00	0.00
FDR Pledged as a collateral security in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners.	0.00	0.00	0.00	0.00	0.00
Demand Note by RSMM for royalty amount	0.00	0.00	0.00	0.00	0.00
Fixed deposit with Central Excise & Customs Department	53.15	49.69	0.00	0.00	0.00
Bank Guarantee	0.00	0.00	0.00	0.00	0.00
Total	303.15	299.69	0.00	0.00	0.00

1. Contingent Liability

- (a) Dues outstanding of Income Tax on account of Demand ₹ 11.20 million (including interest) pertains to Accounting Year 2004-05 and dispute is pending with dispute under I.T. Act, 1961 CIT (Appeals).

ANNEXURE XIII: RESTATED CONSOLIDATED STATEMENT OF RELATED PARTIES TRANSACTIONS

(₹ in million)

Nature of Transaction / Name of Related party		For the 6 months period ended Sept 30, 2013	For the year ended March 31			
			2013	2012	2011	2010
	Nature of Relationship					
Remuneration and Allowance						
Mr. Rajesh Poddar	MD	1.80	3.60	3.60	3.15	1.13
Mr. Manish Garg*	Director	0.00	0.00	0.56	0.61	0.48
Mr. Anju Poddar*	Director	0.00	0.00	0.04	0.14	0.00
Mr. Sanjay Bansal	WTD	0.45	0.85	0.60	0.55	0.42
Mr. B. N. Chakraborty	WTD	1.20	2.40	0.00	0.00	0.00
Mr. Rajesh Garg	Director Relative	0.24	0.60	0.60	0.45	0.00
	Total	3.69	7.45	5.40	4.90	2.02
Preference Dividend						
Mr. Rajesh Poddar	MD	0.00	0.75	1.51	1.51	1.51
Ms. Anushka Poddar	Director Relative	0.00	0.05	0.10	0.10	0.10
Mr. Anju Poddar	Director	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.79	1.60	1.60	1.60
Loan Given						
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.00	0.00	0.00	0.20
Mr. Rajesh Poddar	MD	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00	0.20
Loan Repaid						
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.00	0.00	0.00	0.20
	Total	0.00	0.00	0.00	0.00	0.20
Advance Received						
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.03	0.00	0.00	0.00
M/s. Loha Investments Pvt. Ltd.	Group Company	0.00	0.04	0.00	0.00	0.00
M/s. Loha International Ltd.	Group Company	0.00	12.34	0.00	0.11	0.00
	Total	0.00	12.41	0.00	0.11	0.00
Advance Given/Returned						
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.03	0.00	0.00	0.00
M/s. Loha Investments Pvt. Ltd.	Group Company	0.00	0.02	0.02	0.00	0.00
M/s. Loha International Ltd.	Group Company	0.00	12.34	(0.03)	0.14	0.00
	Total	0.00	12.39	(0.01)	0.14	0.00
Sales of Goods						

Nature of Transaction / Name of Related party		For the 6 months period ended Sept 30, 2013	For the year ended March 31			
			2013	2012	2011	2010
M/s. Loha International Ltd.	Group Company	0.00	0.00	7.41	0.00	0.00
	Total	0.00	0.00	7.41	0.00	0.00
Amount invested by Promoter group/ Director						
M/s. Poddar Advantage Advisors Pvt. Ltd.	Group Company	0.00	200.00	177.50	0.00	0.00
M/s. Poddar Finin Consultancy Pvt. Ltd.	Group Company	0.00	200.00	77.50	0.00	0.00
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.00	0.00	303.39	0.00
M/s. Loha Investments Pvt. Ltd.	Group Company	0.00	0.00	0.00	0.00	19.97
Mr. Rajesh Poddar	Director	0.00	0.00	0.00	0.00	0.09
	Total	0.00	400.00	255.00	303.39	20.06
Redemption of Preference Shares						
Mr. Rajesh Poddar	Director	0.00	18.81	0.00	0.00	0.00
Mr. Anushka Poddar	Director Relative	0.00	1.19	0.00	0.00	0.00
	Total	0.00	20.00	0.00	0.00	0.00
Investments made in Group Companies						
M/s. Loha Power and Infrastructure Ltd.	Group Company	0.00	0.00	0.00	0.00	0.00
M/s. Poddar Renaissance Realty Pvt. Ltd.	Group Company	0.00	0.00	51.50	0.00	0.00
	Total	0.00	0.00	51.50	0.00	0.00
Transfer of Shares						
M/s. Poddar Renaissance Realty Pvt. Ltd.	Group Company	0.00	0.00	(51.50)	0.00	0.00
	Total	0.00	0.00	(51.50)	0.00	0.00

* Ceased to be a Director w.e.f. September 21, 2012.

ANNEXURE XIV: RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
Interest on fixed deposits with banks	35.08	67.05	22.36	13.43	15.08
Interest on loans and Others	(2.20)	0.94	8.63	4.79	1.71
Foreign Exchange Rate Difference	(5.27)	(0.90)	(24.92)	0.00	0.00
Total	27.60	67.09	6.07	18.22	16.79

Notes:

1. The Figures disclosed above are based on the Restated Consolidated Profit & Loss Statement of the Company

ANNEXURE XV: RESTATED CONSOLIDATED STATEMENT OF DIVIDEND DECLARED
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31			
		2013	2012	2011	2010
Dividend on Preference Shares (8%)	0.00	0.79	1.60	1.60	1.60

Notes: The Figures disclosed above are based on the Restated Consolidated Profit & Loss Statement of the Company.

ANNEXURE XVI: RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS
(₹ in million, unless stated otherwise)

Particulars		For the 6 months period ended Sept 30, 2013	For the year ended March 31			
			2013	2012	2011	2010
Annualized Basic Earnings Per Share (₹)	A / B	11.00	10.14	6.23	8.14	7.33
Annualized Diluted Earnings Per Share (₹)	A / C	11.00	10.14	6.23	8.14	7.33
Net Profit After Tax (After Preference dividend and related tax) as restated attributable to equity shareholders.	A	389.10	703.52	415.39	517.36	457.87
Weighted average No. of Equity shares outstanding during the year (Refer Note No. 2, 3 and 4 below)	B	70,758,680	69,373,748	66,724,271	63,588,526	62,466,946
Weighted average No. of Equity shares outstanding during the year which should be considered for calculation Diluted EPS (Refer Note No.2, 3 and 4 below)	C	70,758,680	69,373,748	66,724,271	63,588,526	62,466,946
Net Worth at the end the year (excluding Preference Shares)	D	5,485.38	5,090.33	3,907.69	3,316.75	2,496.06
Total No. of proportionate Equity Shares outstanding at the end of the year	E	70,758,680	70,758,680	67,758,680	66,664,930	63,331,080
Annualized Return on Net worth (%)	A / D	14.19%	13.82%	10.63%	15.60%	18.34%
Net Asset Value per Equity Shares (₹)	D / E	77.52	71.94	57.67	49.75	39.41

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

a) Basic Earnings Per Share (Rs)	$\frac{\text{Net Profit After Tax (after preference dividend and related tax) as restated}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year/period}}$
b) Diluted Earnings Per Share (Rs)	$\frac{\text{Net Profit After Tax (after preference dividend and related tax) as restated}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year/period}}$

	Weighted Average Number of Diluted Equity Shares outstanding during the year/period
c) Return on Net Worth (%)	Net Profit After Tax (as restated) attributable to Equity Shareholders ----- Net Worth at the end of the year excluding preference share capital
d) Net Asset Value Per Share (Rs)	Net Worth at the end of the year excluding preference share capital ----- Total number of proportionate Equity Shares outstanding at the end of the year/period

- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- 3) Earnings Per Share is calculations are in accordance with Accounting Standard (AS) 20 - Earning per share, notified under the Companies (Accounting Standard) Rules 2006, as amended.
- 4) As on March 31, 2012, there were 3,750,000 partly paid-up equity shares of ₹ 10 each (paid-up to the extent of ₹ 2 per share). The Company has proportionately considered 750,000 fully paid-up equity shares of ₹ 10 each for the purpose of calculating EPS & NAV for the year ended March 31, 2012. As on September 15, 2012 the company has proportionately considered 262,5200 fully paid -up shares of ₹ 10 each (paid -up to the extent of ₹ 7 per shares) and on September 27, 2012 the company has proportionately considered 375,000 fully paid-up shares @ ₹ 10 each (paid-up to the extent of ₹ 1 per share) for the purpose of calculating EPS & NAV for the financial year ended March 31, 2013. Thus all partly paid-up shares made fully paid-up on September 27, 2012.
- 5) Net worth for ratios mentioned in note 1(c) and 1(d) = Equity Share Capital + Reserves and Surplus (including Capital Redemption Reserve, Securities Premium, General Reserve and Surplus in statement of Profit & Loss) - Share Issue Expenses (to the extent not written off or adjusted).
- 6) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year/period. The above statements should be read with the Notes to Restated Financial Statements of Assets and Liability, Profit & Loss Statement and Cash Flow Statements.

ANNEXURE XVII: RESTATED CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:-

The Financial Statements are prepared under the Historical Cost Convention and comply in all material aspects with the applicable Accounting Principles in India and Accounting Standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B. Use of Estimates:-

The preparation of Financial Statements required estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of Financial Statement and the reported amount of Revenues and Expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Own Fixed Assets:-

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless revalued, for which proper disclosure is made.

All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre operative expenses included in Capital Work-in-Progress.

D. Depreciation:-

Depreciation on Fixed Assets has been provided only on the assets which are put to use by Straight Line Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition:-

Revenue from sale of goods is recognized (net of sales return & trade discounts) on transfer of significant risks and rewards of ownership to the buyer. Other Income if any accounted on accrual basis.

F. Inventories :

The general practice adopted by the Company for valuation of inventory is as under:-

Raw Materials: At lower of cost and net realizable value.

Stores and spares: At cost

Work-in-process/semi-finished goods: At cost.

Finished Goods: At lower of cost and at net realizable value

Tools and equipments: At lower of cost and disposable value.

G. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts are recognised over the life of the contract.

H. Excise Duty/Vat/ Service Tax:

Excise duty/ service tax are accounted on the basis of both, payment made in respect of goods cleared / services provided as also provision made for goods lying in factory. Sales tax/ Value added tax is paid is charged to Profit & Loss statement.

I. Lease:

The Company is holding Lease Hold Land under Agreement with M.I.D.C. and therefore AS 19 is not applicable.

J. Investment

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

K. Impairment of Assets :

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its

recoverable amount, which represent the greater of the net selling price of assets and their value in use. An impairment loss recognized in prior accounting period is reversed if there has been a change in estimate of recoverable amount.

L. Employees Benefit:

Defined Benefit Plans such as Provident fund etc. are charged to the Profit & Loss Statement as incurred. In respect of Gratuity the Company has taken Group Gratuity Assurance Scheme Policy including Life Insurance for all the employees with LIC of India. The present value of the obligations under such plan is determined on actuarial valuation and amount paid for the year is recognized in the profit and loss statement.

M. Borrowing cost:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. Other borrowing cost is recognized as expenses in the period in which they are incurred.

N. Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of The Income-tax Act, 1961.

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.. Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

O. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES TO ACCOUNTS:

1. The balance of sundry debtors, Creditors, Loans & advances are subject to their confirmation and reconciliation if any. For further details, kindly refer to “*Balance of Sundry Debtors, Creditors, Loans & Advances*” in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 241 of this Red Herring Prospectus.
2. The Company does not have reportable Segment as per requirement of accounting standards -17 – “Segment reporting”. All the Revenue shown as part of revenue from operations comes from the Steel Servicing / Processing Activities of the company. All other revenues/incomes are show as Other Income.
3. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any in relation to amount unpaid as at the yearend as required under the said Act have not been furnished.
4. There are no changes in the Significant Accounting Policies of the company in the last five years.

5. ADJUSTMENTS MADE OF RESTATED CONSOLIDATED FINANCIAL STATEMENTS DUE TO REPRESENTATION UNDER NEW FORMAT OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

Reconciliation of Loans

(₹ in million)

As per Audited Balance Sheet	31/3/2011	31/3/2010
Secured Loan	3304.30	2609.10
Unsecured Loan	136.81	-
Total	3441.11	2609.10
Restated as follows:		
Short Term Borrowings	3359.81	2478.81
Long Term Borrowings	31.64	79.90
Other Current Liabilities	49.66	50.39
Total	3441.11	2609.10

Reconciliation of Current Assets & Loans Advances

(₹ in million)

As per Audited Balance Sheet	31/3/2011	31/3/2010
Inventories	5067.77	3161.59
Sundry Debtors	3812.23	2095.07
Cash & Bank Balances	221.82	175.89
Loans & Advances	10.86	120.69
Other Current Assets	505.46	348.70
Miscellaneous Expenditure	1.61	0.13
Total	9619.75	5902.07
Restated as follows:		
Inventories	5067.77	3161.59
Trade Receivables	3812.23	2095.07
Cash and Cash Equivalents	244.35	175.90
Short Term Loans and Advances	490.87	468.97
Long Term Loans and Advances	0.48	0.00
Other Current Assets	4.05	0.53
Total	9619.75	5902.07

Note: Accrued Interest in Audited Balance sheet was in Loans & Advances (assets) in Restated it has shown in Cash & Cash Equivalents

Reconciliation of Current Liabilities & Provisions

(₹ in million)

As per Balance Sheet	31/3/2011	31/3/2010
Sundry Creditors	3559.04	1595.05
Provision for Income Tax	372.13	266.70
Proposed Dividend & DDT	-	1.87
Sundry Creditors for Expenses	6.43	4.52

Total	3937.60	1868.14
<u>Restated as follows:</u>		
Trade Payables	3545.77	1595.05
Short Term Provisions	372.13	273.09
Other Current Liabilities	19.71	---
Total	3937.60	1868.14

6. OTHER ADJUSTMENTS MADE IN RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the 6 months period ended Sept 30, 2013	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10
Revenue from Operations	-	-	-	2.81	-
Other Income	-	-	-	(2.81)	-
Prior Period Expenses	-	-	(0.01)	0.01	-
Short Term Borrowing	-	-	(1.82)	(0.38)	-
Loans & Advances to Related Parties	-	-	1.82	0.38	-
Difference in PAT	-	-	0.01	(0.01)	-

7. The Financial for the year ended 31st March 2010 and 31st March 2011 had been prepared under Revised Schedule VI. Accordingly, the previous year figures have also been re-classified to confirm to this year's classification.

As Per Our Report of Even Date Attached

For A. JOHN MORIS & CO.

Chartered Accountants

Registration No. 007220S

CA Vetteeswar P.

Partner

Mem. No: 211733

Place: Mumbai

Date: February 03, 2014

UNCONSOLIDATED FINANCIAL INFORMATION OF OUR COMPANY

Auditor's Report

To
The Board of Directors
LOHA ISPAAT LIMITED
9th Floor, C-31, Naman Centre,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

Dear Sirs,

1. We have examined the attached **Restated Unconsolidated Financial Information** of **Loha Ispaat Limited (LIL)**, as at March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 and for the Half Year Ended on September, 30, 2013 and **Restated Unconsolidated Profit & Loss and Cash Flow Statements** for each of the years ended March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 and for the Half Year Ended on September, 30, 2013 of **Loha Ispaat Limited** (Collectively the “**Restated Unconsolidated Financial Statements**”), as approved by the Board of Directors of LIL prepared in terms of the requirements of Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”) and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended to date (the “SEBI Regulations”) and the terms of our engagement with you in accordance with our Engagement Letter dated October 10, 2012 in connection with the Company’s Proposed Initial Public Offer (IPO) of equity shares at ₹ 10/- each at such premium arrived at by the 100% Book Building Process (referred to as the “**Issue**”) as may be decided by the Company’s management.
2. The Restated Unconsolidated Financial Information have been extracted by the management from the financial statements for the period / Financial Years ended March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 and for the Half Year Ended on September 30, 2013.
3. Information of the Company are from Financial Years ended March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012 and March 31, 2013 and for the Half Year Ended on September, 30, 2013 have been audited by us and books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Unconsolidated Summary Statements under the requirements of Revised Schedule VI of the Act, in relation to the years ended March 31, 2009, March 31, 2010, March 31, 2011. In accordance with the requirements of Paragraph B (1) of Part II of Schedule II to the Companies Act 1956, the SEBI Regulations; Revised Guidance Note on Reports in Company Prospectus (as amended from time to time) issued by the Institute of Chartered Accountants of India (“ICAI”) and the term of our engagement agreed with you, we further report that:
 - i. The Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013 and for the Half Year Ended on September 30, 2013 as set out in Annexure I to this report read with the Significant Accounting Policies and related Notes in Annexure XIX are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relate and more fully described in Schedules to the Restated Unconsolidated Summary Statements.
 - ii. The Restated Unconsolidated Summary of Profit & Loss Statement of the Company for the year ended March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013 and for the Half Year Ended on September 30, 2013, as set out in Annexure II to this report read with the significant accounting policies and related Notes in Annexure XIX are after making such adjustments and regroupings as in our opinion are appropriate in the year to which they relates and more fully described in Schedules to the Restated Unconsolidated Summary Statements.
 - iii. We have also examined the following financial information as set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the year ended

March 31, 2009, March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013 and for the Half Year Ended on September 30, 2013.

Annexure III	Restated Unconsolidated Statement of Cash Flows
Annexure IV	Restated Unconsolidated Statement of Fixed Assets
Annexure V	Restated Unconsolidated Statement of Investments
Annexure VI	Restated Unconsolidated Statement of Trade Receivables
Annexure VII	Restated Unconsolidated Statement of Loans and Advances
Annexure VIII	Restated Unconsolidated Statement of Long Term Borrowings
Annexure IX	Restated Unconsolidated Statement of Short Term Borrowings
Annexure X	Restated Unconsolidated Statement of Current Liabilities and Provisions
Annexure XI	Restated Unconsolidated Statement of Capitalization Statement
Annexure XII	Restated Unconsolidated Statement of Contingent Liabilities
Annexure XIII	Restated Unconsolidated Statement of Related Party Transactions
Annexure XIV	Restated Unconsolidated Statement of Tax Shelters
Annexure XV	Restated Unconsolidated Statement of Other Income
Annexure XVI	Restated Unconsolidated Statement of Dividend Declared
Annexure XVII	Restated Unconsolidated Statement of Accounting Ratios
Annexure XVIII	Restated Unconsolidated Statement of Inventories
Annexure XIX	Restated Unconsolidated Statement of Significant Accounting Policies and Notes to Accounts

In our Opinion, the above financial information contained in Annexure I to XIX of this report read along with the Restate Unconsolidated Statement of Significant Accounting Policies, and related Notes (refer Annexure XIX) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations and the Guidance Notes on the Reports in Company's Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you.

Our report is intended solely for the use of management and for inclusion in the Draft Offer Document/ Offer Document in connection with the proposed issue of equity shares of the Company and our Report should not to be used, referred to or distributed for any other purpose without our written consent.

For A. JOHN MORIS & CO.

Chartered Accountants

Registration No. 007220S

CA Vetteeswar P

Partner

M. No. 211733

Place: Mumbai

Dated: February 03, 2014

ANNEXURE I: RESTATED UNCONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
(₹ in million)

	Particulars	For the 6 months period ended Sept 30, 2013	As on March 31				
			2013	2012	2011	2010	2009
A	Non-Current Assets						
1	Fixed Assets						
	(i) Tangible Assets	3,565.68	3,493.99	1,645.64	1,243.31	1,213.06	516.54
	Less: Revaluation Reserve	-	-	-	-	-	-
	Net Block After Adjustment of Revaluation Reserve	3,565.68	3,493.99	1,645.64	1,243.31	1,213.06	516.54
	(ii) Capital work in Progress	209.64	74.11	174.70	57.62	10.11	28.45
2	Non-Current Investments	13.92	13.92	13.58	13.46	11.40	-
3	Long Term Loan & Advances	201.64	224.67	1,273.41	0.42	1.52	-
	Total (A)	3,990.08	3,806.69	3,107.34	1,314.81	1,236.08	544.99
B	Current Assets						
1	Inventories	9,008.85	7,066.60	7,101.09	5,067.77	3,161.59	1,737.21
2	Trade Receivables	6,363.19	7,199.00	4,046.02	3,812.23	2,095.07	1,926.88
3	Cash and Cash Equivalents	891.63	724.50	667.31	237.47	163.63	270.61
4	Short Term Loans and Advances	693.40	627.52	323.65	488.72	467.45	267.13
5	Other Current Assets	46.86	24.61	8.69	3.91	0.47	0.36
	Total (B)	17,003.94	15,642.23	12,146.76	9,610.09	5,888.21	4,202.19
C	Total Assets (A+B)	20,994.82	19,448.92	15,254.10	10,924.90	7,124.29	4,747.18
D	Non-Current Liabilities						
1	Long Term Borrowings	1,824.81	2062.36	1,249.86	31.64	79.90	107.73
2	Deferred Tax Liabilities (Net)	443.88	415.15	274.18	207.32	131.94	39.87
	Total (D)	2,268.69	2,477.51	1,524.04	238.96	211.84	147.60
E	Current Liabilities						
1	Short Term Borrowings	6,282.86	6,076.46	4,782.98	3,359.81	2,478.81	1,572.04
2	Trade Payables	5,926.27	5,050.20	4,698.71	3,545.52	1,595.05	1,531.99
3	Other Current Liabilities	575.90	385.19	156.90	69.36	50.39	46.26
4	Short Term Provisions	513.58	376.75	166.28	372.13	273.09	153.46
	Total (E)	13,298.59	11,888.60	9,804.87	7,346.82	4,397.33	3,303.75
F	Total Liabilities & Provisions (D+E)	15,567.29	14,366.11	11,328.91	7,585.78	4,609.17	3,451.35

	Particulars	For the 6 months period ended Sept 30, 2013	As on March 31				
			2013	2012	2011	2010	2009
G	Net Worth (C-F)	5,427.53	5,082.81	3,925.20	3,339.12	2,515.12	1,295.83
	REPRESENTED BY SHAREHOLDERS' FUND						
	Share Capital	707.59	707.59	697.59	686.65	653.31	637.59
	Equity Share Capital	707.59	707.59	677.59	666.65	633.31	617.59
	Preference Share Capital	-	-	20.00	20.00	20.00	20.00
	Share Application Money (Pending Allotment)	-	-	-	-	150.00	174.81
	Reserves & Surplus	4,719.94	4,375.23	3,227.61	2,652.47	1,711.81	483.43
	Share Premium Account (A)	2,041.90	2,041.90	1,593.86	1,429.80	1,009.75	239.27
	Profit & Loss Account (B)	2,657.04	2312.33	1,614.75	1,205.67	687.06	231.17
	Capital Reserve	5.00	5.00	5.00	5.00	5.00	5.00
	General Reserve	16.00	16.00	14.00	12.00	10.00	8.00
	Net Worth	5,427.53	5,082.81	3,925.20	3,339.12	2,515.12	1,295.83
	Note: The above Statements should be read with Notes to the Restated Unconsolidated Assets and Liabilities, Profit & Loss Statement and Cash Flow Statements as appearing in Annexure XIX						

ANNEXURE II: RESTATED UNCONSOLIDATED STATEMENT OF PROFITS AND LOSSES
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
REVENUE						
Revenue from Operations	19,551.58	34,040.64	29,095.64	20,838.60	15,220.78	9,439.10
Other Income	27.60	67.09	6.07	18.22	16.79	5.73
Total Income	19,579.19	34,107.73	29,101.71	20,856.82	15,237.57	9,444.83
EXPENSES						
Cost of Material Consumed	18,017.72	30,885.41	26,659.46	19084.32	14015.16	8767.09
Changes in Inventories of Finished Goods	(11.14)	(15.23)	(7.80)	0.00	0.00	0.00
Manufacturing Expenses	60.83	322.29	286.80	246.51	67.11	39.79
Employee Benefit Expenses	40.60	94.85	78.20	55.41	32.32	20.92
Financial Cost	764.30	1,206.51	968.54	520.08	354.96	227.19
Other Administrative and Selling & Dist. Exp.	107.35	457.67	395.72	144.26	59.00	34.73
Depreciation and Amortization Expenses	89.25	104.28	67.83	59.54	38.39	10.42
Total Expenditure	19,068.92	33,055.79	28,448.76	20,110.13	14,566.95	9,100.13
Net Profit/(Loss) Before Tax	510.27	1,051.95	652.95	746.69	670.62	344.70
Less: Provision for Taxation						
Current Years Income Tax	136.83	210.47	166.28	148.82	118.80	104.50
Deferred Tax (Asset)\Liability	28.73	140.98	66.86	75.38	92.07	10.76
Prior Period Expenses/(Income)	0.00	0.00	(0.01)	0.01	0.00	0.09
Excess Provisions for Earlier Years W/off	0.00	0.00	6.87	0.00	0.00	0.00
Total	165.56	351.45	240.00	224.21	210.87	115.34
Net Profit After Tax but Before Extraordinary Items	344.71	700.50	419.82	522.48	459.76	229.36
Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
Net Profit After Extraordinary Items Available for Appropriation	344.71	700.50	412.95	522.48	459.76	229.36
Proposed Dividend on Preference Shares	0.00	0.79	1.60	1.60	1.60	1.60
Dividend Distribution Tax	0.00	0.13	0.27	0.27	0.27	0.27
Transfer to General Reserve	0.00	2.00	2.00	2.00	2.00	2.00
Issue of Bonus Shares	0.00	0.00	0.00	0.00	0.00	150.00
Net Profit Carried to Balance Sheet	344.71	697.58	409.08	518.61	455.89	75.48

Note: The above Statements should be read with Notes to the Restated Unconsolidated Assets and Liabilities, Profit & Loss Statement and Cash Flow Statements as appearing in Annexure XIX

ANNEXURE III: RESTATED UNCONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>						
Net Profit (adjusted) Before Tax and Extra-ordinary Items	510.27	1,051.95	652.95	746.69	670.62	344.70
Adjustments for						
Depreciation	89.25	104.28	67.83	59.54	38.39	10.42
Loss /(Profit) on Sale of Assets	0.00	0.14	0.00	0.00	0.00	0.00
Prior period Expenses	0.00	0.00	0.01	(0.01)	0.00	(0.09)
Interest & Finance Charges	764.30	1,206.51	968.54	520.08	354.96	227.19
Interest Income	(27.60)	(67.09)	(6.07)	(18.22)	(16.79)	(5.73)
Operating Cash Generated Before Working Capital Changes and Taxes	1,336.21	2,295.79	1,683.26	1308.09	1047.18	576.49
(Increase)/Decrease in Inventories	(1,942.25)	34.49	(2,033.32)	(1906.18)	(1424.38)	(1028.49)
(Increase)/Decrease in Loans	(62.93)	886.40	(1,346.56)	35.66	(80.20)	(65.67)
(Increase)/Decrease in Receivables	835.81	(3,152.98)	(233.79)	(1717.16)	(168.19)	(858.49)
Increase/(Decrease) in Payables	1,066.78	579.78	1,240.73	1964.93	69.46	952.18
Operating Cash Generated Before Taxes	1,233.62	643.48	(689.69)	(314.67)	(556.12)	(423.98)
Less : Income Tax paid (MAT/FBT)	(2.17)	(157.44)	(145.14)	(102.66)	(123.20)	(48.55)
Net Cash Generated from Operating Activities(A)	1,231.45	486.03	(834.83)	(417.33)	(679.32)	(472.53)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>						
Purchase of Fixed Assets (Net)	(296.48)	(1,852.18)	(587.24)	(137.30)	(716.56)	(246.31)
Interest received	27.60	67.09	6.07	18.22	16.79	5.73
Investment in shares of Subsidiary Companies	0.00	0.00	0.00	(0.06)	(11.40)	0.00
Other Investments	0.00	(0.34)	(0.13)	(2.00)	0.00	0.00
Net Cash Flow from Investing Activities (B)	(268.87)	(1,785.43)	(581.29)	(121.14)	(711.17)	(240.58)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>						
Proceeds from Issue of Share Capital	0.00	458.04	175.00	303.38	761.40	440.57
Proceeds from Borrowings	(31.15)	2,105.98	2,641.39	832.75	878.94	733.23
Dividend Paid	0.00	(0.92)	(1.87)	(3.74)	(1.87)	(3.74)
Interest Paid	(764.30)	(1,206.51)	(968.54)	(520.08)	(354.96)	(227.19)
Net Cash Flow from Financing Activities (C)	(795.45)	1,356.59	1,845.96	612.31	1,283.51	942.88
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	167.13	57.19	429.84	73.84	(106.98)	229.78

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Opening Balance of Cash and Cash Equivalents	724.50	667.31	237.47	163.63	270.61	40.86
Closing Balance of Cash and Cash Equivalents	891.63	724.50	667.31	237.47	163.63	270.61
Note: 1) The above Statements should be read with Notes to the Restated Unconsolidated Assets and Liabilities, Profit & Loss Statements and Cash Flow Statements as appearing in Annexure XIX						
Note: 2) Restated Unconsolidated Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard 3						

ANNEXURE IV: RESTATED UNCONSOLIDATED STATEMENT OF FIXED ASSETS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Freehold Land	19.95	19.95	19.95	19.95	19.95	19.95
Less: Accumulated Depreciation	-	-	-	-	-	-
<i>Net Block</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>	<i>19.95</i>
Leasehold Land	1.90	1.90	1.90	1.90	1.90	1.90
Less: Accumulated Depreciation	-	-	-	-	-	-
<i>Net Block</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>	<i>1.90</i>
Factory Building	884.59	867.22	617.04	355.79	336.86	171.28
Less: Accumulated Depreciation	80.23	65.59	41.95	28.52	16.90	8.27
<i>Net Block</i>	<i>804.36</i>	<i>801.63</i>	<i>575.09</i>	<i>327.27</i>	<i>319.96</i>	<i>163.01</i>
Plant & Machinery	2,874.38	2,749.66	1,149.91	964.19	901.78	348.36
Less: Accumulated Depreciation	292.23	224.14	153.32	103.52	59.20	31.80
<i>Net Block</i>	<i>2,582.15</i>	<i>2,525.52</i>	<i>996.59</i>	<i>860.67</i>	<i>842.58</i>	<i>316.56</i>
Electrical Instruments	102.47	102.47	20.34	19.76	18.26	10.10
Less: Accumulated Depreciation	6.55	5.34	4.03	3.08	2.17	1.49
<i>Net Block</i>	<i>95.92</i>	<i>97.13</i>	<i>16.31</i>	<i>16.68</i>	<i>16.09</i>	<i>8.61</i>
Furniture & Fixtures	2.67	2.11	1.63	1.63	1.28	0.85
Less: Accumulated Depreciation	0.77	0.70	0.58	0.48	0.39	0.31
<i>Net Block</i>	<i>1.90</i>	<i>1.42</i>	<i>1.05</i>	<i>1.15</i>	<i>0.89</i>	<i>0.54</i>
Vehicles	26.87	16.43	15.96	11.64	8.87	5.78
Less: Accumulated Depreciation	6.10	5.07	4.22	2.97	1.98	1.39
<i>Net Block</i>	<i>20.77</i>	<i>11.36</i>	<i>11.74</i>	<i>8.67</i>	<i>6.89</i>	<i>4.39</i>

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Computer	56.98	49.13	30.39	12.12	8.29	4.07
Less: Accumulated Depreciation	18.26	14.06	7.38	5.10	3.49	2.49
<i>Net Block</i>	<i>38.72</i>	<i>35.08</i>	<i>23.01</i>	<i>7.02</i>	<i>4.80</i>	<i>1.58</i>
Total	3,565.68	3,493.99	1,645.64	1,243.31	1,213.06	516.54

Note

1. The Figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company

ANNEXURE V: RESTATED UNCONSOLIDATED STATEMENT OF INVESTMENTS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
NON-CURRENT INVESTMENTS						
A) Long Term Investments						
Equity Instruments	0.00	0.00	0.00	0.00	0.00	0.00
-Quoted	2.00	2.00	2.00	2.00	0.00	0.00
-Unquoted	11.92	11.92	11.58	11.46	11.40	0.00
Share Application Money	0.00	0.00	0.00	0.00	0.00	0.00
Total	13.92	13.92	13.58	13.46	11.40	0.00
B) Short Term Investments	0.00	0.00	0.00	0.00	0.00	0.00
C) Provision for diminution in value of Investments	0.00	0.00	0.00	0.00	0.00	0.00
Total (A+B+C)	13.92	13.92	13.58	13.46	11.40	0.00
Quoted Investments						
-Book Value	2.00	2.00	2.00	2.00	0.00	0.00
-Market Value	1.34	1.53	1.69	1.97	0.00	0.00
Unquoted Investments						
-Book Value	11.92	11.92	11.58	11.46	11.40	0.00
Total	13.26	13.45	13.27	13.43	11.40	0.00

Note

1. The Figures disclosed above are based on the Restated Unconsolidated Summary statement of Assets and Liabilities of the Company.

2. The above stated Investments are in the name of the Company.

ANNEXURE VI: RESTATED UNCONSOLIDATED STATEMENT OF DETAILS OF TRADE RECEIVABLES
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
(A) Unsecured, Considered good outstanding for a period less than six months						
Amount due from Promoter/Group Co./Directors	-	-	-	-	-	-
Others	6,276.63	7,138.50	3,989.76	3,768.83	2,046.79	1,902.75
(B) Unsecured, Considered good outstanding for a period more than six months						
Amount due from Promoter/Group Co./Directors	-	-	-	-	-	-
Others	86.57	60.50	56.26	43.40	48.28	24.12
Total	6,363.19	7,199.00	4,046.02	3,812.23	2,095.07	1,926.88

Note

1. The Figures disclosed above are based on the Restated Unconsolidated Summary statement of Assets and Liabilities of the Company

ANNEXURE VII: RESTATED UNCONSOLIDATED STATEMENT OF LOANS AND ADVANCES
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
LONG TERM LOANS AND ADVANCES						
Capital Advance	200.00	224.00	1272.87	0.00	0.00	0.00
Loans & Advances to Related Parties	1.64	0.68	0.54	0.42	1.52	0.00
<i>Total</i>	<i>201.64</i>	<i>224.67</i>	<i>1273.41</i>	<i>0.42</i>	<i>1.52</i>	<i>0.00</i>
SHORT TERM LOANS AND ADVANCES						
Security Deposits	8.05	7.54	2.36	2.42	6.71	5.86
Advances taxes	166.64	164.47	7.03	240.87	181.60	59.86
Loans to Employee	2.47	1.81	1.78	1.92	0.35	0.49
Advances to Suppliers	0.00	0.00	0.04	8.45	118.81	75.68
Others	0.00	0.13	5.72	5.44	10.47	3.13
Vat & Excise and others	516.23	453.56	306.74	229.62	149.50	122.12
<i>Total</i>	<i>693.40</i>	<i>627.52</i>	<i>323.65</i>	<i>488.72</i>	<i>467.45</i>	<i>267.13</i>
OTHER CURRENT ASSETS						
Other Current Assets	22.18	21.08	3.95	3.44	0.07	0.00
Prepaid Exp	24.68	3.53	4.74	0.46	0.41	0.36
<i>Total</i>	<i>46.86</i>	<i>24.61</i>	<i>8.69</i>	<i>3.91</i>	<i>0.47</i>	<i>0.36</i>

Note

1. The Figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company

ANNEXURE VIII: RESTATED UNCONSOLIDATED STATEMENT OF LONG TERM BORROWINGS
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013		For the year ended March 31									
			2013		2012		2011		2010		2009	
Name of the Bank	NCP	CM	NCP	CM	NCP	CM	NCP	CM	NCP	CM	NCP	CM
TERM LOAN												
State Bank of India	0.00	0.00	0.00	0.00	0.00	25.02	25.01	36.00	61.01	37.79	98.80	41.86
Andhra Bank	225.00	67.04	255.00	45.00	104.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of India	225.00	67.14	255.00	45.00	185.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Canara Bank	225.00	68.31	255.00	45.00	184.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Union Bank	135.00	40.33	153.00	27.00	113.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
The Federal Bank Ltd	150.00	44.75	170.00	30.00	75.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00
The Indian Overseas Bank Ltd	135.00	40.18	153.00	27.00	68.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00
The Karur Vysya Bank Ltd	225.00	66.96	255.00	45.00	186.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Punjab National Bank	375.00	111.73	425.00	75.00	226.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bank of Travancore	124.73	37.22	141.36	24.95	103.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VEHICLE LOAN												
Kotak Mahindra Bank Ltd*	0.00	0.00	0.00	0.00	0.00	6.63	6.63	13.66	18.88	12.60	8.93	4.40
HDFC Bank Ltd.	5.08	2.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1824.81	546.19	2,062.36	363.95	1,249.86	31.64	31.64	49.66	79.90	50.39	107.73	46.26

*Includes some of the vehicles, which were shown in Plant & Machinery depending upon the nature of the Vehicles.

Notes:

- 1) The Figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company
- 2) NCP stands for Non-Current Portion and CM stands for Current Maturity
- 3) Terms and Conditions of Sanction of each and every Loan are as follows –

Term Loan:

Nature of Security	<i>A) First Pari-Passu charge on:</i>
	All the present and future project assets including but not limited to plant and machinery, machinery spares, tools & accessories and such other assets created out of the Facilities and other funds raised for implementation of the Project.
	First charge on the project accounts including but not limited to DSR Account and Trust &

	Retention Account
	B) Second Charge on-
	Second Pari Passu charge on the Borrower's Block of Assets which includes
	Land & building at Plot No. E-19, A-69, E-6/1 and A-79 at MIDC, Taloja, Dist Raigad
	Land & building, plant and machinery situated at Village - Ransai, Tal.-Khalapur, Dist.-Raigad
	C) Borrower's existing plant and machinery and other moveable fixed assets present and future situated at all places.
Terms of Payment	Loan to be repaid by 20 quarterly Instalments beginning from Q1 FY 2014 and ending on Q4 FY 2018
Guarantee	Personal, unlimited and unqualified guarantee of Mr. Rajesh Poddar, MD

Vehicle Loan:

Nature of Security	Secured against Hypothecation of Vehicles and repayable in every month in equal instalment till the completion of Loan
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ANNEXURE IX: RESTATED UNCONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS

(₹ in million)

Name of the Bank	Type of Facility	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
			2013	2012	2011	2010	2009
Working Capital Facilities (FB)							
State Bank of India	Working Capital	2,241.97	2,086.00	1,676.83	1,614.74	1,777.23	1,063.99
The Federal Bank Ltd	Working Capital	733.01	788.75	653.90	691.51	477.27	286.61
Bank of India	Working Capital	869.86	863.47	678.05	465.91	197.65	-
Bank of Maharashtra	Working Capital	13.77	24.90	15.06	25.44	26.65	-
Andhra Bank	Working Capital	352.76	354.55	295.37	302.07	-	-
The Karur Vysya Bank Ltd.	Working Capital	403.54	302.95	276.63	123.35	-	-
Canara Bank	Working Capital	252.44	251.75	219.07	-	-	-
City Union Bank Ltd	Working Capital	201.93	123.33	130.79	-	-	-
ICICI Bank Ltd	Working Capital	209.39	352.04	238.51	-	-	-
The Indian Overseas Bank Ltd	Working Capital	269.04	251.77	223.83	-	-	-
Punjab National Bank	Working Capital	153.24	86.36	69.05	-	-	-
State Bank of Travancore	Working Capital	454.57	454.05	293.10	-	-	-
South Indian Bank	Working Capital	96.89	100.02	-	-	-	-

Name of the Bank	Type of Facility	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
			2013	2012	2011	2010	2009
From Others	Unsecured Loan	-	36.50	12.81	136.81	-	221.44
From Group Company and Directors	Unsecured Loan	30.45	-	-	-	-	-
	Total	6,282.86	6,076.46	4,782.98	3,359.81	2,478.81	1,572.04

Notes: The figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company

Terms and Conditions for Short Term Borrowings

Working Capital Facilities

Working Capital Loan from & Terms of Repayment	<i>As above stated Working Capital Facilities are obtained from various Banks as stated above and repayable on demand</i>
Nature of Security	<p><i>Primary Security</i></p> <p>First Pari Passu charge on entire stocks, books debts/receivables and all current assets of the Borrower, both present and future.</p> <p><i>Collateral Security</i></p> <p>First Pari Passu mortgage/charge on Land and Building at E-19, A-69, A-79 MIDC Taloja, Dist Raigad,</p> <p>First Pari Passu mortgage/charge on Land at E-6/1, MIDC Taloja, Dist.-Raigad,</p> <p>First Pari Passu mortgage/charge on Land and Building at Ransai, Taluka - Khalapur, Dist. - Raigad,</p> <p>First Pari Passu Mortgage/Charge on residential Flat No. E-202, Versova Sameer co-operative Housing Society Ltd. 7 Bungalow, Off. J P Road, Behind Avinash Building, Andheri (West), Mumbai - 400053, belonging to Ms. Anju Poddar</p> <p>First Pari Passu Mortgage/Charge on residential Flat No.3, Ground Floor, Santacruz Prem Sagar Co-Operative Housing Society, Plot No.21, 17th Road, Santacruz (West), Mumbai - 400 054 belonging to Mr. Manish Garg.</p> <p>First charge on all plant and machinery and other fixed asserts which are attached to earth in properties of the Borrower, present and future situated at all the places excluding vehicles separately financed, subject to prior charge in favour of Term Lenders on Project Assets to secure Term Loan facility.</p> <p>First Pari Passu Charge/right of lien- set off vis a vis FD in the name of the Company (Original face value TDR-₹ 5.00 Million)</p> <p>First Pari Passu Charge/right of lien- set off vis a vis FD in the name of the Company (Original face value TDR-₹ 3.00 Million)</p> <p><i>Second Pari-Passu Mortgage Charge on:</i></p> <p>All future Project Assets including but not limited to Plant and Machinery, machinery spares, tools and accessories and other such assets to be financed out of the proposed Term Loan sanctioned by the Term Loan Lenders.</p>
Guarantee	<p>Personal Guarantees of Mr. Rajesh Poddar (MD), Ms. Anju Poddar and Mr. Manish Garg</p> <p>The aforesaid security is to rank Pari Passu inter se amongst the Lenders in all respects without any preference or priority to one over or others.</p>
Terms of Payment	Repayable on demand

Terms and Conditions for Unsecured Loans

The Company has availed Bill Discounting Facility from IFCI Factors Ltd ₹ 36.05 Million as at March 31, 2013, ₹ 12.81 Million as at 31st March 2012, from YES Bank Ltd. ₹ 136.81 Million as at 31st March 2011, from Global Trade Finance ₹ 221.44 Million as at 31st March 2009 and the said facility is repayable in 3 months from the date of loan.

Company has received advance for material from its subsidiary amounting to ₹ 30.45 million for the 6 months period ended Sep 30, 2013.

ANNEXURE X: RESTATED UNCONSOLIDATED STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Current Liabilities						
Trade Payables	5,926.27	5,050.20	4698.71	3545.52	1595.05	1531.99
Other Current Liabilities	29.71	21.24	156.90	69.36	50.39	46.26
Total (A)	5,955.98	5071.44	4855.61	3614.88	1645.44	1578.25
Short Term Provisions						
For Taxation	513.58	376.75	166.28	372.13	266.70	149.35
For Other Expenses	0	0.00	0.00	0.00	4.52	2.24
For Pref. Div & DDT	0	0.00	0.00	0.00	1.87	1.87
Total (B)	513.58	376.75	166.28	372.13	273.09	153.46

Notes:

- The Figures disclosed above are based on the Restated Unconsolidated Summary Statement of Assets and Liabilities of the Company

ANNEXURE XI: RESTATED UNCONSOLIDATED STATEMENT OF CAPITALIZATION

(₹ in million)

Particular	For the Half Year Ended on 30 th Sep, 2013	Pre Issue as at March 31, 2013	Post Issue
Debt			
Long Term Debt	1,824.81	2,062.36	[•]
Short Term Debt	6,829.05	6,440.41	[•]
Total Debts (A)	8,653.86	8,502.76	[•]
Equity (Shareholder's funds)			
Equity share capital	707.59	707.59	[•]
Reserve and Surplus	4,719.94	4,375.23	[•]
Total Equity(B)	5,427.53	5082.81	[•]
Long Term Debt / Equity Shareholder's funds	0.34:1	0.41:1	[•]
Total Debts / Equity Shareholder's funds	1.59:1	1.67:1	[•]

Notes:

- The above has been computed on the basis of Restated Unconsolidated Summary Statements of the Company.
- The Corresponding Post Issue (IPO) Capitalization data for each of the amounts given in above table is not determinable at this stage pending the Completion of the Book Building Process and hence the same has not been provided in the above Statement.

ANNEXURE XII: RESTATED UNCONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Contingent Liabilities at the end of year/period						
Guarantee given to bank in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners.	250.00	250.00	0.00	0.00	0.00	0.00
FDR Pledged as a collateral security in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners.	0.00	0.00	0.00	0.00	0.00	0.00
Fixed deposit with Central Excise & Customs Department	53.15	49.69	0.00	0.00	0.00	0.00
Bank Guarantee	0.00	0.00	0.00	0.00	0.00	0.00
Total	303.15	299.69	0.00	0.00	0.00	0.00

1. Contingent Liability

- (a) Dues outstanding of Income Tax on account of Demand ₹ 11.20 million (including interest) pertains to dispute under I.T. Act, 1961 Accounting Year 2004-05 and dispute is pending with CIT (Appeals).

ANNEXURE XIII: RESTATED UNCONSOLIDATED STATEMENT OF RELATED PARTIES AND TRANSACTIONS
(₹ in million)

Nature of Transaction / Name of Related party	Nature of Relationship	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
			2013	2012	2011	2010	2009
Remuneration and Allowance							
Mr. Rajesh Poddar	MD	1.80	3.60	3.60	3.15	1.13	0.90
Mr., Manish Garg*	Director	0.00	0.00	0.56	0.61	0.48	0.45
Mr. Anju Poddar*	Director	0.00	0.00	0.04	0.14	0.00	0.00
Mr. Sanjay Bansal	WTD	0.45	0.85	0.60	0.55	0.42	0.31
Mr. B. N. Chakraborty	WTD	1.20	2.40	0.00	0.00	0.00	0.00
Mr. Rajesh Garg	Relative of Director	0.24	0.60	0.60	0.45	0.00	0.00

Nature of Transaction / Name of Related party		For the 6 months period ended Sept 30, 2013	For the year ended March 31				
			2013	2012	2011	2010	2009
	Total	3.69	7.45	5.40	4.90	2.02	1.66
Preference Dividend							
Mr. Rajesh Poddar	MD	0.00	0.75	1.51	1.51	1.51	1.51
Ms. Anushka Poddar	Daughter of MD	0.00	0.05	0.10	0.10	0.10	0.10
Mr. Anju Poddar	Director	0.00	0.00	0.00	0.00	0.00	0.00
	Total	0.00	0.79	1.60	1.60	1.60	1.60
Loan Given							
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.00	0.00	0.00	0.20	1.54
Mr. Rajesh Poddar	MD	0.00	0.00	0.00	0.00	0.00	2.71
	Total	0.00	0.00	0.00	0.00	0.20	4.25
Loan Repaid							
Mr. Rajesh Poddar	MD	0.00	0.00	0.00	0.00	0.00	2.71
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.00	0.00	0.00	0.20	1.54
	Total	0.00	0.00	0.00	0.00	0.20	4.25
Advances against Supplies							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	7.29	0.00	7.31	0.00	0.00
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	0.00	0.00	(7.31)	0.00	0.00
	Total	0.00	7.29	0.00	0.00	0.00	0.00
Advance received							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	30.45	0.00	1.26	0.00	0.00	0.00
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.03	0.00	0.00	0.00	0.00
M/s. Loha Investments Pvt. Ltd.	Group Company	0.00	0.04	0.00	0.00	0.00	0.00
M/s. Loha International Ltd	Group Company	0.00	12.34	0.00	0.11	0.00	0.00
	Total	30.45	12.41	1.26	0.11	0.00	0.00
Advance Given/Returned							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	0.00	0.00	0.63	0.00	0.00
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	6.03	0.00	(1.80)	1.17	0.00
M/s. Loha Ispaat Hong Kong Ltd.	Subsidiary	0.96	0.16	0.13	0.04	0.35	0.00
M/s. Loha Investments Pvt. Ltd.	Group Company	0.00	0.02	0.02	0.00	0.00	0.00
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.03	0.00	0.00	0.00	0.00
M/s. Loha International Ltd.	Group Company	0.00	12.34	(0.03)	0.14	0.00	0.00
	Total	0.96	18.58	0.12	(0.99)	1.52	0.00
Purchase of Goods							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	339.60	0.00	0.00	0.00	0.00

Nature of Transaction / Name of Related party		For the 6 months period ended Sept 30, 2013	For the year ended March 31				
			2013	2012	2011	2010	2009
	Total	0.00	339.60	0.00	0.00	0.00	0.00
Sales of Goods							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	0.00	0.00	10.52	0.00	0.00
M/s. Loha International Ltd.	Group Company	0.00	0.00	7.41	0.00	0.00	0.00
	Total	0.00	0.00	7.41	10.52	0.00	0.00
Amount invested by Promoter group/ Director							
M/s. Poddar Advantage Advisors Pvt. Ltd.	Group Company	0.00	200.00	177.50	0.00	0.00	0.00
M/s. Poddar Finin Consultancy Pvt. Ltd.	Group Company	0.00	200.00	77.50	0.00	0.00	0.00
M/s. Dhanidevi Processors Pvt. Ltd.	Group Company	0.00	0.00	0.00	303.39	0.00	0.00
M/s. Loha Investments Pvt. Ltd.	Group Company	0.00	0.00	0.00	0.00	19.97	0.00
Mr. Rajesh Poddar	Director	0.00	0.00	0.00	0.00	0.09	191.00
	Total	0.00	400.00	255.00	303.39	20.06	191.00
Redemption of Preference Shares							
Mr. Rajesh Poddar	Director	0.00	18.81	0.00	0.00	0.00	0.00
Ms. Anushka Poddar	Director Relative	0.00	1.19	0.00	0.00	0.00	0.00
		0.00	20.00	0.00	0.00	0.00	0.00
Investments made in Group Companies							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	0.00	0.00	0.00	0.00	11.40	0.00
M/s. Loha Ispaat Hong Kong Ltd.	Subsidiary	0.00	0.00	0.00	0.06	0.00	0.00
M/s. Loha Power and Infrastructure Ltd	Group Company	0.00	0.00	0.00	0.00	0.00	0.00
M/s. Poddar Renaissance Realty Pvt. Ltd.	Group Company	0.00	0.00	51.50	0.00	0.00	0.00
	Total	0.00	0.00	51.50	0.06	11.40	0.00
Trade Payables							
M/s. Loha Ispaat Middle East FZCO	Subsidiary	87.90	118.18	0.00	0.00	0.00	0.00
	Total	87.90	118.18	0.00	0.00	0.00	0.00
Transfer of Shares							
M/s. Poddar Renaissance Realty Pvt. Ltd.	Group Company	0.00	0.00	(51.50)	0.00	0.00	0.00
	Total	0.00	0.00	(51.50)	0.00	0.00	0.00

*Ceased to be a Director w.e.f. September 21, 2012.

ANNEXURE XIV: RESTATED UNCONSOLIDATED STATEMENT OF TAX SHELTER

(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Normal Corporate tax rates (%)	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Minimum alternative tax rates	18.50%	18.50%	18.50%	18.00%	15.00%	10.00%
Profit before tax as per Restated P/L	510.27	1051.95	652.95	746.69	670.62	344.70
Applicable Corporate tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Notional tax as per tax rate on profits (A)	153.08	315.58	195.89	224.01	201.19	103.41
<u>Tax Adjustment</u>						
<u>Permanent Difference</u>						
Donation & Other Expenses	0.00	0.00	0.00	0.00	(0.07)	(0.02)
Cash expenses disallowable u/s 40A(3)	0.00	0.00	0.00	0.00	0.00	(0.04)
Total Permanent Difference (B)	0.00	0.00	0.00	0.00	(0.07)	(0.05)
<u>Timing Difference</u>						
Depreciation - including unabsorbed depn.	88.55	407.20	167.35	298.67	335.32	38.03
Preliminary / Pre Operative Expenses W/o	0.00	0.00	(0.47)	0.00	0.00	0.00
Disallowance u/s. 40A(ia)	0.00	0.00	0.00	0.00	0.00	0.98
Allowance - bonus	0.00	0.00	0.00	0.00	0.00	0.00
Total Timing Difference (C)	88.55	407.20	166.88	298.67	335.32	39.01
Business Losses not set off in past years (D)	0.00	0.00	0.00	0.00	0.00	0.00
Total Adjustment (E) = (B+C+D)	88.55	407.20	166.88	298.67	335.25	38.96
Tax Expenses / (Saving) thereon (F) = (E)* Tax rate	26.57	122.16	50.06	89.60	100.57	11.69
Tax payable as per normal provisions (other than 115JB) of the Act (G)	126.52	193.42	145.82	134.41	100.61	91.72
MAT tax rate (H)	18.50%	18.50%	18.50%	18.00%	15.00%	10.00%
Tax under MAT (I)	94.40	194.61	120.80	134.40	100.59	34.47
Tax payable for the year maximum of (G) or (I)	126.52	194.61	145.82	134.41	100.61	91.72
Interest under section 234B & 234C (As per income tax return)	0.00	10.32	21.27	33.96	25.90	28.45
Total Tax Payable(*)	126.52	204.93	167.09	168.37	126.52	120.17

Notes:

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Unconsolidated Profit and Loss Account'

* The above tax payable does not include Surcharge, Education Cess and Higher Education Cess, if any

ANNEXURE XV: RESTATED UNCONSOLIDATED STATEMENT OF OTHER INCOME
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Interest on fixed deposits with banks	35.08	50.42	22.36	13.43	15.08	4.47
Interest on Loans and Others	(2.20)	17.57	8.63	4.79	1.71	1.25
Foreign Exchange Rate Difference	(5.27)	(0.90)	(24.92)	0.00	0.00	0.00
Total	27.60	67.09	6.07	18.22	16.79	5.73

Notes:

- The Figures disclosed above are based on the Restated Unconsolidated Profit & Loss Statement of the Company.

ANNEXURE XVI: RESTATED UNCONSOLIDATED STATEMENT OF DIVIDEND DECLARED
(₹ in million)

Particular	For the 6 months period ended Sept 30, 2013	For the year ended March 31				
		2013	2012	2011	2010	2009
Dividend on Preference Shares (8%)	0.00	0.79	1.60	1.60	1.60	1.60

ANNEXURE XVII: RESTATED UNCONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

Particulars		For the 6 months period ended Sept 30, 2013	As on 31st March				
			2013	2012	2011	2010	2009
Annualized Basic Earnings Per Share (₹)	A / B	9.74	10.08	6.16	8.19	7.33	4.74
Annualized Diluted Earnings Per Share (₹)	A / C	9.74	10.08	6.16	8.19	7.33	4.74
Net Profit After Tax (After Preference dividend and related tax) as restated attributable to equity shareholders.	A	344.71	699.58	411.08	520.61	457.89	227.48
Weighted average No. of Equity shares outstanding during the year (Refer Note No. 2, 3 and 4 below)	B	70,758,680	69,373,748	66,724,271	63,588,526	62,466,946	47,996,312
Weighted average No. of Equity shares outstanding during the year which should be considered for calculation Diluted EPS (Refer Note No.2, 3 and 4 below)	C	70,758,680	69,373,748	66,724,271	63,588,526	62,466,946	47,996,312
Net Worth at the end the year (excluding Preference Shares)	D	5,427.53	5,082.81	3,905.20	3,319.12	2,495.12	1,275.83
Total No. of proportionate Equity Shares outstanding at the end of the year	E	70,758,680	70,758,680	67,758,680	66,664,930	63,331,080	61,758,660
Annualized Return on Net worth (%)	A / D	12.70%	13.76%	10.53%	15.69%	18.35%	17.83%
Net Asset Value per Equity Shares (₹)	D / E	76.70	71.83	57.63	49.79	39.40	20.66

Notes to Accounting Ratios:

1) The Ratios have been computed as follows:

a) Basic Earnings Per Share (₹)	$\frac{\text{Net Profit After Tax (after preference dividend and related tax) as restated}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year/period}}$
b) Diluted Earnings Per Share (₹)	$\frac{\text{Net Profit After Tax (after preference dividend and related tax) as restated}}{\text{Weighted Average Number of Diluted Equity Shares outstanding during the year/period}}$
c) Return on Net Worth (%)	$\frac{\text{Net Profit After Tax (as restated) attributable to Equity Shareholders}}{\text{Net Worth at the end of the year excluding preference share capital}}$
d) Net Asset Value Per Share (₹)	$\frac{\text{Net Worth at the end of the year excluding preference share capital}}{\text{Total number of proportionate Equity Shares outstanding at the end of the year/period}}$

- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- 3) Earnings Per Share is calculations are in accordance with Accounting Standard (AS) 20 - Earning per share, notified under the Companies (Accounting Standard) Rules 2006, as amended. During the Year ended March 31, 2009, Company issued bonus shares of ₹ 150 Million in the proportion of existing shares held, to the existing shareholders by way of capitalisation of Profit & Reserves which has been approved at the extra ordinary general meeting held by the company on October 13, 2008.
- 4) As on March 31, 2012, there were 3,750,000 partly paid-up equity shares of ₹ 10 each (paid-up to the extent of ₹ 2 per share). The Company has proportionately considered 750,000 fully paid-up equity shares of ₹ 10 each for the purpose of calculating EPS & NAV for the year ended March 31, 2012. On September 15, 2012 the company has proportionately considered 2,625,200 fully paid -up shares of ₹ 10 each (paid -up to the extent of ₹ 7 per share) and on September 27, 2012 the company has proportionately considered 375,000 fully paid-up shares at ₹10 each (paid-up to the extent of ₹ 1 per share) for the purpose of calculating EPS & NAV for the year ended March 31, 2013. Thus all partly paid-up shares made fully paid-up on September 27, 2012.
- 5) Net worth for ratios mentioned in note 1(c) and 1(d) = Equity Share Capital + Reserves and Surplus (including Capital Redemption Reserve, Securities Premium, General Reserve and Surplus in statement of Profit & Loss) - Share Issue Expenses (to the extent not written off or adjusted).
- 6) The above Ratios have been computed on the basis of the Restated Financial Information for the respective year/period. The above statements should be read with the Notes to Restated Financial Statements of Assets and Liability, Profit & Loss Statement and Cash Flow Statements.

ANNEXURE XVIII: RESTATED UNCONSOLIDATED STATEMENT OF INVENTORIES

Particulars	For the 6 months period ended Sept 30, 2013	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
Raw Materials	8,974.69	7043.58	7093.29	5067.77	3161.59	1737.21
Finished Goods	34.16	23.02	7.80	-	-	-
Total	9,008.85	7066.60	7101.09	5067.77	3161.59	1737.21

ANNEXURE XIX: RESTATED UNCONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements:-

The Financial Statements are prepared on accrual basis under the Historical Cost Convention and comply in all material aspects with the applicable Accounting Principles in India and Accounting Standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B. Use of Estimates:-

The preparation of Financial Statements required estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of Financial Statement and the reported amount of Revenues and Expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Own Fixed Assets:-

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless revalued, for which proper disclosure is made.

All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre operative expenses included in Capital Work-in-Progress.

D. Depreciation:-

Depreciation on Fixed Assets has been provided only on the assets which are put to use by Straight Line Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition:-

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales (net of sales return & trade discounts) and Other Income if any accounted on accrual basis.

F. Inventories :

The general practice adopted by the Company for valuation of inventory is as under:-

Raw Materials: At lower of cost and net realizable value.

Stores and spares: At cost

Work-in-process/semi-finished goods: At cost.

Finished Goods: At lower of cost and At net realizable value

Tools and equipments: At lower of cost and disposable value.

G. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts are recognised over the life of the contract.

H. Excise Duty/Vat/ Service Tax:

Excise duty/ service tax are accounted on the basis of both, payment made in respect of goods cleared / services provided as also provision made for goods lying in factory. Sales tax/ Value added tax is paid is charged to Profit & Loss account.

I. Lease:

The Company is holding Lease Hold Land under Agreement with M.I.D.C. and therefore AS 19 is not applicable.

J. Investment

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

K. Impairment of Assets :

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use. An impairment loss recognized in prior accounting period is reversed if there has been a change in estimate of recoverable amount.

L. Employees Benefit:

Defined Benefit Plans such as Provident fund etc. are charged to the Profit & Loss Account as incurred. In respect of Gratuity the Company has taken Group Gratuity Assurance Scheme Policy including Life Insurance for all the employees with LIC of India. The present value of the obligations under such plan is determined on actuarial valuation and amount paid for the year is recognized in the profit and loss account.

M. Borrowing cost:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. Other borrowing cost is recognized as expenses in the period in which they are incurred.

N. Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of The Income-tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

O. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES TO ACCOUNTS:

1. The balance of sundry debtors, Creditors, Loans & advances are subject to their confirmation and reconciliation if any.

2. The Company does not have reportable Segment as per requirement of accounting standards -17"Segment reporting". All the Revenue shown as part of revenue from operations comes from the Steel Servicing / Processing Activities of the company. All other revenues/incomes are show as Other Income.
3. The Company has not received any intimation from suppliers regarding their status under micro, Small and Medium Enterprises Development Act,2006 and hence disclosure if any in relation to amount unpaid as at the yearend as required under the said Act have not been furnished.
4. There are no changes in the Significant Accounting Policies of the company in the previous years.
5. ADJUSTMENTS MADE OF RESTATED UNCONSOLIDATED FINANCIAL STATEMENTS DUE TO REPRESENTATION UNDER NEW FORMAT OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

(₹ in million)

	31/3/2011	31/3/2010	31/3/2009
<u>Reconciliation on Loans</u>			
As per Audited Balance Sheet			
Secured Loan	330.43	2,609.09	1,504.58
Unsecured Loan	136.81	-	221.44
	3,441.11	2,609.09	1,726.03
Restated as follows:			
Short Term Borrowings	3,359.81	2,478.81	1,572.04
Long Term Borrowings	31.64	79.90	107.73
Other Current Liabilities	49.66	50.39	46.26
	3,441.11	2,609.09	1,726.03
<u>Reconciliation of Current Assets & Loans Advances</u>			
As per Audited Balance Sheet			
Inventories	5,067.77	3,161.59	1,737.21
Sundry Debtors	3,812.23	2,095.07	1,926.88
Cash & Bank Balances	214.92	163.63	270.61
Loans & Advances	10.79	120.69	76.17
Other Current Assets	504.19	348.69	191.32
Miscellaneous Expenditure	0.62	0.06	-
	9,610.52	5,889.73	4,202.19
Restated as follows:			
Inventories	5,067.77	3,161.59	1,737.21
Trade Receivables	3,812.23	2,095.07	1,926.88
*Cash and Cash Equivalents	237.47	163.63	270.61
Short Term Loans and Advances	489.60	469.37	267.49
Other Current Assets	3.44	0.07	-
	9,610.52	5,889.73	4,202.19
<i>*Accrued interest in audited balance sheet was in loan *& advance (assets) in restated it has shown in Cash and Cash Equivalent</i>			
<u>Reconciliation of Current Liabilities & Provisions</u>			
As per Balance Sheet			
	31/3/2011	31/3/2010	31/3/2009

Sundry Creditors		3,558.70	1,595.05	1,531.99
Provision for Income Tax		372.13	266.70	149.35
Proposed Dividend & DDT		-	1.87	1.87
Sundry Creditors for Expenses		6.53	4.52	2.24
Total		3,937.36	1,868.14	1,685.46
<u>Restated as follows:</u>				
Trade Payables		3,558.70	1,595.05	1,531.99
Short Term Provisions		372.13	273.09	153.47
Other Current Liabilities		6.53	-	-
Total		3,937.36	1,868.14	1,685.46

6. OTHER ADJUSTMENTS MADE IN RESTATED UNCONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the 6 months period ended Sept 30, 2013	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Revenue from Operations	-	-	-	2.81	-	-
Other Income	-	-	-	(2.81)	-	-
Prior Period Expenses	-	-	(0.01)	0.01	-	-
Difference in PAT	-	-	0.01	(0.01)	-	-

7. The Financial years for the years ended 31st March, 2009, 31st March, 2010 and 31st March, 2011 had been prepared under Revised Schedule VI. Accordingly, the previous year figures have also been re-classified to confirm to this year's classification.

As Per Our Report of Even Date Attached

For A. JOHN MORIS & CO.

Chartered Accountants

Registration No. 007220S

CA Vetteeswar P.

Partner

Mem. No: 211733

Place: Mumbai

Date: February 03, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated consolidated financial statements including the notes thereto and the examination reports thereon, which appear elsewhere in this Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors", which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our financial year ended March 31 of such year. In this section, any reference to "we", "us", "our", unless the context otherwise implies, refers to our Company and its Subsidiaries on a consolidated basis.

Business Overview

We are one of the organized Independent Steel Service Centers in India having an existing client base of over 500 customers Pan India, making us a major player in the flat steel product (i.e. HR and CR Coils, Sheets and Plates) markets in India.

We operate as an Independent Steel Service Centre that purchases raw materials like Hot Rolled Coils, HRPO, Cold Rolled Coils, CRCA, HR Chequered Coils etc. from steel manufacturers and converts them into various shapes and forms through Decoiling / Recoiling, Slitting, Shearing, Cut to Length and other value additions such as Pickling, Oiling, CNC Plasma Cutting, Profiling, Roll Forming, (Trapezoidal, Corrugated), Bell Annealing, Rewinding, Cold Rolling Mill, Skin pass Mill, Trapezoidal Cutting, Gas Cutting etc. We serve an important function as an intermediary between primary metal producers that generally sell large volumes of limited sizes and configurations, and end-users that require efficient services and economical quantities of customized products.

Our product portfolio offers a diversified product range which includes variety of grades, thickness, widths and standards, in HR, CR, HRPO, CRCA, Galvanized coils and plates, Chequered Coils & plates, Trapezoidal Blank etc. according to customer specifications (TDC). We serve a well-diversified base of customers across industries like Automobile, Bearing, Fabrication, Packaging, General Engineering, Pipe manufacturing, White Goods, Infrastructure, Home Appliances etc. The quality standards at our processing facilities are ISO 9001:2008 certified.

For further details regarding our business operations, kindly refer to the Chapter titled "*Our Business*" on page 114 of this Red Herring Prospectus.

Significant Developments

Except as disclosed under "*Material Developments occurring after last Balance Sheet date, i.e. September 30, 2013*" on page 265 and except as disclosed elsewhere in this Red Herring Prospectus, there have been no significant developments after the date of the last audited financials i.e. six months period ended September 30, 2013.

Basis of Presentation

We have included in this Red Herring Prospectus audited financial statements, as restated, for the Fiscal Years ended March 31, 2013, 2012, 2011, 2010 and 2009. All figures in relation to our income from operations, expenditures, employee remuneration, operation, selling and distribution expenses and finance costs are derived from our restated financial statements, which give effect to the restatement adjustments.

Our financial statements are prepared under the historical cost convention in accordance with fundamental accounting assumptions and Indian GAAP and the relevant provisions of the Companies Act, including accounting standards notified thereunder.

Our business consists of a single business segment which comprises the processing and trading of steel products and we have no geographical segments which are subject to different risks and returns.

Our financial statements are presented in Indian rupees.

Significant Factors Affecting Results of Operations

Our financial condition and results of operations could be mainly affected by the following factors:

- ✓ General economic and business conditions;
- ✓ Company's ability to successfully implement their expansion, business and growth strategies;
- ✓ Prevailing trends in the Steel Industry, Steel prices, Raw Material prices;
- ✓ Trends in the Automobile, General Engineering & Fabrication, Pipe manufacturing, Power & Infrastructure Industries, which are sectors to which most of the products of our Company are supplied;
- ✓ Increasing competition in the Steel industry;
- ✓ Cyclical fluctuations in the operating results;
- ✓ Changes in laws and regulations that apply to the industry;
- ✓ Changes in fiscal, economic or political conditions in India;
- ✓ Availability of raw materials.

For further details regarding key risks pertaining to our operations, kindly refer to the Section titled "Risk Factors" on page 12 of this Red Herring Prospectus.

Significant Accounting Policies

A. Basis of Preparation of Financial Statements:-

The Financial Statements are prepared under the Historical Cost Convention and comply in all material aspects with the applicable Accounting Principles in India and Accounting Standards notified under sub-section 3(C) of Section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B. Use of Estimates:-

The preparation of Financial Statements required estimates and assumptions to be made that affect the reported amount of Assets and Liabilities on the date of Financial Statement and the reported amount of Revenues and Expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Own Fixed Assets:-

Fixed Assets are valued at cost less accumulated depreciation and net of CENVAT, unless revalued, for which proper disclosure is made.

All expenditure, including advances given and interest cost during the project construction period, are accumulated and shown as Capital Work-in-Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure arising out of trial run is part of pre operative expenses included in Capital Work-in-Progress.

D. Depreciation:-

Depreciation on Fixed Assets has been provided only on the assets which are put to use by Straight Line Method of Depreciation at the rates and manner prescribed under Schedule XIV of the Companies Act, 1956 as amended. The depreciation has been provided on pro rata basis for the assets purchased during the period.

E. Revenue Recognition:

Revenue from sale of goods is recognized (net of sales return & trade discounts) on transfer of significant risks and rewards of ownership to the buyer. Other Income if any accounted on accrual basis.

F. Inventories :

The general practice adopted by the Company for valuation of inventory is as under:-

Raw Materials: At lower of cost and net realizable value.
Stores and spares: At cost
Work-in-process/semi-finished goods: At cost.
Finished Goods: At lower of cost and at net realizable value
Tools and equipments: At lower of cost and disposable value.

G. Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary items denominated in foreign currencies at the yearend are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts are recognised over the life of the contract.

H. Excise Duty/Vat/ Service Tax:

Excise duty/ service tax are accounted on the basis of both, payment made in respect of goods cleared / services provided as also provision made for goods lying in factory. Sales tax/ Value added tax is paid is charged to Profit & Loss account.

I. Lease:

The Company is holding Lease Hold Land under Agreement with M.I.D.C. and therefore AS 19 is not applicable.

J. Investment

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

K. Impairment of Assets :

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/ internal factors. An impairment loss in accordance with Accounting Standard-28 "Impairment of Assets " is recognized wherever the carrying amount of an assets exceeds its recoverable amount, which represent the greater of the net selling price of assets and their value in use. An impairment loss recognized in prior accounting period is reversed if there has been a change in estimate of recoverable amount.

L. Employees Benefit:

Defined Benefit Plans such as Provident fund etc. are charged to the Profit & Loss Account as incurred. In respect of Gratuity the Company has taken Group Gratuity Assurance Scheme Policy including Life Insurance for all the employees with LIC of India. The present value of the obligations under such plan is determined on actuarial valuation and amount paid for the year is recognized in the profit and loss account.

M. Borrowing cost:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalized. Other borrowing cost is recognized as expenses in the period in which they are incurred.

N. Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of The Income-tax Act, 1961.

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.. Deferred Tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

O. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Capacity Utilization

The following table sets forth year-wise breakup of the existing installed and utilized capacity at Khopoli and Taloja facilities in the last three years:

PARTICULARS	FOR THE FINANCIAL YEAR		
	2012-13	2011-12	2010-11
Khopoli – SSC			
Installed Capacity (TPA)	1,811,900	900,000	900,000
Quantity Processed (MT)	799,710	682,205	503,231
Capacity Utilization (%)	44%	76%	56%
Taloja – HRPO (Manual)			
Installed Capacity (TPA)	105,000	105,000	105,000
Quantity Processed (MT)	93,600	93,600	93,000
Capacity Utilization (%)	89%	89%	89%

The existing Khopoli Unit provides various lines for Slitting and CTL facilities and has been operating an installed capacity of 900,000 MTPA, which would stand further, augmented to 2,181,900 MTPA post the current expansion project which has started initial commercial production in September 2012. The Taloja Unit operates manual pickling of HR sheets and plates (annual capacity of 105,000 TPA) and we have also commissioned a Cold Rolling Mill (CRM) Complex with a capacity of 30,000 TPA (which will include Automatic Push-Pull Pickling, CRM , Skin Pass Mill, Rewinding cum Slitting Line and Bell Annealing Furnace) at nearby locations in M.I.D.C, Taloja. The proposed CRM complex has started initial commercial production with the automatic push-pull pickling division in September 2012.

Discussion on Results of Operations

The following table sets forth select financial data from the profit and loss account of our consolidated financial statements, for the fiscals 2013, 2012, 2011 and 2010, and for the six months period ended September 30, 2013, the components of which are also expressed as percentages of the total income for such periods –

(₹ in million)

Particulars	For the 6 months period ended		As at March 31							
	September 30, 2013	In %	2013	In %	2012	In %	2011	In %	2010	In %
INCOME										
Revenue from Operations	20,216.50	99.86	34,290.15	99.80	29,202.95	99.98	20,847.69	99.91	15,220.78	99.89
Other Income	27.60	0.14	67.09	0.20	6.07	0.02	18.22	0.09	16.79	0.11
Total Income	20,244.10		34,357.24		29,209.02		20,865.91		15,237.57	
EXPENDITURE										
Cost of Material Consumed	18,634.27	92.05	31,119.98	90.58	26,758.80	91.61	19,093.41	91.51	14015.16	91.98
Changes in Inventories of Finished Goods	(11.14)	(0.06)	(15.23)	(0.04)	(7.80)	(0.03)	0.00	0.00	0.00	0.00
Manufacturing Expenses	60.83	0.30	322.29	0.94	286.80	0.98	246.51	1.18	67.11	0.44
Employee Benefit Expenses	41.76	0.21	96.93	0.28	80.58	0.28	56.84	0.27	32.32	0.21
Financial Cost	765.65	3.78	1,214.10	3.53	968.56	3.32	520.27	2.49	354.96	2.33
Admin	108.82	0.54	458.98	1.34	396.96	1.36	145.88	0.70	59.02	0.39
Depreciation	89.26	0.44	104.30	0.30	67.84	0.23	59.56	0.29	38.39	0.25
Total Expenditure	19,689.45	97.26	33,301.35	96.93	28,551.75	97.75	20,122.47	96.44	14,566.97	95.60
Net Profit/(Loss) Before Tax	554.66	2.74	1,055.89	3.07	657.27	2.25	743.43	3.56	670.61	4.40
Less Taxation:										
Current Years Income Tax	136.83	0.68	210.47	0.61	166.28	0.57	148.82	0.71	118.80	0.78
Deferred Tax (Asset)\Liability	28.73	0.14	140.98	0.41	66.86	0.23	75.38	0.36	92.07	0.60
Prior Period Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess Provisions for Earlier Years W/off	0.00	0.00	0.00	0.00	6.87	0.02	0.00	0.00	0.00	0.00
Total tax	165.56	0.82	351.45	1.02	240.01	0.82	224.20	1.07	210.87	1.38
Net Profit/(Loss) After Tax	389.10	1.92	704.44	2.05	417.26	1.43	519.24	2.49	459.74	3.02

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations (i.e. our Steel Service Centre and other processing and value added activities) as a percentage of total income was 99.80%, 99.98%, 99.91%, 99.89% and 99.86% in fiscals 2013, 2012, 2011, 2010 and for the six months period ended September 30, 2013 respectively.

Other Income

Our other income primarily includes interest on term deposits with banks and interest received from customers and miscellaneous income. Other income, as a percentage of total income was 0.20%, 0.02%, 0.09%, 0.11% and 0.14% in fiscals 2013, 2012, 2011, 2010 and for the six months period ended September 30, 2013 respectively.

Expenditure

Our total expenditure primarily consists of Cost of Materials Consumed, Inventories of Finished Goods, Manufacturing Expenses, Employee Benefit Expenses, Financial Cost, Administrative and Selling & Distribution Expenses and Depreciation and Amortization Expenses.

Cost of Materials Consumed

Costs of materials consumed are primarily in relation to consumption of raw materials in the processing of steel. It represents our most significant item of expenditure.

Manufacturing Expenses

Manufacturing Expenses primarily consist of power, fuel and water charges, labour and job-works charges, consumables, stores and spares, freight and octroi, repairs and maintenance of machinery and miscellaneous expenses.

Employee Benefit Expenses

Expenses in relation to employees' remuneration and benefits include salary, bonus and allowances, workmen and staff welfare costs, gratuity and leave encashment and PF contribution.

Administrative and Selling and Distribution Expenses

General administrative and selling & distribution expenses primarily include travelling and conveyance, postage and communication, books and periodicals, insurance, printing and stationery, rent, rates and taxes, professional and legal fees, repair and maintenance, selling and distribution charges, auditor's remuneration, carriage outward, exchange fluctuation loss and other expenses.

Financial Cost

Financial Cost primarily consists of interest expenses (primarily on working capital loans and term loans), letter of credit charges, bank charges and other finance costs. The interest expenditure is primarily for bank borrowings and finance charges in the nature of cost of performance and processing fees of banks for providing credit lines.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses primarily consist of depreciation/amortisation on the fixed assets of our Company which primarily includes land and building, plant and machinery, computers, furniture and fixtures, vehicles and office equipments.

Provision for Tax

Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

Inventories and Trade Receivables

We operate as an Independent Steel Service Centre. The lead time for procuring steel is high and also in order to ensure readily available customized product along with a low lead time for our customers, we need to stock different grades and dimensions of steel to meet varied need of our customers. Further, we are required to provide sufficient credit period to our customers resulting in high receivables and we enjoy credit from our suppliers through Letter of Credit against the same. Thus our company's business is working capital intensive and hence Inventories and Trade receivables form major part of our Current Assets.

We believe that the valuation of our inventory is at fair value, for the reasons being – (i) there are no negative qualifications in the latest Stock Audit Report obtained by us from an Audit firm appointed by our Banker; (ii) The Bankers have been regularly extending credit to us against these Stocks; (iii) there are no negative qualifications or adverse comments in the Statutory Auditors Report as well as the Restated Auditors Report w.r.t. the inventory and its valuations.

Further, in this regard, the Auditors of our Company have re-certified the veracity of the valuations done for Inventories and Trade Receivables vide Certificate dated February 01, 2014. They have certified that the valuation of inventories based on "Net Realizable Value" has been re-verified and is found to be in order. They have further certified that Trade Receivables are Unsecured and Considered Good.

Balance of Sundry Debtors, Creditors, Loans and Advances

The balance of Sundry Debtors, Creditors and Loans and Advances are subject to their confirmation and reconciliation, if any. In this regard, the Auditors of our Company have re-certified vide their certificate dated January 29, 2013, that the balance of Sundry Debtors, Creditors and Loans and Advances have been verified by them on test-check basis and they have also called and verified confirmation of accounts from certain parties of Debtors, Creditors, Loans and Advances of our Company during the course of audit. They have further confirmed that confirmation for more than 25% of the total list of respective parties under each head has been verified by them.

Review for the six (6) months period ended September 30, 2013

Income

Our total income for the six months period ended September 30, 2013 was ₹ 20,244.10 million. In the current period, the revenue earned from operations is 99.86% of the total income. Other income for said period was recorded at ₹ 27.60 million or 0.14% of total income.

Cost of Materials Consumed

Our cost of materials consumed was ₹ 18,634.27 million or 92.05% of the total income for the six months period ended September 30, 2013. Our cost of materials was significantly impacted by the materials purchased in relation to our steel processing operations in our steel processing facility at our steel service centre in Khopoli.

Manufacturing Expenses

Our manufacturing expenses accounted to ₹ 60.83 million for the six months period ended September 30, 2013. As a proportion of total income, it was 0.30%.

Employee Benefit Expenses

Our Employee Benefit Expenses accounted to ₹ 41.76 million for the six months period ended September 30, 2013. As a proportion of total income, it was 0.21%. Our staff costs were driven by a general increase in the salaries and allowances paid to our employees and increase in number of employees.

Administrative and Selling and Distribution Expenses

Our Administrative and Selling and Distribution Expenses accounted to ₹ 108.82 million for the six months period ended September 30, 2013. As a proportion of total income, it was 0.54%.

Financial Cost

Our Financial Expenses accounted to ₹ 765.65 million for the six months period ended September 30, 2013. As a proportion of total income, it was 3.78%. This was significantly driven by interest paid on working capital facilities and long term loans from banks, processing fees, etc.

Depreciation and Amortization Expenses

Our Depreciation and Amortization Expenses accounted to ₹ 89.26 million for the six months period ended September 30, 2013. As a proportion of total income, it was 0.44%.

Profit before Tax

Primarily due to the reasons described above, our profit before tax was ₹ 554.66 million for the six months period ended September 30, 2013.

Profit after Tax

Our profit after tax was ₹ 389.10 million for the six months period ended September 30, 2013.

Debtors

Our debtors accounted to ₹ 6,958.51 million for the six months period ended September 30, 2013. However, only ₹ 86.57 million is outstanding for more than six months out of the total ₹ 6,958.51 million shown in debtors and hence the increase can be attributed to the increased sales activity of the company.

Secured Loans

Our secured Loans accounted to ₹ 8,077.22 million for the six months period ended September 30, 2013. This is due to the disbursements of term loans used for the proposed expansion project and additional working capital facilities utilized due to the increased working capital fund requirements of the company.

Fiscal 2013 compared with fiscal 2012

Income

In fiscal 2013, we recorded a total income of ₹ 34357.24 million, which was 17.63% higher than income of ₹ 29,209.02 million in fiscal 2012. An increase of 17.42% in revenue from operations, to ₹ 34290.15 million in fiscal 2013 from ₹ 29202.95 million in fiscal 2012, was the primary driver of overall income growth. Other income increased significantly from ₹ 6.07 million in fiscal 2012 to ₹ 67.09 million in fiscal 2013 or by 1005.24%.

Cost of Materials Consumed

We consumed ₹ 31119.98 million of raw materials in fiscal 2013, compared to consumption of raw materials of ₹ 26758.80 million in fiscal 2012. The 16.30% increase in cost of materials consumed was attributable to our

increased demand for raw materials as a consequence of our increased capacity utilisation of plant capacity in fiscal 2013 compared to the prior financial year.

Manufacturing Expenses

In fiscal 2013, we incurred manufacturing expenses of ₹ 322.29 million, which was 12.37% higher than manufacturing expenses of ₹ 286.80 million in fiscal 2012. This too can be attributed to increased capacity utilisation of plant capacity.

Employee Benefit Expenses

Our staff costs increased by ₹ 16.35 million, or 20.29%, from ₹ 80.58 million in fiscal 2012 to ₹ 96.93 million in fiscal 2013. This increase in our staff costs were driven by a general increase in the salaries, allowances and bonus paid to our employees as well as an increase in the number of our employees.

Administrative and Selling and Distribution Expenses

Administrative and Selling and Distribution Expenses increased to ₹ 458.98 million in fiscal 2013 from ₹ 396.96 million in fiscal 2012, showing an increase of 15.65%. The increase in the said expenses is due to a proportionate increase in sales volumes. During 2013, the administrative expenses and Selling and Distribution Expenses were 1.34% of total income as against 1.36% during 2012.

Financial Cost

Financial expenses increased from ₹ 968.56 million in fiscal 2012 to ₹ 1214.10 million in fiscal 2013, showing an increase of 25.35%. During 2013, our Company recorded Interest and Financial charges of 3.53% of the total income as against 3.32% during 2012. This rise in interest costs as compared to total income is stemming due the funds disbursed from various financial institutions for the proposed project.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 36.46 million, or 53.74%, from ₹ 67.84 million in fiscal 2012 to ₹ 104.30 million in fiscal 2013. This increase was due to increase in gross fixed assets.

Profit before Tax

Primarily due to the reasons described above, our profit before tax increased by ₹ 398.62 million from ₹ 657.27 million in fiscal 2012 to ₹ 1055.89 million in fiscal 2013.

Profit after Tax

Our profit after tax increased by ₹ 287.18 million from ₹ 417.26 million in fiscal 2012 to ₹ 704.44 million in fiscal 2013.

Debtors

Our debtors increased from ₹ 4,153.33 million in fiscal 2012 to ₹ 7199.00 million in fiscal 2013, showing an increase of 73.33%. However, only ₹ 60.50 million is outstanding for more than six months out of the total ₹ 7199.00 million shown in debtors and hence this can be attributed to the increased turnover of the company.

Secured Loans

Our secured Loans have increased from ₹ 6020.03 million in fiscal 2012 to ₹ 8102.32 million in fiscal 2013, showing an increase of 34.59%. This is due to the disbursements of term loans used for the proposed expansion project and additional working capital facilities utilized due to the increased working capital fund requirements of the company.

Fiscal 2012 compared with fiscal 2011

Income

In fiscal 2012, we recorded a total income of ₹ 29209.02 million, which was 39.98% higher than income of ₹ 20865.91 million in fiscal 2011. An increase of 40.08% in revenue from operations, to ₹ 29202.95 million in fiscal 2012 from ₹ 20847.69 million in fiscal 2011, was the primary driver of overall income growth. Other income decreased from ₹ 18.22 million in fiscal 2011 to ₹ 6.07 million in fiscal 2012 or by 66.68%

Cost of Materials Consumed

We consumed ₹ 26758.80 million of raw materials in fiscal 2012, compared to consumption of raw materials of ₹ 19093.41 million in fiscal 2011. The 40.15% increase in cost of materials consumed was attributable to our increased demand for raw materials as a consequence of our increased capacity utilisation of plant capacity in fiscal 2012 compared to the prior financial year.

Manufacturing Expenses

In fiscal 2012, we incurred manufacturing expenses of ₹ 286.80 million, which was 16.34% higher than manufacturing expenses of ₹ 246.51 million in fiscal 2011. This too can be attributed to increased capacity utilisation of plant capacity.

Employee Benefit Expenses

Our staff costs increased by ₹ 23.74 million, or 41.76%, from ₹ 56.84 million in fiscal 2011 to ₹ 80.58 million in fiscal 2012. This increase in our staff costs were driven by a general increase in the salaries, allowances and bonus paid to our employees as well as an increase in the number of our employees.

Administrative and Selling and Distribution Expenses

Administrative and Selling and Distribution Expenses increased to ₹ 396.96 million in fiscal 2012 from ₹ 145.88 million in fiscal 2011, showing an increase of 172.12%. During 2012, the administrative expenses and Selling and Distribution Expenses were 1.36% of total income as against 0.70% during 2011. The increase in the said expenses is due to a proportionate increase in sales volumes.

Financial Cost

Financial expenses increased from ₹ 520.27 million in fiscal 2011 to ₹ 968.56 million in fiscal 2012, showing an increase of 86.16%. During 2012, our Company recorded Interest and Financial charges of 3.32% of the total income as against 2.49% during 2011. This rise in interest costs as compared to total income is stemming due the funds disbursed from various financial institutions for the proposed project.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 8.29 million, or 13.92%, from ₹ 59.56 million in fiscal 2011 to ₹ 67.84 million in fiscal 2012. This increase was due to increase in gross fixed assets.

Profit before Tax

Primarily due to the reasons described above, our profit before tax decreased by ₹ 86.16 million from ₹ 743.43 million in fiscal 2011 to ₹ 657.27 million in fiscal 2012.

Profit after Tax

Our profit after tax decreased by ₹ 101.97 million from ₹ 519.23 million in fiscal 2011 to ₹ 417.26 million in fiscal 2012.

Debtors

Our debtors increased from ₹ 3,812.23 million in fiscal 2011 to ₹ 4,153.33 million in fiscal 2012, showing an increase of 8.95%. However, only ₹ 56.26 million is outstanding for more than six months out of the total ₹ 4153.33 million shown in debtors and hence this can be attributed to the increased turnover of the company.

Secured Loans

Our secured Loans have increased from ₹ 3254.64 million in fiscal 2011 to ₹ 6020.03 million in fiscal 2012, showing an increase of 84.97%. This is due to the disbursements of term loans used for the proposed expansion project and additional working capital facilities utilized due to the increased working capital fund requirements of the company.

Fiscal 2011 compared with fiscal 2010

Income

In fiscal 2011, we recorded income of ₹ 20865.91 million, which was 36.94% higher than income of ₹ 15237.57 million in fiscal 2010. An increase of 36.97% in revenue from operations, to ₹ 20847.69 million in fiscal 2011 from ₹ 15220.78 million in the fiscal 2010, was the primary driver of overall income growth. Other income increased by ₹ 1.43 million or 8.52% from ₹ 16.79 million in fiscal 2010 to ₹ 18.22 million in fiscal 2011.

Cost of Materials Consumed

We consumed ₹ 19093.41 million of raw materials in fiscal 2011, compared to consumption of raw materials of ₹ 14015.16 million in fiscal 2010. The 36.23% increase in cost of materials consumed was attributable to our increased demand for raw materials as a consequence of our increased capacity utilisation of plant capacity in fiscal 2011 compared to the prior financial year.

Manufacturing Expenses

In fiscal 2011, we incurred manufacturing expenses of ₹ 246.51 million, which was 267.30% higher than manufacturing expenses of ₹ 67.11 million in fiscal 2010. This increase was directly in sync with increase in our business operations.

Employee Benefit Expenses

Our staff costs increased by ₹ 24.52 million, or 75.87%, from ₹ 32.32 million in fiscal 2010 to ₹ 56.84 million in fiscal 2011. This increase in our staff costs were driven by a general increase in the salaries and allowances paid to our employees as well as an increase in the number of our employees.

Administrative and Selling and Distribution Expenses

Administrative and Selling and Distribution Expenses increased to ₹ 145.88 million in fiscal 2011 from ₹ 59.02 million in fiscal 2010, showing an increase of 147.17%. During 2011, the administrative expenses and Selling and Distribution Expenses were 0.70% of total income as against 0.39% during 2010. The increase in the said expenses is due to a proportionate increase in turnover.

Financial Cost

Financial expenses increased from ₹ 354.96 million in fiscal 2010 to ₹ 520.27 million in fiscal 2011, showing an increase of 46.57%. During 2011, our Company recorded Interest and Financial charges of 2.49% of the total income as against 2.33% during 2010. This rise in interest costs as compared to total income is stemming due to the funds disbursed from various financial institutions for the proposed project.

Depreciation and Amortization Expenses

Depreciation and Amortization expenses increased by ₹ 21.17 million, or 55.14%, from ₹ 38.39 million in fiscal 2010 to ₹ 59.56 million in fiscal 2011. This increase was due to increase in gross fixed assets.

Profit before Tax

Primarily due to the reasons described above, our profit before tax increased by ₹ 72.83 million, from ₹ 670.61 million in fiscal 2010 to ₹ 743.43 million in fiscal 2011.

Profit after Tax

Our profit after tax increased by ₹ 59.49 million, from ₹ 459.74 million in fiscal 2010 to ₹ 519.23 million in fiscal 2011.

Debtors

Our debtors increased from ₹ 2095.07 million in fiscal 2010 to ₹ 3812.23 million in fiscal 2011, showing an increase of 81.96%. However, only ₹ 43.40 million is outstanding for more than six months out of the total ₹ 3812.23 million shown in debtors and hence this can be attributed to the increased turnover of the company.

Secured Loans

Our secured Loans have increased from ₹ 2558.71 million in fiscal 2010 to ₹ 3254.64 million in fiscal 2011, showing an increase of 27.20%. This is due to the disbursements of term loans used for the proposed expansion project and additional working capital facilities utilized due to the increased working capital fund requirements of the company.

Financial Condition, Liquidity and Capital Resources

Liquidity

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. Our primary liquidity requirements have been to finance our working capital requirements for our operations, capital expenditures and investments. We have financed our capital requirements primarily through funds generated from operations, an increase of share capital and borrowings.

Cash Flows

The table below summarizes our consolidated cash flow for the periods indicated:

(₹ in million)

Particulars	6 months period ended Sept 30, 2013	Year ended March 31			
		2013	2012	2011	2010
Net cash from operating activities	1267.73	490.64	(838.71)	(422.00)	(679.41)
Net cash from investing activities	(268.88)	(1785.42)	(580.85)	(121.59)	(699.76)
Net cash used in financing activities	(827.26)	1349.00	1846.51	612.06	1284.47
Net Increase / (decrease) in cash & cash equivalents	171.60	54.22	426.95	68.47	(94.70)

Cash Flows from Operating Activities

Net cash from operating activities for the six months period ended September 30, 2013 was ₹ 1267.73 million as compared to the PBT of ₹ 554.66 million for the same period. This difference is primarily on account of a higher

increase in inventories. Our Company is required to keep sufficient inventory of various grades and thickness of steel to supply processed steel to our customers in the shortest possible time.

Net cash from operating activities in fiscal 2013 was ₹ 490.64 million as compared to the PBT of ₹ 1055.89 million for the same period. This difference is primarily on account of a higher increase in Receivables and Payables and a decrease in Inventories and Loans.

Net cash from operating activities in fiscal 2012 was negative at ₹ 838.71 million as compared to the PBT of ₹ 657.27 million for the same period. This difference is primarily on account of a higher increase in Inventories and Receivables, and a decrease in Loans and Payables.

Net cash from operating activities in fiscal 2011 was negative at ₹ 422.00 million as compared to the PBT of ₹ 743.44 million for the same period. This difference is primarily on account of increase in Inventories, Loans and Receivables, and a decrease in Payables.

Net cash from operating activities in fiscal 2010 was negative at ₹ 679.41 million as compared to the PBT of ₹ 670.61 million for the same period. This difference is primarily on account of increase in Inventories and Receivables, and a decrease in Loans and Payables.

Cash Flows from Investment Activities

For the six months period ended September 30, 2013, the net cash invested in Investing Activities was negative ₹ 268.88 million, mainly on account of decrease in capital expenditure, since a major portion of the capital expenditure was capitalised in fiscal 2013.

In fiscal 2013, the net cash invested in Investing Activities was negative ₹ 1785.42 million. This expenditure was mainly on account of purchase of Fixed Assets and Interest received.

In fiscal 2012, the net cash invested in Investing Activities was negative ₹ 580.85 million. This expenditure was on account of purchase of Fixed Assets and Interest received.

In fiscal 2011, the net cash invested in Investing Activities was negative ₹ 121.59 million. This expenditure was on account of purchase of Fixed Assets and Interest received.

In fiscal 2010, the net cash invested in Investing Activities was negative ₹ 699.76 million. This expenditure was primarily on account of purchase of Fixed Assets and Interest received.

Cash Flows from Financing Activities

Net cash from financing activities for the six months period ended September 30, 2013 was negative ₹ 827.26 million, primarily due to decrease in proceeds from Borrowings and Interest paid.

Net cash from financing activities in fiscal 2013 was ₹ 1349.00 million primarily comprising of increase in our proceeds from issue of Share of Capital, decrease in proceeds from Borrowings and Interest paid.

Net cash from financing activities in fiscal 2012 was ₹ 1846.51 million comprising primarily of increase in proceeds from Borrowings, proceeds from issue of Share Capital, and Dividend and Interest paid.

Net cash from financing activities in fiscal 2011 was at ₹ 612.06 million on account of proceeds from issue of share capital, borrowings, and Interest and Dividend paid.

Net cash from financing activities in fiscal 2010 was at ₹ 1284.47 million on account of proceeds from issue of share capital, borrowings, and Interest and Dividend paid.

PROPOSED MEASURES TO IMPROVE INTERNAL SYSTEMS AND OVERALL EFFICIENCY

We believe that if we have to manage our growth and achieve our long term target of being the “First Choice” Steel Service Centre in India, we must adopt better systems and processes and hence our management proposes the following measures:

Strategic Planning Process:

We aim to create a sustainable organization by regular tracking development in various areas of economy, user industries, customer groups, buying behaviour, competition, new technology trends and deciding upon the changes required to be made within the organization to cope with the emerging situations. This shall be executed as a part of the Strategic Planning Process (SPP). The forums proposed to be used by the SSP include monthly and quarterly reviews and strategy meet, workshop, plus 3 yearly Strategy Conference. This sustainability also includes the continuous succession planning/development of the staff members of the company.

Effective Risk Management:

We propose that our Internal Audit Team and Technical Director put together a Risk Management Policy. This Policy must help the company identify key risks and same shall be recorded in a Risk Register. These records (prepared by the Internal Audit Department) would capture the root cause, mitigation factors and key performance indicators (KPI's). Risk perception of all identified KPIs should be done on a quarterly basis and reported to the Audit Committee. KPI's with unfavorable variances must then be investigated for root cause and reported to the senior management for further mitigation actions.

Climate Change:

As per our preliminary assessment, our company does not fall under GHG emitting industry. However, as per guidelines of Climate Change policy for all renowned and large scale companies, the Company's senior leader team (SLT) has initiated actions to measure carbon footprint at plant and Head Office level. A climate change group is proposed to be created with Whole-time Director – Technical and Projects to spearhead the active promotion of climate change across the organization. The group shall start collecting benchmark practices of climate change initiative from SSC worldwide and initiate awareness building among employees. The company proposes to implement Solar Energy at Head Office and at Plant Lighting System. However, the same is at planning stage and no concrete steps have been taken yet on the same.

Information as per Schedule VIII Part A Section IX (E) (5) Of The ICDR Regulations

1) Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

2) Significant Economic Changes that Materially Affected or are likely to affect Income From Continuing Operations

Other than as mentioned under the paragraph “*Significant Factors Affecting Results of Operations*” in this Chapter on page 236 of this Red Herring Prospectus, to our knowledge, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

3) Known Trends or Uncertainties

Except as described in the Section and Chapter titled “*Risk Factors*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Red Herring Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4) Future Changes in Relationship between Costs and Revenues, in case of Events such as Future Increase in Labour or Material Costs or Prices that will cause a Material Change are known

Other than as described elsewhere in this Red Herring Prospectus, particularly in this Chapter beginning on page 235 of this Red Herring Prospectus, to our knowledge, there are no known factors that might affect the future relationship between costs and revenues.

- 5) *The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices*

Changes in revenues during the last three Fiscals are as explained in this Chapter beginning on page 235 of this Red Herring Prospectus.

- 6) *Total turnover of each major industry segment in which the issuer company operated*

We operate in a single segment being operating a steel service centre. However, we do not have any authentic industry data available with us which gives the total turnover of the industry.

- 7) *Status of any publicly announced new products or business segment*

Other than as described in this Red Herring Prospectus, we do not have any new products or business segment.

- 8) *The Extent to which Business is seasonal*

Our results of operation are not ordinarily affected by seasonality, except to the extent demand for long products, which are widely used in the construction industry, and are affected by periods of curtailed construction activity due to adverse weather conditions.

- 9) *Any Significant Dependence on a Single or few Suppliers or Customers*

Customer and supplier concentrations for our businesses have been disclosed under the Chapter titled “*Our Business*” beginning on page 114 of this Red Herring Prospectus.

- 10) *Competitive conditions*

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 99 and 114 respectively of this Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's sanctioned borrowings (both, Term Loans and Working Capital Facility) as on the date of this Red Herring Prospectus, together with a brief description of certain significant terms of such financing arrangements. Our Company's borrowings consist of mostly term loans and working capital facilities availed from the banks mentioned below.

Details of Term Loans:

S. No	Name of Lender	Date of Financing Documents	Amount Sanctioned (₹ in million)	Amount drawdown as on Sept 30, 2013 (₹ in million)	Interest (in % p.a.)	Tenure	Security
1.	Punjab National Bank, The Karur Vysya Bank Ltd., Bank of India, Andhra Bank, Canara Bank, City Union Bank Ltd., The Federal Bank Ltd., Indian Overseas Bank and State Bank of Travancore	Security Trustee Agreement dated March 10, 2011	Aggregate: 2426.30	Aggregate: 2363.39	--	7.5 years (1.5 years for construction period + 1 year of moratorium + 5 years of repayment)	<i>First Charge on:</i> <ul style="list-style-type: none"> • All assets created out of the Facilities granted by PNB Term Loan Consortium Agreement and the funds raised from other sources for the implementation of the Project including but not limited to plant and machinery. • Future Project Assets including but not limited to Land & Building, plant & machinery, machinery, spares, tools, accessories & such other assets • Project accounts including but not limited to Debt Service Reserve A/c and Trust & Retention A/c. • Guarantee of Mr. Rajesh Poddar <i>Second Charge on:</i> <ol style="list-style-type: none"> a) Land & Building at E-19, MIDC Talaja, District-Raigad measuring 2,400 square meters. b) Land & Building at A-69, MIDC Talaja, District-Raigad measuring 830 square meters. c) Land A-79, MIDC Talaja, District -
			Punjab National Bank= 500.00	486.73	BR+ spread of 3.5%		
			The Karur Vysya Bank Ltd.= 300.00	291.96	BR+ 3%		
			Bank of India= 300.00	292.14	BR+ 3.10%		
			Andhra Bank= 300.00	292.04	BR+ 4%		
			Canara Bank= 300.00	293.31	BR+ 2%+1% (Term Premium)		
			City Union Bank Ltd.= 180.00	175.33	BR+ 3%		
			The Federal Bank Ltd.= 200.00	194.75	BR+ 3.75%		
			Indian Overseas Bank= 180.00	175.18	BR+ 4.25%		
			State Bank of Travancore= 166.30	161.95	BR+ 4.50%		

S. No	Name of Lender	Date of Financing Documents	Amount Sanctioned (₹ in million)	Amount drawdown as on Sept 30, 2013 (₹ in million)	Interest (in % p.a.)	Tenure	Security
							Raigad measuring 1,000 square meters. d) Land at E-6/1, MIDC Taloja, District-Raigad measuring 990 square meters. e) Land & Building at Village Ransai, Taluka Khalapur, District- Raigad measuring 76,039.37 square meters. f) Plant & Machinery situated at all places other than forming part of Project assets.

The schedule of repayment for all the Term Loans mentioned above from each Bank is as under-

Jun-13	3.75%	Jun-14	5.00%	Jun-15	5.00%	Jun-16	5.00%	Jun-17	6.25%
Sep-13	3.75%	Sep-14	5.00%	Sep-15	5.00%	Sep-16	5.00%	Sep-17	6.25%
Dec-13	3.75%	Dec-14	5.00%	Dec-15	5.00%	Dec-16	5.00%	Dec-17	6.25%
Mar-14	3.75%	Mar-15	5.00%	Mar-16	5.00%	Mar-17	5.00%	Mar-18	6.25%
Total	15.00%		20.00%		20.00%		20.00%		25.00%

Note - Instalments for the quarter ended September 2013 were debited in the first week of October 2013.

Details of Fund based Working Capital Facilities:

S. No	Name of Lender	Date of Financing Documents	Amount Sanctioned (₹ in million)	Amount drawdown as on Sept 30, 2013 (₹ in million)	Interest (in % p.a.)	Tenure	Security
1	State Bank of India, The Federal Bank Ltd., Bank of India, Bank of Maharashtra, Punjab National Bank, The Karur Vysya Bank Ltd., Andhra Bank, ICICI Bank Ltd., State Bank of Travancore, Indian Overseas Bank, Canara Bank, City Union Bank Ltd. and South Indian Bank	Second Supplemental Working Capital Consortium Agreement dated June 28, 2013	Aggregate: 6230.00	Aggregate: 6252.41	--	One year	(i) First charge on all the other assets^ of the borrower (ii) First charge on all the plant and machinery of the borrower (iii) First charge by way of mortgage on: a) Land & Building at E-19, MIDC Taloja, District-Raigad measuring 2,400 square meters. b) Land & Building at A-69, MIDC Taloja, District-Raigad measuring 830 square meters. c) Land & Building at A-79, MIDC Taloja, District - Raigad measuring 1,000 square meters. d) Land at E-6/1, MIDC Taloja, District-Raigad measuring 990 square meters. e) Land & Building at Village Ransai, Taluka Khalapur, District- Raigad measuring 76,039.37 square meters. f) Residential flat situated at E-202, Versova Sameer Cooperative Society, Versova, Andheri (W), Mumbai – 58, belonging to Ms. Anju Poddar g) Residential flat situated at 3, Ground Floor, Santacruz Premsagar Cooperative Housing Society, Santacruz (W), Mumbai – 54, belonging to Mr. Manish Garg h) Premises at 501, 5 th floor, C-
State Bank of India= 2100.00			2241.97	BR + 4.00%#			
The Federal Bank Ltd.= 800.00			733.01	BR + 3.50%			
Bank of India= 860.00			869.86	BR + 3.25% + Tenor Premium of 0.75%			
Bank of Maharashtra = 50.00			13.77	BR + 4.50%			
Punjab National Bank= 150.00			153.24	BR+ 3.75%			
The Karur Vysya Bank Ltd.= 300.00			403.54*	BR + 3.75%			
Andhra Bank= 350.00			352.76*	SBI BR + 5.75%			
ICICI Bank Ltd.= 350.00			209.39*	BR + “spread” p.a., subject to a minimum rate of BR + 3.00%			
State Bank of Travancore= 450.00			454.57*	BR + 3.50%			
Indian Overseas Bank= 270.00	269.04*	BR + 3.25%					
Canara Bank= 250.00	252.44*	BR+2.75 %					

S. No	Name of Lender	Date of Financing Documents	Amount Sanctioned (₹ in million)	Amount drawdown as on Sept 30, 2013 (₹ in million)	Interest (in % p.a.)	Tenure	Security
			City Union Bank Ltd = 200.00	201.93	BR + 3.50% subject to a minimum of 14.25%		31, Naman Centre, Bandra Kurla Complex, Mumbai 400051 owned by Loha Investments Pvt. Ltd.
			South Indian Bank = 100.00	96.89*	BR + 2.75%		<p>(iv) Lien on fixed Deposit of ₹ 0.80 crores by the Borrower with SBI, Leader of Consortium</p> <p>(v) Pledge of equity shares aggregating 25% of the paid up and voting equity share capital of the borrower held by Mr. Rajesh Poddar</p> <p>(vi) Second charge on the project assets (i.e. plant & machinery at Shed No. 1, 2, 8, 9, 10, 11 and civil work at Survey No. 7/1A1, 1A2, 1A3, 7/1B, 71/C, 7/2, 7-1/D, 7/3, Survey No. 4/2, adj. Hissa 1, adj. Hissa no, 2, adj. Hissa no. 3</p> <p>i)</p> <p>(vii) Unconditional and irrevocable joint and several Guarantees by Mr. Rajesh Poddar, Ms. Anju Poddar, Mr. Manish Garg and Loha Investments Pvt. Ltd.</p> <p>Provided that –</p> <ul style="list-style-type: none"> • The Security created/to be created by the borrower for the benefit of the said banks shall in all respects rank pari passu inter se the said Banks without any preference or priority to one over the other • The Security stipulated at (ii) above shall exclude vehicles separately financed and the project plant & machinery financed by the term lenders

S. No	Name of Lender	Date of Financing Documents	Amount Sanctioned (₹ in million)	Amount drawdown as on Sept 30, 2013 (₹ in million)	Interest (in % p.a.)	Tenure	Security
							<ul style="list-style-type: none"> The Security stipulated in (iii)(e) above shall exclude all project assets at Survey no. 2 (Hissa no. 1, 2, 4, 4/A, 5, 6); Survey no. 4 (Hissa no. 1, 2); Survey no. 5 (Hissa no. 1/A, 1/B, 1/C/2, 2, 3, 4); Survey no. 6 (Hissa no. 2, 3); Survey no. 7 (Hissa no. 1/A/2, 1/A/3, 1/A/1, 1/D, 1/B, 1/C, 2, 3); Survey no. 96 (Hissa no. 0) The Security stipulated at (v) above shall be created and perfected for the benefit of the said Banks on or prior to June 30, 2013.

* Interest was outstanding for period of September 2013 which was debited in October 2013

Since the company's enhanced working capital facilities were rated as BBB+ (Long Term) / A2+ (Short Term), SBI further reduced the effective ROI to Base Rate+0.50% p.a.

^“**Other Assets**” shall mean Borrower’s stocks of raw materials, semi finished and finished goods, consumable stores and spares not relating to plant and machinery (consumable stores and spares) including book debts, bills and receivables and such other assets both present and future whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about of the Borrower’s factories, premises and godowns or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or in high seas or on order or delivery however, and wheresoever in the possession of the borrower and either by way of substitution or addition.

Our Company has been sanctioned total loans of ₹ 13986.30 million by banks, of which, ₹ 2426.30 million is in form of Term Loans, ₹ 6230 million is in form of Fund Based Working Capital Limits, ₹ 5270 million is in form of Non-Fund based Working Capital Limits and ₹ 60 million is in form of Forward Contract / Credit Exposure limit.

Existing working capital lenders namely, State Bank of India, The Federal Bank Ltd., Bank of India, Bank of Maharashtra, Punjab National Bank, The Karur Vysya Bank Ltd., Andhra Bank, ICICI Bank Ltd., State Bank of Travancore, Indian Overseas Bank, Canara Bank and City Union Bank Ltd. had sanctioned ₹ 8600 million to our Company under First Supplemental Working Capital Consortium Agreement dated March 02, 2012.

At the request of our Company, the SBI led Consortium had revised its existing Working Capital Limit of ₹ 8660 million to ₹ 11560 million. Subsequently, Federal Bank Ltd., Bank of India, Bank of Maharashtra, Punjab National Bank, Andhra Bank, ICICI Bank Ltd., State Bank of Travancore, Indian Overseas Bank, City Union Bank Ltd. and newly inducted The South Indian Bank have sanctioned a total aggregate amount of ₹ 11560 million as Working Capital Limits, vide Second Supplemental Working Capital Consortium Agreement dated June 28, 2013

Whereas in addition to the working capital loans, existing term loan lenders namely Punjab National Bank, The Karur Vysya Bank Ltd., Bank of India, Andhra Bank, Canara Bank, City Union Bank Ltd., The Federal Bank Ltd.,

Indian Overseas Bank and State Bank of Travancore have sanctioned ₹ 2426.30 million to our Company. Further, our Company has appointed SBICAP Trustee Company Limited (“Security Trustee”) as security trustee vide Security Trustee Agreement dated March 10, 2011.

Corporate Actions

During the currency of the facilities, without prior approval of the Lenders which shall not be unreasonably withheld, the Borrower (Loha Ispaat Ltd.) shall not:

- ✓ Effect any adverse change in the capital structure of the Company.
- ✓ Create any security interest/charge over any assigned properties or assets during the currency of the facility unless otherwise expressly stated herein.
- ✓ Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Lenders.
- ✓ Undertake any new project, implement any scheme of expansion or acquire fixed assets except those indicated in fund flow statement submitted to the Lender from time to time and approved by the Lenders.
- ✓ Invest by way of share capital in or lend or advance or place deposits with any other concern including group companies except in the ordinary course of business.
- ✓ Undertake guarantee obligations on behalf of any other person except in the ordinary course of business.
- ✓ Formulate any scheme of amalgamation or reconstruction.
- ✓ Enter into borrowing arrangements, either secured or unsecured, with any other bank or financial institution, company or otherwise or accept deposits apart from the arrangement indicated in fund flow statement submitted to the Lender from time to time and approved by the Lender.
- ✓ Declare dividends for any year out of the profits relating to that year or of the previous years if any payment obligations stipulated in this facility agreement remain unmet or if any terms and conditions of the sanction remain un-complied with by the Borrower.
- ✓ Enter into any contractual obligation of a long term nature or affecting the Company financially to a significant extent.
- ✓ Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
- ✓ Permit any transfer of the controlling interest or make any drastic change in the management operations.
- ✓ Shall not repay any monies brought in by the promoters/ directors/ associate companies as loans/ share application money pending allotment. The same shall be subordinated to the loans given by Lender and may carry such interest as approved by the Lenders.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act, 1956) against our Company, our Directors, our Promoter and our Group Entities that would have a material adverse effect on our business. Except as set out below, there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (₹ in million)
Guarantee given to bank in respect of credit facilities sanctioned to group concern in which relative of directors are interested as directors/partners.	250.00
Fixed deposit with Central Excise & Customs Department	53.15
Outstanding Dues of income tax on account of dispute under IT Act, 1961	11.22
Total	314.37

Source: Restated Consolidated Auditors Report

PART 2: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Civil Laws:

Summary Suit No. 107 of 2001 filed by Messrs. Indian Seamless Steels and Alloys Limited (“ISSAL”) against:

- i. The Company; and
- ii. Mr. Rajesh Poddar.

The Company had placed an order with ISSAL for purchasing mixed bars/billets of steel (“Material”) and a 7 (seven) days’ credit period was allowed to the Company with a penal interest of 24% to be charged if the Company failed to make the payment of ₹ 1,787,491.60 (“the Amount”) towards the Material supplied. ISSAL filed a suit against the Company alleging failure to make payment and for recovery of the Amount together with 24% interest thereon before the Civil Judge, Senior Division, Pune (“the Court”). The Court passed an ex-parte order against the Company on November 23, 2004 pursuant to which the Company filed an application for leave to defend the suit (“the Application”) alongwith its affidavit in reply challenging the jurisdiction of the Court, and making its counterclaim for ₹ 123,891. The Court allowed the Company leave to defend subject to the Company depositing a sum equal to the Amount with the Court as well as filing a written statement within 15 (fifteen) days of the date of the Order. The Company filed Writ Petition No. 9282 of 2011 in the Bombay High Court challenging the Order and inter alia praying that the requirement of depositing the Amount with the Court be set aside. Subsequently, Company filed its written statement in the matter on February 1, 2012 inter alia denying the claim of ISSAL and making a counter-claim of ₹ 123,891. The additional witness appeared before the Court and was cross examined by an Advocate of the Company, pursuant to which ISSAL filed another application for production of new additional witness before the Court, which was allowed by the Court. However, on subsequent three dates, the witness did not appear and hence the hearing is now scheduled for March 07, 2014.

Motor Accidents Claim No. 306/12 filed by Mr. Shivaji Rambhau Gawali (“the Complainant”) against:

- i. The Company; and
- ii. Reliance General Insurance Company Limited (collectively “the Respondents”)

The Complainant has filed a claim with the Motor Accident Claims Tribunal against the Respondents alleging that a motor tempo owned by the Company had collided with the Complainant causing him fall and further running over the Complainant’s foot. The Complainant has claimed a compensation of ₹ 100,000/- (Rupees One Lac only) along with interest at the rate of 14% p.a, a further sum of ₹ 25,000/- (Rupees Twenty Five Thousand only) in accordance with the ‘no fault principle’ as well as legal costs from the Respondents for the loss incurred by the Complainant on account of the injuries sustained by him.

Motor Accidents Claim No. 11/2013 filed by Mr. Laxman Pandurang Pawar (“the Complainant”) against:

- i. The Company; and
- ii. ICICI Lombard Insurance Company (collectively “the Respondents”)

The Complainant has filed a claim with the Motor Accident Claims Tribunal against the Respondents alleging that a pick-up tempo owned by the Company had collided with motor-cycle being driven by the Complainant as a result of which the Complainant has sustained several fractures. The Complainant has claimed a total sum of ₹ 150,000/- (Rupees One Lac Fifty Thousand only) from the Respondents as compensation towards mental and physical agony and medical costs. The Complainant has also filed a separate application under of the Motor Vehicles Act, 1988 claiming an amount of ₹ 25,000/- (Rupees Twenty Five Thousand only) in accordance with the principle of ‘no fault liability’ along with interest at rate of 12% p.a.

Suit No.5225 of 2012 filed by Messrs. Rohit and Company (“the Plaintiff”) against the Company

The Plaintiff has alleged that it has sold various goods to the Company and the Company has failed to make payment of the amount of ₹ 1,187,402.82/- (“**Outstanding Amount**”) due and an amount of ₹ 1,219,111/- is towards the interest on the Outstanding Amount as on September 30, 2012, The Plaintiff has claimed a total amount of ₹ 2,406,513.82/- together with an interest of 36% p.a. on the Outstanding Amount calculated from October 1, 2012 onwards and has also sought an injunction restraining the Company from disposing of its immovable properties. The Company has filed its reply stating that the Plaintiff has failed to provide for rebates and weight shortages in the goods supplied by the Plaintiff while arriving at the amounts payable by the Company. Therefore, the Company has contended that no amounts are payable by the Company to the Plaintiff and the Plaintiff is not entitled to claim any interest at the rate of 36% p.a. as no privity of contract exists between the parties. Further, the Company has also challenged the authenticity of the accounts of the Plaintiff. The matter has been adjourned for March 15, 2014.

2. Litigation Involving Criminal Laws

Criminal Writ Petition No. 2696 of 2010 filed against the Company by ANZ International Manufacturing Private Limited (“ANZ”) and others (collectively referred to as “the Petitioners”)

ANZ has filed Criminal Writ Petition No.2696 of 2010 before High Court of Judicature at Bombay challenging the jurisdiction of the Judicial Magistrate of First Class, Panvel (“JMFC”) as regards Complaint No.322 of 2009 filed by the Company against ANZ. ANZ has challenged the validity of the order dated April 20, 2009 of the JMFC as well as the order dated August 9, 2010 of the Sessions Court. The Bombay High Court has granted ad-interim relief to ANZ and subsequently, the Petition has been admitted. Kindly refer to Complaint No.322 of 2009 on page 259 of this Red Herring Prospectus, filed by the Company for complete details of the matter.

3. Litigation involving Securities and Economic Laws

NIL

4. **Litigation involving Statutory Laws**

NIL

5. **Litigation involving Labour Laws**

NIL

B. CASES FILED BY OUR COMPANY

1. **Litigation involving Civil Laws:**

Summary Suit No. R.C.381 of 2009 filed by the Company against Tisha Engineering and Works (“Tisha”) and Others (collectively referred to as “the Defendants”)

The Company has filed a Summary Suit No.R.C.381 of 2009 before the Hon’ble Civil Judge, Senior Division, Panvel (“the Court”) against the Defendants. The Defendants had placed various purchase orders with the Company for Cold Roll coils, Hot Roll coils and Cold Roll Winder Sheets during the years 2008-2009 amounting to a total of ₹ 754,915.75 (Rupees Seven Lacs, Fifty Four thousand, Nine Hundred and Fifteen paise Seventy Five) (“the Amount”). Upon the failure of the Defendant to make the requisite payment, the Company filed a suit before the Court demanding repayment of the Amount along with 18% interest thereon. The matter is at the stage of arguments.

Company Petition No.178 of 2010 filed by the Company against ANZ International Manufacturing Private Limited (“ANZ”)

The Company had supplied Hot Roll Plates and Cold Roll Plates to ANZ during the period commencing from October 2008 to February 2009 amounting to a total of ₹ 6,691,311.49. ANZ failed to make payment of an amount of ₹ 3,223,831.49 (“the Outstanding Amount”) to the Company. The Company issued a notice to ANZ demanding payment of the Outstanding Amount together with an interest of 18% thereon. In the absence of any response from ANZ, the Company filed a winding up petition being Company Petition No. 104 of 2009 (“the First Petition”) before the High Court of Judicature at Karnataka (“the High Court”) for recovery of the Outstanding Amount. However, the High Court has dismissed the First Petition due to failure of the Company to comply with the office objections raised and non-appearance of the parties. Subsequently the Company has filed Company Petition No.178 of 2010 for winding up of ANZ. The Petition is currently pending for Admission before the High Court.

Civil Writ Petition No.9282 of 2011 filed by the Company against Indian Seamless Steel Alloys Limited (“ISSAL”).

The Company has filed Writ Petition No.9282 of 2011 before the Bombay High Court praying that the requirement of depositing ₹ 1,787,491.60 contained in the order dated August 9, 2011 of the Civil Judge, Senior Division, Pune passed in the Summary Suit No.107 of 2001 filed by Messrs. Indian Seamless Steels and Alloys Limited (“ISSAL”) against the Company and Mr. Rajesh Poddar be set aside. The Petition has been admitted on December 21, 2011. For further details regarding the same, kindly refer to the Summary Suit No.107 of 2001 contained on page 256 of this Red Herring Prospectus.

Appeal dated April 16, 2013, filed with the office of Commissioner of Income-tax (Appeals).

The Deputy Commissioner of Income-tax (“the Authority”) has issued an order under Section 143(3) of the Income-tax Act, 1961 thereby re-opening assessment proceedings for the year 2005-2006 and demanding that the Company pay a sum of ₹ 24,054,708/- (including interest thereon amounting to ₹ 13,282,744/-) [“the Amount”] to the Income-tax authorities for the afore-stated assessment year within 30 (thirty) days of issue of the Notice failing which interest at the rate of 1% shall be levied on the Amount. The Company has filed its appeal under Section 246A (1)(a) to the aforesaid Notice stating that the Authority has erred in computing the aforesaid Amount. The matter is at the stage of hearing.

2. Litigation involving Criminal Laws:

Complaint No.322 of 2009 filed by the Company against ANZ International Manufacturing Private Limited (“ANZ”) and Others (collectively referred to as “the Accused”)

ANZ had purchased Cold Roll and Hot Roll steel plates and flats (“the Material”) worth ₹ 6,691,311.49 (“the Total Amount”) from the Company. However, ANZ failed to make payment of ₹ 3,223,831.49 (“the Amount”) out of the Total Amount. The Company issued a legal notice to ANZ demanding payment of the Amount which ANZ failed to comply with. The Company filed Complaint No. 322 of 2009 before the Judicial Magistrate of First Class, Panvel (“the JMFC Court”) for recovery of the Amount. The JMFC Court passed an order dated April 20, 2009 (“the Order”) directing issuance of process against ANZ. Being aggrieved with the aforesaid Order, the Accused filed Writ Petition No.2299 of 2009 dated before the Bombay High Court (“the Court”) which was disposed off by the Court with directions that the Petitioners avail of the alternate remedy available before the Court. The Accused filed a Criminal Revision Application No. 27 of 2010 (“the Application”) before the Sessions Court for challenging the aforementioned Order. Subsequently, vide order dated August 9, 2010, the Sessions Court dismissed the Application and confirmed the aforementioned Order. Thereafter, ANZ filed Criminal Writ Petition No.2696 of 2010 before High Court of Judicature at Bombay (“the Bombay High Court”) challenging the jurisdiction of the JMFC Court, the aforesaid Order as well as the order dated August 9, 2010 of the Sessions Court. The Bombay high Court has granted ad-interim relief to ANZ and subsequently, the Petition has been admitted.

Complaint No. R.C.No.117/2005 filed by the Company under Section 420 read with Section 34 of the Indian Penal Code against Messrs. Chetan Foundaries Limited (“CFL”) and Others (collectively referred to as “the Accused”)

The Company had supplied scrap material worth ₹ 1,205,456 (“the Amount”) to the Accused from time to time. The Accused had failed to pay the Amount to the Company despite several reminders. On January 29, 2004, the Company issued a demand notice to the Accused. The Company has stated that such non-payment of the Amount is intentional with a malafide intention amounting to cheating on the part of the Accused. Thereafter, on February 21, 2005, the Company filed the Complaint in the court of the Judicial Magistrate of First Class, Panvel against the Accused for issuance of process. The matter has been referred to the Board of Industrial and Financial Reconstruction.

Complaint No. R. Case No.477/2011 filed by the Company under Section 406, Section 420 and 34 of the Indian Penal Code against Ganage Pressings Private Limited and Others (collectively referred to as “the Accused”)

The Company has filed a complaint in the court of the Judicial Magistrate of First Class, Panvel against the Accused on July 12, 2011. The Accused and its sister concerns had placed various purchase orders with the Company for supply of Hot Roll Sheets and Cold Roll Sheets (“the Material”). The value of the Material purchased was about ₹ 17,631,150/- (“the Amount”). However, the Accused failed to make payment of the Amount. Therefore, the Company issued a notice to the Accused demanding repayment of the Amount which the Accused failed to comply with. Accordingly, the Company has filed the suit for recovery of the Amount along with interest. The matter is currently at the stage of admission.

Complaints under Section 138 of the Negotiable Instruments Act, 1881 (“the N.I. Act”).

Criminal Complaint No.S.C.413 of 2008 filed by the Company against Moonlight Enterprises (“Moonlight”)

The Company has filed Criminal Complaint No.S.C.413 of 2008 against Moonlight before the Judicial Magistrate of First Class, Panvel, District Raigad (“the Court”) on February 27, 2008 for dishonor of a cheque no.094470 dated October 12, 2007 issued by Moonlight for a sum of ₹ 392,431.60/- in consideration for Cold Roll coils and Hot Roll coils. The Company presented the cheque for encashment but the same was returned to the Company for want of funds. The Company issued a call notice to Moonlight but Moonlight failed to reply to the same. Consequently, the Company filed a complaint with the Court inter alia praying for issuance of process. Both the parties have reached an out-of-court settlement and the withdrawal of the case is in process.

Criminal Complaint No. S.C.704 of 2009 filed by the Company against Integrated Engineering and Exports Private Limited (“IEEPL”)

The Company has filed Criminal Complaint against IEEPL before the Judicial Magistrate of First Class, Panvel, District Raigad (“the Court”) on February 21, 2009 for dishonor of 6 cheques issued for a total sum of ₹ 829,378 (Rupees Eight Lacs Twenty Nine Thousand Three Hundred Seventy Eight). The Company presented the cheque for encashment at the State Bank of India, Panvel Branch. However, the cheque was returned to the Company for want of funds. The Company issued a call notice to IEEPL dated January 31, 2009 but IEEPL failed to reply to the same. Consequently, the Company filed a complaint with the Court inter alia praying for issuance of process. Both the parties have reached an out-of-court settlement and the withdrawal of the case is in process.

Summary Suit No. S.C.365 of 2011 filed by the Company against Deep Tec Engineering Limited and Others (collectively referred to as “the Accused”)

The Company has filed a suit against the Accused before the Judicial Magistrate of First Class, Panvel, District Raigad (“the Court”) on February 3, 2011 for dishonor of 12 (twelve) cheques issued in June 2010 for a total sum of ₹ 5,774,705 (Rupees Fifty Seven Lacs Seventy Four Thousand Seven Hundred and Five) (“the Amount”). Once the Company deposited the cheques, the same were returned to the Company for want of funds. Thereafter, the Company issued a notice to the Accused demanding payment of the Amount. The Accused failed to reply to such notice. Consequently, the Company filed the complaint with the Court inter alia praying that the Court direct the Accused to pay the amount along with interest thereon. The Respondent has filed an application in the matter refuting the claim of the Company. The matter is pending for order on the application.

Summary Case No. S.C.392 of 2011 filed by the Company against A. M. Industries and Another (collectively referred to as “the Accused”)

The Accused had placed a purchase order with the Company for supply of Hot Roll Coils and Cold Roll Coils (“the Material”). Upon delivery of the Material, the Accused issued 4 (four) cheques for a consolidated amount of ₹ 957,335 (“the Amount”). However, once the Company deposited the cheques, the same were returned to the Company for want of funds. Thereafter, the Company issued a notice to the Accused demanding payment of the Amount. The Accused however failed to comply with the notice. Accordingly, on February 14, 2011, the Company has filed the suit before the Judicial Magistrate of First Class, Panvel, for recovery of the Amount along with interest. The matter is pending for filing of surety for Mr. Ajit S. Bhosle.

Summary Case No. S.C.391 of 2011 filed by the Company against Sunita Electro Engineering and Another (collectively referred to as “the Accused”)

The Accused had placed various purchase orders with the Company for supply of Hot Roll Coils and Cold Roll Coils (“the Material”). Upon delivery of the Material, the Accused issued 4 (four) cheques for a consolidated amount of ₹ 575,672 (“the Amount”). However, once the Company deposited the cheques, the same were returned to the Company for want of funds. Thereafter, the Company issued a notice to the Accused demanding payment of the Amount. The Accused however failed to comply with the notice. Accordingly, on February 14, 2011, the Company filed the suit before the Judicial Magistrate of First Class, Panvel for recovery of the Amount along with interest. The matter is pending for re-issue of summons.

Summary Case No. S.C.1554 of 2011 filed by the Company against Rajvin Precision Pressing Co. and Another (collectively referred to as “the Accused”)

The Accused had placed a purchase order with the Company for supply of Hot Roll Coils and Cold Roll Coils (“the Material”). Upon delivery of the Material, the Accused issued a cheque for a sum of ₹ 1,452,309/- (“the Amount”). However, once the Company deposited the cheque, the same was returned to the Company for want of funds. Thereafter, the Company issued a notice, to the Accused demanding payment of the Amount. The Accused however failed to comply with the notice. Accordingly, on June 18, 2011, the Company has filed the suit before the Judicial Magistrate of First Class, Panvel, for recovery of the Amount along with interest. The matter is pending for the appearance of the accused.

Summary Case No. S.C.1555 of 2011 filed by the Company against Rajvin Electrical Stampings Private Limited and Another (collectively referred to as “the Accused”)

The Accused had placed a purchase order with the Company for supply of Hot Roll Coils and Cold Roll Coils (“the Material”). Upon delivery of the Material, the Accused issued a cheque for a sum of ₹ 1,514,214.00 (“the Amount”). However, once the Company deposited the cheque, the same was returned to the Company for want of funds. Thereafter, the Company issued a notice to the Accused demanding payment of the Amount. The Accused however failed to comply with the notice. Accordingly, on July 2, 2010, the Company filed the suit before the Judicial Magistrate of First Class, Panvel, for recovery of the Amount along with interest. The matter is pending for appearance of the Accused.

Summary Case No. S.C.1857 of 2011 filed by the Company against Victory Transformers and Switchgears Limited and Others (collectively referred to as “the Accused”)

The Accused had placed a purchase order dated July 21, 2010 with the Company for supply of Hot Roll Coils and Cold Roll Coils (“the Material”). Upon delivery of the Material, the Accused issued a cheque for a sum of ₹ 5,232,647.00 (“the Amount”). Once the Company presented the cheque, the same was returned to the Company by the bank for want of funds. Thereafter, the Company issued a notice to the Accused demanding payment of the Amount. The Accused replied to the notice accepting their liability to pay the Amount but no such payment has been made till date. Accordingly, the Company filed the suit before the Judicial Magistrate of First Class, Panvel, for recovery of the Amount along with interest. The matter is at the stage of arguments on issuance of process.

Summary Case No.S.C.1858 of 2011 filed by the Company against Victory Electricals Limited and Others (collectively referred to as “the Accused”)

The Accused had placed a purchase order dated July 21, 2010 with the Company for supply of Hot Roll Coils and Cold Roll Coils (“the Material”). Upon delivery of the Material, the Accused issued a cheque for a sum of ₹ 1,500,276.00 (“the Amount”). However, once the Company deposited the cheque, the same was returned to the Company by the bank for want of funds. Thereafter, the Company issued a notice to the Accused demanding payment of the Amount. The Accused however failed to comply with the notice. Accordingly, the Company filed the suit before the Judicial Magistrate of First Class, Panvel, for recovery of the Amount along with interest. The matter is at the stage of arguments on issuance of process.

3. Litigation involving Securities and Economic Laws:

NIL

4. Litigation involving Statutory Laws:

Petition filed by the Company against the Registrar of Companies (“RoC”) before the Company Law Board (“CLB”)

The Company had filed a petition before the CLB on February 21, 2014 for condonation of delay and extension of time in respect of delay in filing Form 17 intimating the Registrar of Companies regarding satisfaction of the charge created on its assets in favour of Bank of India against the working capital facility of ₹ 35,00,00,000/-. Such Form 17 was filed with a delay of 4 (four) days. Through the petition, the Company has inter-alia prayed that the CLB condone the delay in the filing of Form 17 and register the particulars of the satisfaction of the charge.

5. Litigation involving Labour Laws:

NIL

C. PAST PENALTIES

Company Petition No.2878/141/CLB/MB/2011 filed by the Company against the Registrar of Companies (“RoC”) before the Company Law Board (“CLB”)

The Company had filed a petition before the CLB on September 27, 2011 for condonation of delay and extension of time in respect of delay in filing Form 8 intimating the Registrar of Companies regarding creation of charge on its assets pursuant to the availment of a loan of ₹ 2,426,300,000.00 from a consortium of banks having SBICAP Trustee Company Limited as the trustee. Such Form 8 was filed with a delay of 119 (Hundred and Nineteen) days. Vide order dated September 27, 2011 passed under Section 141 of the Companies Act, 1956, the CLB has condoned the delay subject to payment of ₹ 900.00 by the Company.

Company Petition No. 829 filed by the Company against the Registrar of Companies (“RoC”) before the Company Law Board (“CLB”)

The Company had filed a petition dated June 19, 2007 for condonation of delay and extension of time before the CLB in respect of the charge created on August 26, 2004 by the Company on its assets in favour of SBI Factors and Commercial Services Private Limited following a loan of ₹ 120,000,000.00 availed from it. Such charge was subsequently modified on May 3, 2007 and Form 8 for the same was filed on June 13, 2007. The Company failed to file the particulars of modification of charge within the prescribed period of 1 (one) month from the date of modification. Vide order dated August 31, 2007 passed under Section 141 of the Companies Act, 1956. The CLB has condoned the delay subject to payment of ₹ 1,000.00 by the Company.

Company Petition No.830 filed by the Company against the Registrar of Companies (“RoC”) before the Company Law Board (“CLB”)

The Company had filed a petition dated June 19, 2007 for condonation of delay and extension of time before the CLB in respect of the charge created on August 26, 2004 by the Company on its assets in favour of SBI Factors and Commercial Services Private Limited following a loan of ₹ 75,000,000.00 availed from it. Such charge was subsequently modified on September 21, 2006 and Form 8 for the same was filed on June 12, 2007. The Company failed to file the particulars of modification of charge within the prescribed period of 1 (one) month from the date of modification. Vide order dated August 31, 2007 passed under Section 141 of the Companies Act, 1956. The CLB has condoned the delay subject to payment of subject to payment of ₹ 4,000.00 by the Company.

PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES

A. CASES FILED AGAINST OUR SUBSIDIARIES

1. Litigations involving Civil Laws

NIL

B. CASES FILED BY OUR SUBSIDIARIES

1. Litigations involving Civil Laws

NIL

2. Petition before the Company Law Board

NIL

C. PAST PENALTIES

NIL

PART 4: LITIGATION RELATING TO OUR DIRECTORS

A. LITIGATION AGAINST OUR DIRECTORS

1. Litigation involving Civil/Statutory Laws

Except as disclosed under Part 2 (A) (1) there are no other civil/statutory litigations pending against our Directors.

2. Litigation involving Criminal Laws

NIL

3. Litigation involving Economic Offenses

NIL

4. Litigation involving Tax Liabilities

NIL

B. LITIGATIONS FILED BY OUR DIRECTORS

NIL

C. PAST PENALTIES

NIL

PART 5: LITIGATION RELATING TO OUR PROMOTER

A. LITIGATION AGAINST OUR PROMOTERS

1. Litigation involving Civil/Statutory Laws

Except as disclosed under Part 2 (A) (1) there are no other civil/statutory litigations pending against our Promoters.

2. Litigation involving Criminal Laws

NIL

3. Litigation involving Securities and Economic Laws

NIL

B. LITIGATION FILED BY OUR PROMOTERS

1. Litigation involving Civil/Statutory Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

C. PAST PENALTIES

NIL

PART 6: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1. Litigation involving Civil Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1. Litigation involving Civil Laws

NIL

2. Litigation involving Criminal Laws

NIL

3. Litigation Involving Securities and Economic Laws

NIL

C. PAST PENALTIES

NIL

PART 7: LEGAL NOTICES

1. Legal notices issued to our Company

NIL

2. Legal Notices issued by our Company

NIL

3. Legal Notices issued to our subsidiaries

NIL

4. Legal Notices issued by our subsidiaries

NIL

5. Legal Notices issued to our Group Companies

NIL

6. Legal Notices issued by our Group Companies

NIL

PART 8: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no outstanding dues payable to Small scale industries and other creditors amounting to ₹ 1 lac or more which are pending for more than 30 days from the due date.

PART 9: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE, i.e. SEPTEMBER 30, 2013

Except for the Pre-IPO Placement of 3,535,844 Equity Shares for an aggregate consideration of ₹ 275.80 million at a subscription price of ₹ 78 per Equity Share, in the opinion of the Board of our Company, there has not arisen, since the date of the last financial statements included in this Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. For details regarding the Pre-IPO Placement, kindly refer to “Notes to the Capital Structure” beginning on page 61 of this Red Herring Prospectus, Except as disclosed elsewhere in this Red Herring Prospectus, there is no subsequent development after the date of the Auditor’s Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

PART 10: NOTICES U/S 153A OF THE INCOME TAX ACT, 1961

During February 2012, the Company and its Promoters Group members were subjected to a search and seizure proceedings by the Income Tax Department under Section 132 of the Income-tax Act, 1961. During the course of the search and seizure, the Income Tax Authorities have taken custody of certain documents/records and recorded statements of certain officials of the Company. Subsequently, in November 2012, our Company and relevant Promoter Group members have received notices under Section 153A of the Income Tax Act, wherein it has been asked to file their respective returns u/s 153A of the Income Tax Act, 1961 for the Assessment Years 2006-07 to 2011-12 pursuant to the above mentioned search operations carried out by the Income Tax Department.

The following entities have been issued these notices:

- A. Loha Ispaat Limited (Issuer Company)
- B. Rajesh Poddar (Promoter and MD)
- C. Gaurishankar Poddar (Promoter Group)
- D. Lata Poddar (Promoter Group)
- E. Anju Poddar (Promoter Group)
- F. Manish Garg (Promoter Group)

Our Company and our Promoter Group members have filed their respective returns under Section 153A of the Income-tax Act, 1961, along with necessary particulars and pursuant to which the Income Tax Liabilities for the above mentioned year shall be reassessed. The Tax liability, if any, in respect of the reassessed income is presently not ascertainable.

GOVERNMENT AND OTHER KEY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities.

The following statement sets out the details of licenses, permissions and approvals taken by us under various central and state laws for carrying out business.

I. APPROVALS FOR THE ISSUE

Corporate Approvals

1. The Board of Directors have, pursuant to Section 81(1A) of the Companies Act, 1956, by a resolution passed at its meeting held on September 28, 2012, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 81(1A) of the Companies Act, 1956, by a special resolution passed in the extra ordinary general meeting held on, September 29, 2012, authorized the Issue.
3. Our Company has obtained in-principle listing approval from the NSE dated February 12, 2013.
4. Our Company has obtained in-principle listing approval from the BSE dated February 05, 2013.

II. INCORPORATION AND OTHER DETAILS

A. Our Company

1. Certificate of Incorporation dated December 20, 1988 issued by the Registrar of Companies, Maharashtra (“RoC”) in the name of “Loha Ispat Private Limited”.
2. Certificate of change of name of the Company from “Loha Ispat Private Limited” to “Loha Ispat Limited” dated June 1, 1999, issued by the RoC upon the conversion of our Company into a Public Limited Company.
3. Fresh Certificate of Incorporation dated February 3, 2005 issued by the RoC consequent upon change of name from “Loha Ispat Limited” to “Loha Ispaat Limited”.
4. The Corporate Identity Number (CIN) of the Company is U27200MH1988PLC050107.

B. Our Subsidiaries

1. Loha Ispaat Middle East FZCo.(“LIMEF”)

- Certificate dated February 2, 2010 issued to LIMEF by the Registrar, Jebel Ali Free Zone Authority to LIMEF certifying that LIMEF is registered with Jebel Ali Free Zone under Registration No.136011 as a Free Zone Company with limited liability.

2. Loha Ispaat Hong Kong Limited (“LIHL”)

- Certificate of Incorporation dated January 22, 2010 issued to **LIHL** by the Registrar of Companies at Hong Kong.

III. GENERAL APPROVALS

1. Import Export Code (IEC) bearing No.0397055668 dated October 14, 1997 issued by Foreign Trade Development Officer, Mumbai.

The Company has obtained Certificate of Registration No. 760298800/Commercial II under the Bombay Shops and Establishments Act, 1948 for its office located at 903, 9th Floor, Naman Centre, C-31, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. The Certificate was issued on January 7, 2013 and the Certificate is valid until December 31, 2013.

IV. TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

The Company has in place the following categories of approvals from various tax authorities viz. Income-tax Department, Sales tax Department of various States in India, etc.

i. General					
S. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	The Income Tax Department, Government of India	AAACL1583C	NA	Valid until cancelled
2.	Tax Deduction and Collection Account Number (TAN)	the Income Tax Department, Government of India	MUMLO5501G	NA	Valid until cancelled
3.	Certificate of Registration issued under Service Tax Code Registration dated March 31, 2008	Commissioner of Service Tax, Mumbai	AACL1583CST001	March 31, 2008	Valid until cancelled

ii. Central Sales Tax					
S. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate Registration of	Commercial Taxes Officer, Divisional Kar Bhawan, Jhalana – Jaipur, Rajasthan.	08791766100	May 7, 2010	Valid from May 4, 2010 until cancelled
2.	Certificate Registration of	Assistant Commissioner of Commercial Taxes, Peenya, Bangalore, Karnataka.	29790586185	October 26, 2010	Valid from July 1, 2010 until cancelled.
3.	Certificate Registration of	Assessing Authority, Faridabad, Haryana.	06341332451	June 11, 2010	Valid from May 10, 2010 until cancelled.
4.	Certificate Registration of	Assistant Commissioner, Chennai, Tamil Nadu.	33300041394	July 1, 2010	Valid from June 28, 2010 until cancelled.
5.	Certificate Registration of	Deputy Commissioner,	21554500787	August 17, 2012	Valid from August 17,

		Jharsuguda, Orissa.			2012 until cancelled.
6.	Certificate Registration of	Assistant Commissioner of Commercial Taxes, Indore.	23501404687	April 12, 2010	Valid from April 12, 2010 until cancelled.
7.	Certificate Registration. of	Commercial Tax Officer, Raigarh, Chhattisgarh.	22344904891	September 30, 2011	Valid from September 30, 2011 until cancelled.
8.	Certificate Registration	Sales Tax Officer, Maharashtra	27330011261C	April 01, 2006	Valid from April 1, 2006 until cancelled

iii. Value Added Tax					
S. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate Registration of for its place of business situated at E-19, MIDC Area, Taloja, Panvel*	Sales Tax Officer, Maharashtra	27330011261 V	April 1, 2006	Valid from April 1, 2006 until cancelled
2.	Certificate Registration of	Commercial Taxes Officer, Divisional Kar Bhawan, Jhalana – Jaipur, Rajasthan	08791766100	May 7, 2010	Valid from May 7, 2010 until cancelled.
3.	Certificate Registration of	Assistant Commissioner of Commercial Taxes, Peenya, Bangalore, Karnataka	29790586185	October 26, 2010	Valid from July 1, 2010 until cancelled
4.	Certificate Registration of	Assessing Authority, Faridabad, Haryana	06341332451	June 11, 2010	Valid from May 10, 2010 until cancelled
5.	Certificate Registration of	Assistant Commissioner, Chennai, Tamil Nadu	33300041394	May 6, 2010	Valid from May 3, 2010 until cancelled
6.	Certificate Registration of	Deputy Commissioner, Jharsuguda, Orissa	21554500787	August 17, 2010	Valid from August 16, 2012 until cancelled
7.	Certificate Registration of For recording its place of business situated at Plot Number 35, Survey Number 41, Miyapur X Road, Rangareddy, Andhra Pradesh – 500049	Assistant Commercial Tax Officer, Madhapur Circle, Hyderabad, Andhra Pradesh	28681526111	July 1, 2010	Valid from July 1, 2010 until cancelled
8.	Certificate Registration of	Assistant Commercial Tax Officer, Madhapur	28681526111	June 18, 2010	Valid from July 1, 2010 until cancelled

	Registration for local tax office situated at Madhpur Circle, 1 st Floor, South Wing, Gangavihar Complex, Opposite Gandhi Bhavan, Nampally, Hyderabad-500001	Circle, Hyderabad,			
9.	Certificate of Registration	Assistant Commissioner, Unit-4, Commercial Tax, Kanpur	09637512544	May 20, 2010	Valid from May 20, 2010 until cancelled
10.	Certificate of Registration	Assistant Commissioner of Commercial Taxes, Unit 21-Ahmedabad.	24075500823	November 13, 2006	Valid from June 17, 2006 until cancelled

*The concerned authority has taken note of the additional places of business being Plot Nos. E 6/1, A-69, A-79 at MIDC Area, Taloja, Panvel, Raigarh as well as the premises of the Company located at Ransai and the same has been updated in its records.

iv. Entry tax

S. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Registration - Orissa	The Deputy Commissioner, Jharsuguda, Orissa	21554500787	August 17, 2012	Valid from August 17, 2012 until cancelled

v. Professional tax

S. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Enrolment-Karnataka	Assistant Commissioner of Commercial Taxes, Bangalore	29790586185	July 1, 2010	NA
2.	Professional Tax Registration-Maharashtra	Professional Tax Officer	27330011261P	NA	NA

vi. Central Excise Registration

S. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Registration-Maharashtra For operating as a dealer of excisable goods at E-19, MIDC Taloja, Panvel Raigad.	Assistant Commissioner of Central Excise, Taloja, Belapur Division,	AAACL1583CXD004	May 15, 2006	Valid until cancelled
2.	Certificate of Registration -	Superintendent of Central Excise,	AAACL1583CXD001	December 4, 2001	Valid until cancelled

	For trading at E-19, MIDC Talaja, Raigad	Taloja Division, Mumbai			
3.	Certificate of Registration For operating as a manufacturer of excisable goods at Plot No-E-19, MIDC Talaja, Raigad.	Deputy Commissioner of Central Excise, Taloja Division, Mumbai	AAACL1583CEMO34	March 20, 2012	Valid until cancelled
4.	Certificate of Registration For operating as a manufacturer of excisable goods at Plot No.A-79, MIDC, Talaja, Industrial Area, Raigad	Assistant Commissioner of Central Excise, Taloja Division, Belapur	AAACL1583CXM001	May 15, 2006	Valid until cancelled
5.	Certificate of Registration For operating as a dealer of excisable goods, at Ransai, Khalapur, Khopoli, P.H., Raigad, Maharashtra	Deputy Commissioner of Central Excise, Khopoli, Maharashtra	AAACL1583CXD007	March 14, 2008	Valid until cancelled
6.	Certificate of Registration For operating as a dealer of excisable goods at Unit No. 7, Sarbhal, Jharsuguda, Orissa	Assistant Commissioner of Central Excise, Sambhalpur, Orissa.	AAACL1583CEDO33	February 23, 2012	Valid until cancelled
7.	Certificate of Registration For operating as a dealer of excisable goods at E-77, Road No. B, Madri Road, No. B, Udaipur, Rajasthan	Deputy Commissioner of Central Excise, Udaipur, Rajasthan	AAACL1583CED029	December 7, 2011	Valid until cancelled
8.	Certificate of Registration For operating as a dealer of excisable goods at D-12, Bajrang Bali Adhyogik Asthan, Behind Site 4, Panki, Kanpur, Uttar	Deputy Commissioner of Central Excise, Kanpur, Uttar Pradesh	AAACL1583CED021	November 29, 2010	Valid until cancelled

	Pradesh*				
9.	Certificate of Registration – For operating as dealer of excisable goods at 269/4, Bhandara Road, NH 6, Mahalgaon (Kapsi), Nagpur, Maharashtra	Deputy Commissioner of Central Excise, Div-II, Nagpur, Maharashtra	AAACL1583CED013	May 21, 2010	Valid until cancelled
10.	Certificate of Registration – For operating as manufacturer of excisable goods at E-6/1, MIDC, Taloja, Dist. Raigad, Maharashtra	Deputy Commissioner of Central Excise, Khopoli, Maharashtra	AAACL1583CEM035	October 10, 2012	Valid until cancelled

*The Company has lost the original Certificate of Registration. In this regard, a First Information Report has been filed with the police. Subsequently vide letter dated September 26, 2012 as well as through a declaration dated September 28, 2012, the Company has applied to the Assistant Commissioner of Central Excise for cancellation of the aforesaid Certificate.

V. LABOUR RELATED APPROVALS/REGISTRATIONS

The Company has obtained the following approvals related to Labour/employment related registrations:

Sr. No.	Description	Authority	Code Number
1.	Registration Certificate dated April 23, 2002. The aforesaid registration has been granted to Ayushman Steels Limited. The Assistant Provident Fund Commissioner, SRO Vashi has vide letter dated August 26, 2011, has directed the Company to continue making compliance with the E.P.F. Act under Code No. MH/VASHI/115002	Regional Provident Fund Commissioner SAO – Vashi	MH/VASHI/115002
2.	Letter dated December 12, 2011 issuing code under the Employees State Insurance Corporation.	Sub-Regional Office, Employees State Insurance Corporation	34000269240000699

Contract Labour related Approvals

Sr. No.	Description	Authority	Code Number	No. of Labour -ers	Contract or	Date of Expiry
1	Certificate of Registration dated August 21, 2006	Registering and Licensing Authority, Raigad District	No. ACL/Raigad/CLA/RC-40/06	50#	Mr. Saraft Ali	December 31, 2013*
2	Certificate of Registration	Registering and Licensing Authority, Raigad District	No. ACL/Raigad/CLA/RC-40/2006	50	Shatrugan Bhagwat Yadav	December 31, 2013*

Sr. No.	Description	Authority	Code Number	No. of Labour-ers	Contract or	Date of Expiry
3	Certificate of Registration dated February 27, 2013	Registering and Licensing Authority, Raigad District	No. ACL/Raigad/CLA/LC-50/2013	50	Jhangir Sardar	December 31, 2013*
4	Certificate of Registration dated February 27, 2013	Registering and Licensing Authority, Raigad District	No. ACL/Raigad/CLA/LC-51/2013	50	Murtuza Khan	December 31, 2013*

* The Company has filed applications dated December 1, 2013 for the purpose of renewing each of the above licenses.

#The renewal application with regards to Mr. Saraft Ali seeks to employ 70 labourers.

VI. APPROVALS/LICENSES FROM THE MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION (MIDC)

The Company has entered into various Agreements with MIDC for connection and use of certain facilities.

A. Drainage Connection Agreement

The Company has entered into various drainage connection agreements with MIDC for securing use of the underground drainage collection system of MIDC for discharge of the treated effluent arising from the activity carried on by the Company at its units/premises located in Talaja Industrial Area.

Sr. No.	Unit/Premises	Date of Agreement
1.	Plot No. E-6/1	February 28, 2011
2.	Plot No.A-69	March 28, 2011
3.	Plot No.A-79	March 28, 2011
4.	Plot No.E-19	March 28, 2011

B. Approvals obtained from Talaja CETP Co-operative Society Limited (“Society”) for use of the drainage facility of the Society in respect of the following Plot Nos. situated at Talaja MIDC Industrial Area.

Sr. No.	Description	Unit/Premises
1.	Certificate dated January 11, 2008 issued by the Society	Plot No.E-6/1
2.	Certificate dated March 1, 2011 issued by the Society	Plot No.A-69
3.	Certificate dated March 1, 2011 issued by the Society	Plot No.E-19
4.	Certificate dated March 1, 2011 issued by the Society	Plot No.A-79

C. Water Supply Agreement

The Company has entered into various agreements with the MIDC for obtaining water supply connection in respect of the following Plot Nos. situated at Talaja Industrial Area:

Sr. No.	Unit/Premises	Date of Agreement
1.	Plot No.A-79	October 19, 2010
2.	Plot No.E-19	October 22, 2010
3.	Plot No.E-6/1	November 30, 2010
4.	Plot No.A-69	November 30, 2010

D. Electricity Supply No-Objection

The MIDC has provided its consent to the Company for securing additional power supply from the Maharashtra State Electricity Board for the following Plot Nos. situated at Taloja Industrial Estate:

Sr. No.	Description	Unit/Premises	Reference no.
1.	No-objection letter dated April 29, 2011	Plot No. E-19	J.K/Taloja/1527/2011
2.	No-objection letter dated April 29, 2011	Plot No. A-79	J.K/Taloja/1524/2011
3.	No-objection letter dated April 29, 2011	Plot No. E 6/1	J.K/Taloja/1525/2011
4.	No-objection letter dated April 29, 2011	Plot No. A-69	J.K/Taloja/1526/2011

VII. APPROVALS RELATED TO FACTORIES

The Company has obtained certain factory related approvals, brief details of which are as follows:

A. Approvals relating to Factory Plans under the Factories Act, 1948.

Sr. No.	Description	Authority	Unit/Premises	Reference no.
1.	Approval letter dated July 18, 2011	Assistant Commissioner, Industrial Safety and Health, Raigad Department, Raigad	Plot No.E-19 at Taloja	SSOSVA/Maps/R-148/11/SMK/2184/2011
2.	Approval letter dated November 1, 2011	Assistant Commissioner, Industrial Safety and Health, Raigad Department, Raigad	Plot No.A-69 at Taloja	SSOSVA/Maps/R-170/SMK/3123/2011
3.	Approval letter dated November 1, 2011	Assistant Commissioner, Industrial Safety and Health, Raigad Department, Raigad	Plot No.A-79 at Taloja	SSOSVA/Maps/R-169/SMK/3122/2011
4.	Approval letter dated February 8, 2012	Assistant Commissioner, Industrial Safety and Health, Raigad Department, Raigad	Plot No.E-19 at Taloja	SSOSVA/Maps/SMK/R-50/12/1614/12
5.	Approval letter dated August 31, 2012 for construction of additional buildings.	Deputy Engineer of the MIDC, SPA and W/S, Sub Dn., Taloja	Plot No.A-79	SPA/TLJ/A-79/3559/of 2012

B. License to use premises as a factory obtained under Rule 6 of the Maharashtra Factories Rules, 1963.

S. No.	License Number	Authority	Unit/Premises	Period of Validity
1.	License No. 2(m)(i)27/07	Assistant Commissioner, Industrial Safety and Health Department, Raigad Government of India	Ransai, Khopoli-Pen Road, Taluka Khalapur, Zilla Raigad	Valid until December 31, 2013*
2.	License No. 2(mo)2710-27107	Commissioner, Industrial Safety and Health Department, Mumbai, Government of India	Plot No.E-6/1, M.I.D.C. Taloja, Taluka – Panvel, Zilla Raigad	Valid until December 31, 2013*
3.	License No. 2(m)(i)-28/12	Assistant Commissioner, Industrial Safety and Health Department, Raigad	Plot No.E-19, M.I.D.C. Taloja, Taluka – Panvel,	Valid until December 31, 2013*

		Government of India	Zilla Raigad	
4.	License No. 2(m)(i)27/07	the Assistant Commissioner, Industrial Safety and Health Department, Raigad Government of India	Plot No.A-79, M.I.D.C. Taloja, Taluka – Panvel, Zilla Raigad	Valid until December 31, 2013*
5.	License No. 2(m)(i)24/03	Commissioner, Industrial Safety and Health Department, Mumbai, Government of India	Plot No.A-69, M.I.D.C. Taloja, Taluka – Panvel, Zilla Raigad	Valid until December 31, 2013*

*The Company has filed 5 (five) separate applications dated December 21, 2013, with the Joint Director, Industrial Safety and Health Department, Navi Mumbai, for the purpose of renewing each of the above licenses.

C. Certificate of Stability obtained under Rule 3A of the Maharashtra Factories Rules, 1963

S. No.	Description	Issuing Authority	Unit/Premises
1.	Certificate of Stability dated January 14, 2007	Chartered Engineer, Belapur, Navi Mumbai	Plot No-A-79, M.I.D.C Taloja, District-Raigad
2.	Certificate of Stability dated September 17, 2007	Chartered Engineer, Belapur, Navi Mumbai	Plot No-E/19, M.I.D.C Taloja, District-Raigad
3.	Certificate of Stability dated September 17, 2009	Chartered Engineer, Belapur, Navi Mumbai	Ransai, Taluka- Khalapur, District-Raigad
4.	Certificate of Stability dated September 17, 2009	Chartered Engineer, Belapur, Navi Mumbai	Plot No-E- 6/1, M.I.D.C Taloja, District-Raigad
5.	Certificate of Stability dated May 22, 2008	Chartered Engineer, Belapur, Navi Mumbai	Plot No-A-69, M.I.D.C Taloja, District-Raigad

VIII. ENVIRONMENT RELATED APPROVALS

A. Consent of the Maharashtra Pollution Control Board

- a. The Company has obtained the consents to establish/operate as mandated under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981, Section 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Rule 5 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008 as set-out below:

S. No.	Description	Issuing Authority	Activity	Unit	Period of Validity
1.	Letter of Consent to operate dated November 9, 2011	Regional Officer, Navi Mumbai, Maharashtra Pollution Control Board	Manufacture of steel products in relation to Hot Rolled Pickled Boiled Coils.	Plot No-E-19, MIDC Taloja, Panvel, Dis. Raigad, Maharashtra	Valid until October 31, 2013*
2.	Letter of Consent to operate dated May 16, 2013	Regional Officer, Navi Mumbai, Maharashtra Pollution Control Board	Manufacture of Cold Rolled Coils	Plot No- A-69, MIDC Taloja, Panvel, District Raigad, Maharashtra	Valid until April 30, 2019
3.	Letter of Consent to operate dated April 17, 2013	Regional Officer, Navi Mumbai, Maharashtra Pollution Control Board	Manufacture of Cold Rolled Closed Annealed Coils.	Plot No- A-79, MIDC Taloja, Panvel, District Raigad, Maharashtra.	Valid until April 30, 2018
4.	Letter of Consent to operate dated February 5, 2013	Regional Officer, Navi Mumbai, Maharashtra Pollution Control Board	Manufacture of Hot Rolled Pickled Boiled Coils.	Plot No- E-6/1, MIDC Taloja, Panvel, District Raigad, Maharashtra.	Valid until November 30, 2017

*The Company has filed an application dated January 25, 2014 with the Regional Officer, Maharashtra Pollution Control Board, Navi Mumbai, for the purpose of renewing the consent to operate.

b. No-objection of the Maharashtra Pollution Control Board

S. No.	Description	Issuing Authority	Activity	Unit
1.	No objection certificate dated September 19, 2008	Member Secretary, Raigad, Maharashtra Pollution Control Board	De-coiling, straightening and cutting in sheets (by slitting and shearing) of steel products as well as storage and trading activity of steel products in relation to Cold/Hot rolled coils/ sheets and MS Plates	Ransai, Taluka-Khalapur, District Raigad, Maharashtra

B. Common Hazardous Waste Treatment Storage and Disposal Facility Membership

S. No.	Description	Issuing Authority	Membership No.	Period of Validity
1.	Certificate of membership of the Common Hazardous Waste Treatment Storage and Disposal Facility at MIDC, Taloja	Mumbai Waste Management Limited	MWML-HzW-TAL-2716	Valid upto March 31, 2014
2.	Certificate of membership of the Common Hazardous Waste Treatment Storage and Disposal Facility at MIDC, Taloja	Mumbai Waste Management Limited	MWML-HzW-TAL-3108	Valid upto March 31, 2014
3.	Certificate of membership of the Common Hazardous Waste Treatment Storage and Disposal Facility at MIDC, Taloja	Mumbai Waste Management Limited	MWML-HzW-TAL-3109	Valid upto March 31, 2014
4.	Certificate of membership of the Common Hazardous Waste Treatment Storage and Disposal Facility at MIDC, Taloja	Mumbai Waste Management Limited	MWML-HzW-TAL-3110	Valid upto March 31, 2014

IX. SANCTION OF ELECTRICITY SUPPLY

The Maharashtra State Electricity Distribution Company Limited has sanctioned power supply to the Company at its various locations. Details of the same have been set-out below:

S. No.	Description	Activity	Reference No.	Date of issue
1.	Sanction letter granting additional power supply to the extent of 9647.28 KW with 4199 KVA thereby increasing the total supply to a consolidated 10527.27 KW (4999 KVA).	Manufacturing of Cold Rolling CRCA Coil, CR Full Hard Coil at Ransai, Khopoli.	SE/PC/tech/PNL/Cons. 707/No04783	September 21, 2012.
2.	Sanction letter granting additional power supply to the extent of 1618 KW (1259 KVA).	Slitting and shearing of CR Coils and HR Coils at Plot No.A-69 at M.I.D.C., Taloja.	SE/VC/TECH/PNL-19/2012/NO.-1645	March 13, 2012.
3.	Sanction letter granting additional power supply to the extent of 383 KW (255 KVA).	Pickling of CR Coils and HR Coils at Plot No.E-6/1 at M.I.D.C., Taloja	SE/VC/T/PNL-18/2012/NO.-1648	March 13, 2012.







S. No.	Description	Activity	Reference No.	Date of issue
4.	Sanction letter granting additional power supply to the extent of 431 KW (288 KVA)	Pickling of CR Coils and HR Coils at Plot No.A-79 at M.I.D.C., Taloja	SE/VC/T/PNL-18/2012/NO.-1651	March 13, 2012
5.	Sanction letter granting additional power supply to the extent of 460 KW (204 KVA)	Manual Pickling of CR Coils and HR Coils at Plot No.E-19 at M.I.D.C., Taloja	SE/VC/HTB/TEC H/PNL/ No-2840	May 10, 2005

X. APPROVAL OF THE GRAMPANCHAYAT

The Company has approval of the Group Grampanchayat at Shirvali, Taluka Khalapur dated August 8, 2011 for installation of machines such as roll farming machines, cutting lines, Tropozodial C.T.L., Sheet roll farming, C.T. Corrugation lines and steeling/cut-to-length.

XI. PENDING APPROVALS

A. Approvals Relating To Intellectual Property

Sr. No.	Particulars of Mark	Word/ Label Mark	Applicant	Application No.	Date of Filing	Class
1.		Label	Loha Ispaat Limited'	Application No.2060982	November 30, 2010	35
2.		Label	Loha Ispaat Limited'	Application No.1705881	-----	6
3.		Label	Loha Ispaat Limited'	Application No. 2282103	February 13, 2012	6
4.		Label	Loha Ispaat Limited'	Application No.2191582	August 17, 2011	12
5.		Label	Loha International Limited#	Application No. 2191586	August 17, 2011	35
6.		Label	Loha International Limited#	Application No. 2282099	February 13, 2012	35

*The Company has subsequently filed Correction No.185795 for amending the logo of the Company on April 19, 2011.

#Loha Commodities Limited has changed its name to Loha International Limited vide fresh certificate of incorporation dated November 29, 2013 issued by the RoC. The details of the same are yet to be updated in the records of Trademark Registry.

B. Application for Environmental Clearance

The plant of the Company located at Village Ransai, Taluka –Khalapur, District Raigad requires prior environmental clearance from State Environmental Impact Assessment Authority since the area under construction (24,000 sq. mt.) exceeds 20,000 sq. mt. as mandated by the notification of the Ministry of Environment and Forests dated September 14, 2006. The Company has applied for the same through its environmental consultant, Mahabal Enviro Engineers Private Limited.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by resolutions of our Board of Directors passed at their meeting held on September 28, 2012, subject to the approval of shareholders of our Company pursuant to Section 81 (1A) of the Companies Act, 1956.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act, 1956, passed at the EGM of our Company held on September 29, 2012, at Mumbai.

We have received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated February 05, 2013 and February 12, 2013, respectively.

Prohibition by SEBI, RBI or Other Governmental Authorities

Our Company, our Promoter, Promoter Group, Group Companies and our Directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or government authorities. Neither our Promoter nor any of our Directors have been or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory or governmental authorities.

Except, Ms. Sujata Chattopadhyay who is a Director in Choice Capital Advisors Private Limited, which is involved in the business of Merchant Banking, none of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against any Director or any entity in which our Directors are involved as promoters or directors or trustees.

Neither our Company, nor our Promoter, Promoter Group, Group Companies or relatives (as per Companies Act, 1956) have been named as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI Regulations as explained below:

Regulation 26(1) of the ICDR Regulations states as follows:

1) An issuer may make an initial public offer, if:

- a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:

Provided that if more than fifty per cent of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

- b) it has a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years.
- c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);
- d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year

- e) if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

Our Company confirms that:

- a) Our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of twelve months each), of which not more than 50% are held in monetary assets;
- b) Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- c) The Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of twelve months each);

The net tangible assets, monetary assets, and net worth derived from the Restated Consolidated Summary Statements included in this Red Herring Prospectus under the section titled “*Financial Information*” for fiscals 2013, 2012, 2011 and 2010, whereas the said particulars for fiscal 2009 are derived from the Restated Unconsolidated Summary Statements included in this Red Herring Prospectus under the section titled “*Financial Information*”. The pre-tax Operating Profit derived from the audited financial statements of the Company, as at and for the last five years is set forth below:

(₹ in million)					
Particulars	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Net Tangible assets ⁽¹⁾	3493.99	1645.67	1243.36	1213.06	516.54
Monetary assets ⁽²⁾	725.53	671.31	244.36	175.90	270.61
Pre-tax Operating Profit ⁽³⁾	2269.98	1625.83	1263.71	1025.57	571.89
Net Worth ⁽⁴⁾	5090.33	3927.69	3336.75	2516.06	1295.83

⁽¹⁾Net Tangible assets is defined as net fixed assets excluding intangible assets (as defined by Accounting Standard 26 issued by the Institute of Chartered Accountants of India) + capital work-in-progress + long term investments + current assets (includes Inventory, Sundry Debtors, Cash and Bank balances, Other Current Assets and Loans & Advances) - current liabilities and provisions.

⁽²⁾Monetary assets is defined as cash in hand, cheques in hand, bank balance and fixed deposits with banks (including margin money deposits with banks against bank guarantees and letter of credit).

⁽³⁾Pre-tax Operating Profit has been defined as NPAT + Interest + Tax + Extra-Ordinary Items.

⁽⁴⁾Net Worth is defined as Equity Share capital + Preference Share Capital + Equity Share Warrants + Free reserves (including share premium account)-Miscellaneous expenditure (to the extent not written off or adjusted).

- d) The pre-Issue net worth of our Company, based on the audited balance sheet as at March 31, 2013, is ₹ 5090.33 million and five times such pre-Issue net worth is ₹ 25451.65 million. The aggregate of the proposed Issue and all previous issues made in the same financial year in terms of issue size is not expected to exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;
- e) Our Company has not changed its name during the last one year.

The Company will comply with the Regulation 43(2) of the ICDR Regulations; and accordingly, 10% of the Issue shall be available for allocation to Qualified Institutional Bidders (5% of which shall be allocated to Mutual Funds) and not less than 30% and 60% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received;

Provided that in addition to 5% allocation available to Mutual Funds, Mutual Funds shall be eligible for allocation under the balance available for QIBs.

Further, in accordance with Regulation 26(4) of the ICDR Regulations, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

CAUTION

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ARYAMAN FINANCIAL SERVICES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, ARYAMAN FINANCIAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 14, 2012 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - C. THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 OF COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO AMONG THE BANKER TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE.

PURSUANT TO SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED WHILE MAKING THE ISSUE. NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE THE STATEMENT OF “PRICE INFORMATION ON PAST ISSUES HANDLED BY MERCHANT BANKER (WHO IS RESPONSIBLE FOR PRICING THE ISSUE), AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH THEIR CIRCULAR AS ANNEXURE A OF THIS DRAFT RED HERRING PROSPECTUS.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 of the Companies Act, 1956 and Section 32 of the Companies Act, 2013).

Disclaimer from our Company and the BRLM

Our Company, our Directors and the BRLM accepts no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone

placing reliance on any other source of information, including our website www.loha.in, would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the agreement entered into among the BRLM and our Company on August 27, 2012 and the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company and the affiliates or associates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and the affiliates or associates, for which they have received, and may in the future receive, compensation.

Price Information of Past Issues handled by Book Running Lead Manager

For details on the past Issues handled by the BRLM, Aryaman Financial Services Ltd., kindly refer to “Annexure A” enclosed at the end of this Red Herring Prospectus.

Track Record of Past Issues Handled by the Book Running Lead Manager

For details regarding the track record of the BRLM as specified in circular no.CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, kindly refer to the website of the BRLM at www.afsl.co.in.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their constitution to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, AIFs, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or airforce of Union of India, insurance funds set up and managed by the department of posts and permitted Non-Residents including FPIs, Eligible NRIs, Eligible QFIs and Foreign Institutional Investors (“FIIs”) applying under the portfolio investment scheme set out in the relevant schedules to the FEMA. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any

jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act of 1933 as amended (the “Securities Act”) or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

Disclaimer Clause of BSE

BSE Limited (“the Exchange”) has given vide its letter dated February 05, 2013, permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. The Exchange does not in any manner: -

- a) Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) Warrant that this company’s securities will be listed or will continue to be listed on the Exchange; or
- c) Take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such a person consequent to or in connection with such a subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref.: NSE/LIST/194799-R dated February 12, 2013 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration with RoC at the Office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai - 400002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company, who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest, at the rate of 15% p.a. on application money, as prescribed under Section 39 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, Company Secretary and Compliance Officer of our Company, the Auditors, the legal advisors, the Banker to the Issue, the Bankers to our Company; and (b) the BRLM, the Syndicate Member, the Escrow Collection Bank(s) and the Registrar to the Issue to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Section 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

A. John Moris & Co., Chartered Accountants, statutory auditors, have given their written consent to the inclusion of statement of the tax benefits dated February 03, 2014 available to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and such consent has not been withdrawn up to the time of submission of the Red Herring Prospectus with SEBI.

A. John Moris & Co., Chartered Accountants, statutory auditors, have given their written consent to the inclusion of their report dated February 03, 2014 in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of submission of this Red Herring Prospectus with SEBI.

Mott MacDonald, the Lender's Independent Engineer appointment by the Lead Banker to the Expansion Project of the Company – Punjab National Bank Ltd. have given their written consent to the inclusion of certain portions (relating to the status of progress of the on-going expansion projects of the company) from the Fifth Construction Monitoring Final Report of September 2012 in the form and text in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of submission of this Red Herring Prospectus with SEBI.

Expert to the Issue

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

Except for the report of CARE in respect of the IPO Grading of the Issue (a copy of which has been annexed to the Red Herring Prospectus), furnishing the rationale for its grading and the Auditors Report on the restated audited financial statements and the statement of tax benefits beginning on pages 191 and 90 of this Red Herring Prospectus, respectively, our Company has not obtained any expert opinions.

CARE, the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will

appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus to the Designated Stock Exchange.

Expenses of the Issue

The expenses for this Issue include lead management fees, underwriting and selling commission, registrar's fees, advertisement and marketing expenses, printing and distribution expenses, IPO Grading expenses, legal fees, SEBI filing fees, bidding software expenses, depository charges and listing fees to the Stock Exchanges.

The details of the estimated Issue expenses are set forth below:

Issue related expenses activity	Total Expense*	As a % of total estimated Expenses*	As a % of the Issue Size*
Issue Management fees including underwriting and selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	[●]	[●]	[●]
Printing & Stationery, Distribution, Postage, etc.	[●]	[●]	[●]
Advertisement & Marketing Expenses	[●]	[●]	[●]
Regulatory & other expenses	[●]	[●]	[●]
Total Estimated Issue related Expenses	[●]	[●]	[●]

Commission Payable to Non Syndicate Registered Brokers

Subject to the cap as mentioned below, the commission payable to the Non Syndicate Registered Brokers shall be as follows:

- Size of the Bid cum Application Form Commission Payable up to ₹ 100,000: ₹ 10 per Bid cum Application Form which is considered eligible for Allotment in the Issue
- Greater than ₹ 100,000: ₹ 15 per Bid cum Application Form which is considered eligible for Allotment in the Issue

The total Non Syndicate Registered Broker Commission to be paid to the Non Syndicate Registered Brokers for the Bid cum Application Forms procured by them which are considered eligible for Allotment in the Issue (“**Eligible Bid cum Application Forms**”) calculated as per the table above, shall be capped at 0.25% and 0.15% of the product of the number of Equity Shares Allotted to Retail Individual Investors and Non-Institutional Investors, respectively, and the Issue Price in relation to the Eligible Bid cum Application Forms procured by them (the “**Maximum Brokerage**”). In case the total Non Syndicate Registered Broker Commission payable to the Non Syndicate Registered Brokers exceeds the Maximum Brokerage, then the commission paid to the Non Syndicate Registered Brokers per Eligible Bid cum Application Form as per the table above would be proportionately adjusted such that the total Non Syndicate Registered Broker Commission payable to them does not exceed the Maximum Brokerage. The terminal from which the Bid has been uploaded will be taken into account in order to determine the commission payable to the relevant Non Syndicate Registered Broker. The Non Syndicate Registered Broker Commission payable to Non Syndicate Registered Brokers shall be inclusive of all taxes.

Details of Fee Payable

Book Running Lead Manager to the Issue

The total fees payable to the Book Running Lead Manager will be as per the Memorandum of Understanding signed with the Lead Manager, a copy of which is available for inspection at the Registered Office of the Company. The Lead Manager will be reimbursed for all relevant out-of-pocket expenses such as cost of travel, stationery, postage and communication expenses etc.

Fees Payable to the Registrar to the Issue

The fees payable by the Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company dated October 10, 2012.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/ speed-post/ under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and the selling commission for the Issue are as set out in the Syndicate Agreement amongst the Company, the BRLM and the Syndicate Member(s). The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 59 of this Red Herring Prospectus.

Previous Public or Rights Issue

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the Chapter “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed associates of our Company

None of the associates of our Company are listed on any stock exchange.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares. For further details, kindly refer to the Chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a minimum period of three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted the Shareholders/Investors Grievance Committee on December 12, 2012. For details on the composition of the Shareholders/Investors Grievance Committee, kindly refer to the sub-heading titled “*Shareholders/Investor Grievance Committee*” on page 163 of this Red Herring Prospectus.

Our Company has appointed Ms. Shobhana Sinkar, Company Secretary of our Company as the Compliance Officer for this Issue and she may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Loha Ispaat Limited
9th Floor, Naman Centre,
C-31, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051
Tel: +91 – 22 – 67577000
Fax: +91 – 22 – 67577001
Email: ipo@loha.in

Changes in Auditors

There has been no change in our Statutory Auditors in the last three years.

Capitalisation of Reserves or Profits

Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus, our Company has not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

Tax Implications

Investors that are allotted Equity Shares in this Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the stock exchanges. For details, kindly refer to the Chapter titled “*Statement of Tax Benefits*” beginning on page 90 of this Red Herring Prospectus.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act 1956, the Companies Act, 2013 (to the extent notified), the SCRR, the Memorandum and Articles of Association of our company, the terms of this Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the ASBA Bid cum Application Form, the Revision Form, the ASBA Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 1956, the Companies Act, 2013 (to the extent notified) and our Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, kindly refer to the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 332 of this Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act, the Articles of Association and the provisions of the Listing Agreement executed with the Stock Exchanges.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ 77 per Equity Share and the Cap Price is ₹ 80 per Equity Share. The Issue Price is ₹ [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms, as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 1956, the Companies Act, 2013 (to the extent notified) the terms of the Listing Agreement executed with the Stock Exchanges and our Company’s Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, kindly refer to the Section titled “*Main Provisions of the Articles of Association of our Company*” beginning on page 332 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 175 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, 1956, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, 1956, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/Corporate Office of our Company or to the Registrar and Transfer Agent of our Company.

Further, any person who becomes a nominee shall, upon the production of such evidence as may be required by our Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement of Underwriters within 60 days from the Bid/ Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 39 of the Companies Act, 2013

Further, in accordance with Regulation 26(4) of the ICDR Regulations, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000.

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.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and our Promoter's minimum contribution lock-in in the Issue as detailed in the Chapter titled "*Capital Structure*" beginning on page 61 of this Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, kindly refer to the section titled "*Main Provisions of the Articles of Association of our Company*" on page 332 of this Red Herring Prospectus.

ISSUE STRUCTURE

Public Issue of 26,705,476 Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million (hereinafter referred to as the “Issue”). The Issue will constitute 26.44% of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation*	2,670,547 Equity Shares	Not less than 8,011,643 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 16,023,286 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	10% of the Issue size being available for allocation to QIBs. However, not less than 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only.	Not less than 30% of Issue shall be available for allocation.	Not less than 60% of the Issue shall be available for allocation.
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate as follows: (a) 133,527 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 2,537,020 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	The allotment of Equity Shares to each retail individual bidder shall not be less than the minimum bid lot, subject to availability of shares in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 175 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 175 Equity Shares.	175 Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to regulations as applicable to the Bidder.	Such number of Equity Shares not exceeding the size of the Issue, subject to regulations as applicable to the Bidder.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	175 Equity Shares and in multiples of 175 Equity Shares thereafter.	175 Equity Shares and in multiples of 175 Equity Shares thereafter.	175 Equity Shares and in multiples of 175 Equity Shares thereafter.
Allotment Lot	175 Equity Shares and in multiples of one Equity Share thereafter	175 Equity Shares and in multiples of one Equity Share thereafter	175 Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share

	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply***	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals) registered with SEBI, FPIs, Sub Accounts (other than Category III FPIs), scheduled commercial banks, Mutual Funds, VCFs, AIFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million in accordance with applicable law, insurance funds set up and managed by army, navy or air force of Union of India and Insurance funds set up and managed by the Department of Posts, GoI and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of GoI published in the Gazette of India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment**	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form.
Mode of Bidding	ASBA is mandatory.	ASBA is mandatory.	ASBA is optional and Bids could be submitted through ASBA or non-ASBA.

**The Issue is being made under sub-regulation(1) of Regulation 26 of the ICDR Regulations and through a Book Building Process wherein 10% of the Issue shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. Further not less than 30% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 60% of the Issue will be available for allocation to Retail Individual Bidders. The allotment of Equity Shares to each retail individual bidder shall not be less than the minimum bid lot, subject to availability of shares in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in any category except the QIB Category would be allowed to be met with spill over from any of the category or combination of categories at the discretion of our Company, the Book Running Lead Manager and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids*

being received at or above the Issue Price. For details, kindly refer to the Chapter titled “Issue Procedure” beginning on page 295 of this Red Herring Prospectus.

***In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form. It is mandatory for all QIBs and Non-Institutional Bidders to participate in this Issue through the ASBA process.*

****In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names. However, the name of the first Bidder shall appear in the Bid cum Application Form.*

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day from the day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares shall be in compliance with the applicable laws.

Bid / Issue Programme

BID/ISSUE OPENS ON	MARCH 11, 2014
BID/ISSUE CLOSSES ON	MARCH 20, 2014

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, —IST) during the Bid/ Issue Period as mentioned above at the bidding centres and Designated Branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded (i) until 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders. It is clarified that the Bids not uploaded in the book will be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the BRLM or the Syndicate Member is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in this Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to the Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Book Building Procedure

This Issue is being made through the Book Building Process wherein 10% of the Issue shall be available for allocation to QIBs on a proportionate basis. Out of the QIB Portion, 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 30% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 60% of the Issue will be available for allocation to Retail Individual Bidders. The allotment of Equity Shares to each retail individual bidder shall not be less than the minimum bid lot, subject to availability of shares in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids through the SCSBs.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and beneficiary account number, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only on the dematerialised segment of the Stock Exchanges.

Pursuant to Securities and Exchange Board of India circular no. CIR/CFD/14/2012 dated 04/10/2012, the investors can submit application forms in public issues using the stock broker network of Stock Exchanges, who may not be syndicate members in an issue. This mechanism can be used to submit ASBA as well as Non-ASBA applications. The details of the locations are available on the website of BSE and NSE i.e. www.bseindia.com and www.nseindia.com.

Further, please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders)	White
Eligible NRIs, FPIs, Sub Accounts (other than Category III FPIs), FIIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue

Bid cum Application Forms for ASBA Bidders and the abridged prospectus will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com).

Retail Individual Bidders through the non-ASBA process

In the event of Bidding through the non-ASBA process, the Retail Individual Bidders shall only use a Bid cum Application Form bearing the stamp of a member of the Syndicate. Copies of the Bid cum Application Form will be available with the members of the Syndicate and at our Registered and Corporate Office.

Retail Individual Bidders shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective Bid Amount) in the Bid cum Application Form and such options shall not be considered as multiple Bids. The Bid cum Application Form shall be serially numbered and date and time stamped at the Bidding centres and such form shall be issued in duplicate signed by the Retail Bidder and countersigned by the relevant member of the Syndicate.

Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, Retail Individual Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Retail Individual Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Retail Individual Bidders, QIBs and Non-Institutional Bidders Bidding through the ASBA process

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the members of Syndicate at the Syndicate ASBA Bidding Locations. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Locations and at our Registered Office and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date. In the event the Bid cum Application Form downloaded from the websites of the Stock Exchanges is submitted with a member of Syndicate, the relevant member of the Syndicate should stamp it before uploading the details of the Bid cum Application Form. Bid cum Application Forms (except Bids submitted through electronic mode) shall be serially numbered.

In case of application in physical mode, the ASBA Bidder shall submit the Bid cum Application Form bearing the stamp of the SCSB and/or Designated Branch and/or the member of the Syndicate, as the case may be, at the relevant Designated Branch or the members of the Syndicate at the Syndicate ASBA Bidding Locations, respectively. The Bid cum Application Form shall be serially numbered, and the date and time shall be stamped at the Bidding center.

ASBA Bidders Bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch where the ASBA Account is maintained. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that Bid cum Application Forms submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>).

In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for Bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

Upon completing and submitting the Bid cum Application Form to the SCSB or the member of the Syndicate at the Syndicate ASBA Bidding Locations, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the application form.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate Member or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart:

Category of Bidder	Permitted modes of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or (ii) non-ASBA	(i) If Bidding through ASBA, the Bid cum Application Form (physical or electronic)	(i) If physical Bid cum Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations* or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) If electronic Bid cum Application Form is being used, to the SCSBs, electronically through the internet banking facility.
		(ii) If Bidding through non-ASBA, the Bid cum Application Form.	(i) If Bid cum Application Form is being used, to the members of the Syndicate at the Bidding Centres as stated in the Bid cum Application Form.
Non-Institutional Bidders and QIBs	ASBA (Kindly note that ASBA is mandatory and no other mode of Bidding is permitted as per SEBI Circular dated April 29, 2011)	Bid cum Application Form (physical or electronic) with an indication of the mode of payment option being “ASBA”	(i) If physical Bid cum Application Form is being used, either to the members of the Syndicate only at Syndicate ASBA Bidding Locations* or to the Designated Branch of the SCSB where the ASBA Account is maintained; or (ii) If electronic Bid cum Application Form is being used, to the SCSBs, electronically through the internet banking facility.

**ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Syndicate ASBA Bidding Locations (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that Bid cum Application Forms submitted to members of the Syndicate at the Syndicate ASBA Bidding Locations will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid-cum-Application Form (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).*

Who can Bid?

- Indian nationals resident in India, who are not minors, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Eligible QFIs;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India; and
- Multilateral and Bilateral Development Financial Institutions

- Insurance funds set up and managed by the Department of Posts, India
- Any other person eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Note: In accordance with current RBI regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLM and the Syndicate Member

The BRLM and the Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and Syndicate Member may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 133,527 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at the registered office of our Company and with members of the Syndicate and the Registrar to the Issue.

Eligible NRIs should note that applications that are accompanied by payment in free foreign exchange should use the Bid cum Application Form which is blue in colour. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FPIs

SEBI recently notified the SEBI (Foreign Portfolio Investors) Regulations whereby FIIs, sub-accounts and QFIs categories of investors were merged to form a new category called 'Foreign Portfolio Investors'. Prior to the notification of the SEBI (Foreign Portfolio Investors) Regulations, portfolio investments by FIIs and subaccounts were governed by SEBI under the FII Regulations and portfolio investments by QFIs were governed by various circulars issued by SEBI from time to time (the "QFI circulars"). Pursuant to the notification of the SEBI (Foreign Portfolio Investors) Regulations, the FII Regulations were repealed and the QFI circulars were rescinded.

Under the SEBI (Foreign Portfolio Investors) Regulations, purchase of equity shares by an FPI or an investor group should be below 10% of the total issued capital of an Indian company.

However, portfolio investments by FIIs and QFIs are also governed by RBI under FEMA and RBI has not yet notified the corresponding amendments to regulations under FEMA. Under the FEMA regulations, no single FII can hold more than 10% of the paid up capital of an Indian company. In respect of an FII investing on behalf of its eligible sub-accounts, the investment on behalf of each eligible sub account shall not exceed 10% of the paid up capital, or 5% of the paid up capital in case such eligible sub-account is a foreign corporate or an individual. The total equity share holding of all FIIs in a company is subject to a cap of 24% of the paid up capital of the company. The 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the board of the directors followed by passing a special resolution to that effect by the shareholders of the company. The Company has not obtained Board or the shareholders approval to increase the FII limit to more than 24%.

The individual and aggregate investment limits for Eligible QFIs in equity shares of a listed Indian company, under the FEMA regulations, are 5% and 10%, respectively, of the paid up capital. Further, wherever there are composite sectoral caps under the extant FDI policy, these limits for Eligible QFI investment in equity shares shall also be within such overall FDI sectoral caps.

In light of the notification of SEBI (Foreign Portfolio Investors) Regulations and the absence of any RBI notification on corresponding amendments to regulations under FEMA, FIIs and Eligible QFIs should consult their advisors regarding the investment limits applicable to them”.

Under the SEBI FPI Regulations and subject to compliance with all applicable Indian laws, FPIs may issue, subscribe or otherwise deal in offshore derivative instruments (defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying security), directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. Further, Category II FPIs under the SEBI FPI Regulations which are unregulated broad based funds and Category III FPIs under the SEBI FPI Regulations shall not issue, subscribe or otherwise deal in such offshore derivative instruments directly or indirectly. In addition, FPIs are required to ensure that further issue or transfer of any offshore derivative instruments by or on behalf of it is made only to person regulated by an appropriate foreign regulatory authority.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations.

Eligible QFIs shall open a single non interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Bid cum Application Form for the Offer. Eligible QFIs are advised to use the Bid cum Application Form meant for Non-Residents. Eligible QFIs are required to participate in the Offer through the ASBA process and are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid up equity share capital of our Company. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up capital or 5% of our total issued capital in case such sub-account is a foreign corporate or a foreign individual. Such investment must be made out of funds raised or collected or brought from outside through normal banking channels and the investment must not exceed the overall

ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. Further, a prior intimation of increase in limit, along with a certificate from the company secretary stating that all relevant provisions of FEMA and FDI Circular have been complied with, has to be submitted to RBI. As of the date of this Red Herring Prospectus, the aggregate FII holding in us cannot exceed 24% of our total issued capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the “SEBI FII Regulations”), an FII, as defined in the SEBI FII Regulations may issue, deal in or hold, off shore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. The FII is also required, in terms of regulation 15A(2) of the SEBI FII Regulations, to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the Book Running Lead Manager and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, our Company or any Book Running Lead Manager or Syndicate Member. FIIs can participate only through the ASBA process.

Bids by Eligible QFIs

Eligible QFIs are permitted to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the ICDR Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap. An Eligible QFI may make investments in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5% of the paid-up capital of the Indian company at any point of time.

QFIs shall be eligible to Bid under the Non-Institutional Bidders category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment inequity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Issue are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Eligible QFIs shall compulsorily Bid through the ASBA process to participate in the Issue.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996, prescribe investment restrictions on VCFs registered with SEBI.

The holding by any individual VCF registered with SEBI in a company should not exceed 25% of the corpus of such VCF. Further, VCFs can invest only up to 33.33% of their investible funds by way of subscription to an initial public offering.

The Securities and Exchange Board of India (Alternative Investment Funds) Regulation, 2012, as amended (“SEBI AIF Regulations”), regulate investment by AIFs registered with SEBI. AIFs can invest in accordance with limits and procedure provided under the SEBI AIF Regulations.

Pursuant to the ICDR Regulations, the shareholding of SEBI-registered VCFs or AIF of category I or FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year period from the date of purchase of such equity shares.

With respect to Bids by VCFs and AIFs and FPIs, a certified copy of their SEBI/Depository participant registration certificate must be lodged with the Bid cum Application Form. Failing this, the Selling Shareholder and the Company reserve the right to reject any Bid without assigning any reason thereof.

Refunds, dividends and other distributions, if any, will be payable in Indian rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company or Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th amendment) Regulations, 2013, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

1. Investment of Equity shares of a company: The least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
2. The entire group of the investee company: the least of 15% of the respective fund in case of a life insurer or a general insurer or re-insurer or 15% of investment assets in all companies belonging to the group; and
3. The industry sector in which the investee company operates: the least of 15% of the respective fund in case of a life insurer or a general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, i.e. dated February 16, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

The exposure limit for financial and insurance activities (as per Section K of NIC classification – 2008) shall stand at 25% of investment assets for all insurers.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Provident funds/pension funds can participate in the Issue only through the ASBA process.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949, as amended, is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in the Equity Shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2012). Banking companies can participate in the Issue only through the ASBA process.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPIs (other than Category III FPIs), FIIs, Eligible QFIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or SEBI registration certificate (as applicable) and/or bye laws must be lodged with the Bid-cum-Application Form. With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

Our Company, in their absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice/refund orders/letters notifying the unblocking of the bank accounts of ASBA Bidders, the Demographic Details given on

the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to this Issue shall use Demographic Details as obtained from the Depositories.

The above information is given for the benefit of the Bidders. Our Company, its Directors, officers, the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated above.

Maximum and Minimum Bid Size

- a) *For Retail Individual Bidders:* The Bid must be for a minimum of 175 Equity Shares and in multiples of 175 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. In case the Bid Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.
- b) *For Other Bidders (Non-Institutional Bidders and QIBs):* The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of 175 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. QIBs and NIBs cannot withdraw or lower the size of their Bid at any stage and are required to pay the Bid Amount upon submission of the Bid. **QIBs and Non-Institutional Bidders are mandatorily required to submit their Bids only through the ASBA process.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

Information for the Bidders

- a) Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid / Issue Opening Date.
- b) Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c) The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.
- d) The Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Form, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

- e) Copies of the Bid cum Application Form will be available for all categories of Bidders, with the Designated Branches, members of the Syndicate (at the Syndicate ASBA Bidding Centres) and at our Registered Office. Electronic Bid cum Application Form will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Issue Opening Date. Copies of the Bid cum Application Form will be available for the Retail Individual Bidders with the members of the Syndicate and at our Registered Office.
- f) QIBs and Non-Institutional Bidders may participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process. ASBA Bidders are required to submit their Bids to the members of the Syndicate at the Syndicate ASBA Bidding Centres or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the members of the Syndicate.
- g) Bid cum Application Form submitted through the non-ASBA process should bear the stamp of the members of the Syndicate, otherwise they will be rejected. The Bid-cum-Application Form used by Bidders to apply through ASBA process shall bear the stamp of the SCSBs and/or the Designated Branch or the member of the Syndicate, if not, the same shall be rejected.
- h) With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be suspended for credit, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

Additional information specific to ASBA Bidders

- a) Bid cum Application Form in physical form will be available with the Designated Branches, members of the Syndicate at the Syndicate ASBA Bidding Centres and at our Registered Office. Electronic Bid cum Application Forms will be available on the websites of the SCSBs and on the websites of the Stock Exchanges at least one Working Day prior to the Bid / Issue Opening Date. Further, the SCSBs will ensure that a soft copy of the abridged Red Herring Prospectus is made available on their websites. The Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the abridged Red Herring Prospectus and Bid cum Application Form to the SCSBs and the Syndicate.
- b) The ASBA Bids should be submitted in the physical mode to the Syndicate on the prescribed Bid cum Application Form at the Syndicate ASBA Bidding Centres and either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. Bid cum Application Form in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the members of Syndicate. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account.

ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate at the Syndicate ASBA Bidding Centres and that the SCSB where the ASBA Account is maintained as specified in the Bid cum Application Form, has named atleast one branch in the relevant Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Bid cum Application Forms, as displayed on the website of SEBI (www.sebi.gov.in/pmd/scsb-asba.html). ASBA Bidders Bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch where the ASBA Account is maintained (www.sebi.gov.in/pmd/scsb.pdf).

- c) For ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Centres, the members of the Syndicate shall upload the ASBA Bid on to the electronic Bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB at the relevant Syndicate ASBA Bidding Centres authorized to accept such Bid cum Application Form from the members of the Syndicate (as displayed on the website of SEBI (www.sebi.gov.in/pmd/scsbasba.html)). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic Bidding system.

ASBA Bidders should ensure that they have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the members of the Syndicate at the Syndicate ASBA Bidding Centres or the respective Designated Branch. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Bid Amount at the time of blocking the ASBA Account is liable to be rejected.

- d) The members of the Syndicate at the Syndicate ASBA Bidding Centres and the SCSBs shall accept ASBA Bids only during the Issue Period and only from the ASBA Bidders. The SCSB shall not accept any Bid cum Application Form after the closing time of acceptance of Bids on the Bid / Issue Closing Date.
- e) The Bid cum Application Form shall bear the stamp of the SCSBs and/or the Designated Branch, member of the Syndicate at the Syndicate ASBA Bidding Centres (as displayed on the website of SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>)), if not, the same shall be rejected.

Bidders may note that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database, the Bid cum Application Form is liable to be rejected and our Company and the members of the Syndicate shall not be liable for losses, if any.

For Bid cum Application Forms, the basis of allotment will be based on the Registrar's validation of the electronic Bid details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic Bid details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic Bid details and the Depository database. In case of any discrepancy between the electronic Bid data and the Depository records, our Company in consultation with the Designated Stock Exchange, the Book Running Lead Manager and the Registrar, reserves the right to proceed as per the Depository records or treat such Bid as rejected.

For ASBA Bids submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar will reconcile the compiled data received from the Stock Exchanges and all SCSBs, and match the same with the Depository database for correctness of DP ID, BAN and PAN. In cases where any DP ID, BAN and PAN mentioned in the Bid file for an ASBA Bidder does not match the one available in the Depository database, our Company in consultation with the Designated Stock Exchange, the Book Running Lead Manager, and the Registrar, reserves the right to proceed as per the depository records on such ASBA Bids or treat such ASBA Bids as rejected. The Registrar will reject multiple ASBA Bids based on common PAN as available on the records of the Depositories.

For ASBA Bids submitted to the members of the Syndicate at the ASBA Bidding Centres, the basis of allotment will be based on the Registrar's validation of the electronic Bid details with the depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic Bid details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic Bid details and the depository database. In case of any discrepancy between the electronic Bid data and the depository records, our Company in consultation with the Designated Stock Exchange, the Book Running Lead Manager, and the Registrar, reserves the right to proceed as per the depository records or treat such Bid as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship).

Method and Process of Bidding

- a) Our Company, in consultation with the BRLM, will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be announced in two national newspapers (one each in English and Hindi) and in one regional newspaper with wide circulation at least five working days prior to the Bid/ Issue Opening Date. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.
- b) The Bid/Issue Period shall be for a minimum of three working days and shall not exceed 10 working days. The Bid/ Issue Period may be extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band in the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.
- c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
- d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details kindly refer to the paragraph titled “*Bids at Different Price Levels and Revision of Bids*” on page 308 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Retail Individual Bidders may either revise / withdraw their Bids until finalisation of allotment. Bids can be revised through the Revision Form, the procedure for which is detailed under the paragraph titled “*Build-up of the Book and Revision of Bids*” on page 311 of this Red Herring Prospectus.
- f) The Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (TRS), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- g) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described under the sub-heading titled “*Escrow Mechanism, terms of payment and payment into the Escrow Accounts*” on page 309 of this Red Herring Prospectus.
- h) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure
- l) of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalised, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.
- m) Pursuant to SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 all investors can submit their application form through nationwide broker network of Stock Exchanges (i.e. around four hundred (400) broker centres to be covered by January 01, 2013). The details of locations including name of the broker, contact details such as name of the contact person, postal address, telephone number, e-mail address of the broker, etc. where the application forms shall be collected will be disclosed by the Stock Exchanges on their websites.
 - Application forms can be downloaded from the Stock Exchanges websites/broker terminals, so that any investor or stock broker can download/print the forms directly.
 - Eligible investor may submit the application indicating the mode of payment to any of the registered broker of the Stock Exchange having its office in any of the broker centre of the Stock Exchange.
 - All accepted applications shall be stamped and thereby acknowledged by the broker at the time of receipt and will be uploaded on the Stock Exchange platform.
 - Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque/submitting the ASBA form to SCSB, etc. and liable for any failure in this regard
 - In case of non-ASBA application, broker to deposit the cheque, prepare electronic schedule and send it to Banker to the Issue. All Bankers to the Issue (“BTI”), which have branch/es in a broker centre, shall ensure that at least one of its branches in the broker centre accepts cheques. Brokers shall deposit the cheque in any of the bank branch of the collecting bank in the broker centre. Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the collecting bank. Brokers shall retain all physical applications initially and send it to Registrar to Issue (“RTA” or ”Registrar”) after 6 months.
 - In case of ASBA Application, broker to forward a schedule along with application form to respective ASBA Branch. Broker shall forward a schedule (containing application number and amount) along with application forms to the branch named for ASBA of the respective self certified syndicate banks (SCSBs) for blocking of fund

Bids at Different Price Levels and Revision of Bids

- a) Our Company, in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed.
- b) Our Company, in consultation with the BRLM, will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow Mechanism, Terms of Payment and Payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, kindly refer to the sub-heading titled “*Payment Instructions*” on page 317 of this Red Herring Prospectus.

Electronic Registration of Bids

- a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.
- b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.
- c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The Syndicate Member and/or SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Member and the SCSBs, (ii) the Bids uploaded by the Syndicate Member and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Member and the SCSBs or (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.
- d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Member and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges will be made available at the bidding centres during the Bid/Issue Period.
- f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:
 - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.;
 - Numbers of Equity Shares Bid for;
 - Bid Amount;
 - Cheque Details;
 - Bid cum Application Form number;
 - DP ID and client identification number of the beneficiary account of the Bidder; and
 - PAN

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

- Application Number;
- PAN (of first ASBA Bidder, in case of more than one ASBA Bidder);
- Investor Category and Sub-Category- Individual, Corporate, FII, NRI, Mutual Funds, etc.;
- DP ID and client identification number of the beneficiary account of the Bidder;
- Number of Equity Shares Bid for;
- Bid Amount; and
- Bank account number

With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details on the online system:

- Bid-cum-Application Form number
 - PAN (of the First Bidder, in case of more than one Bidder)
 - Investor Category and sub-category
 - DP ID
 - Client ID
 - Number of Equity Shares Bid for
 - Price per Equity Share (price option) and Bid Amount
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Syndicate ASBA Bidding Location
- g) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/ allotted either by the Syndicate or our Company.
- h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- i) In case of QIB Bidders, only the BRLM and its affiliate Syndicate Member have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.
- j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records.
- l) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

Build-up of the book and Revision of Bids

- a) The Bidding process shall be only through an electronically linked transparent Bidding facility provided by the Stock Exchanges. Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- b) The book gets built up at various price levels. At the end of each day of the Issue Period, the demand shall be shown graphically on the Bidding terminals of the Syndicate and the websites of BSE at www.bseindia.com and the NSE at www.nseindia.com.
- c) During the Bid/Issue Period, any Retail Individual Investor who has registered his or her interest in the Equity Shares at a particular price level is free to withdraw / revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form, until finalisation of allotment.
- d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Retail Individual Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Retail Individual Bidder has Bid for three options in the Bid cum Application Form and such Retail Individual Bidder is changing only one of the options in the Revision Form, the Retail Individual Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- e) The Retail Individual Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Retail Individual Bidders will have to use the services of the same member of the Syndicate or the SCSB through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at the Cut-off Price.
- g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
- h) Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000.
- i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bid's details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

- j) When a Retail Individual Bidder revises his or her Bid, he or she should surrender the earlier TRS request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of revision of the original bid.
- k) QIBs and NIBs shall not be allowed to withdraw or lower the size of their Bids at any stage.

Price Discovery and Allocation

- a) Based on the demand generated at various price levels, our Company, in consultation the BRLM, shall finalise the Issue Price.
- b) The allocation available to QIBs for 10% of the Issue, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non Institutional Bidders and Retail Individual Bidders of not less than 30% and 60% of the Issue respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- c) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
- d) Allocation to Non-Residents, including Eligible NRIs, FPIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- e) QIBs and NIBs shall not be allowed to withdraw or lower the size of their Bids at any stage.
- f) Our Company in consultation with the BRLM reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- g) The Basis of Allotment shall be put up on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

- a) Our Company, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.
- b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the

final derived Issue Price and other details as required. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note (“CAN”)

- a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.
- b) The Registrar will dispatch CANs to the Bidders who have been Allotted Equity Shares in the Issue.
- c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

Designated Date and Allotment of Equity Shares:

- a) Our Company will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder’s depository account will be completed within 12 Working Days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidder’s depository account is completed within two working days from the date of Allotment.
- b) In accordance with the ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

General Instructions

Do’s:

- a) Check if you are eligible to apply;
- b) Ensure that you have Bid within the Price Band;
- c) Read all the instructions carefully and complete the Bid cum Application Form;
- d) Ensure that the details about the PAN, the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in dematerialised form only;
- e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;
- f) With respect to Bids by ASBA Bidders ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;
- g) Ensure that you request for and receive a TRS for all your Bid options;
- h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;
- i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs;
- j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- k) QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only;
- l) Submit revised Bids to the same member of the Syndicate through which the original Bid was placed and obtain a revised TRS;
- m) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and residents of Sikkim, for whom submissions of PAN is not mandatory, all Bidders should mention their PAN allotted under the IT Act; and
- n) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.

Don'ts:

- a) Do not Bid for lower than the minimum Bid size;
- b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;
- d) Do not pay the Bid Amount in cash, by money order or by postal order or by stock invest;
- e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
- f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 200,000);
- g) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
- h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
- j) Do not submit the Bids without the full Bid Amount.

Instructions Specific to ASBA Bidders

Do's:

- a) Check if you are eligible to Bid under ASBA;
- b) Ensure that you specify ASBA as the 'Mode of Application' and use the Bid cum Application Form bearing the stamp of the relevant SCSB or the members of the Syndicate (except in case of electronic Bid cum Application Forms);
- c) Read all the instructions carefully and complete the Bid cum Application Form;
- d) Ensure that your Bid cum Application Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, or the Registrar to the Issue or the Book Running Lead Manager;
- e) In case of Bid cum Application Form submitted to a member of the Syndicate at the Syndicate ASBA Bidding Centres, ensure that the SCSB where the ASBA Account is maintained as specified in the Bid cum Application Form, has named at-least one branch as displayed on the website of SEBI in the Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Bid cum Application Form;
- f) Ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;
- g) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
- h) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the Bid cum Application Form to the respective Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Centres;
- i) Ensure that you have correctly checked the authorisation box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
- j) Ensure that you receive an acknowledgement from the Designated Branch or from the members of the Syndicate at the Syndicate ASBA Bidding Centres, as the case maybe, for the submission of your Bid cum Application Form; and

- k) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts

- a) Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Branch or to the members of the Syndicate at the Syndicate ASBA Bidding Centres;
- b) Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA;
- c) Do not send your physical Bid cum Application Form by post. Instead submit the same to a Designated Branch or to a member of the Syndicate at the Syndicate ASBA Bidding Location;
- d) Do not submit more than five Bid cum Application Form per ASBA Account;
- e) Do not submit the Bid cum Application Form with a member of the Syndicate at a location other than the Syndicate ASBA Bidding Centres; and
- f) Do not submit ASBA Bids to a member of the Syndicate at the Syndicate ASBA Bidding Location unless the SCSB where the ASBA Account is maintained as specified in the Bid cum Application Form, has named atleast one branch, as displayed on the SEBI website (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) in the relevant Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Bid cum Application Form.

Instructions for Completing the Bid cum Application Form

Bids must be:

- a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- d) For Retail Individual Bidders, the Bid must be for a minimum of 175 Equity Shares and in multiples of 175 thereafter subject to a maximum Bid Amount of ₹ 200,000.
- e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 175 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.
- f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Bank(s) or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Bank(s), the Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the two parameters, namely, PAN of the Bidder and the DP ID/Client ID, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FPIs, FIIs and Foreign Venture Capital Investors on a repatriation basis

Bids and revision to Bids must be made in the following manner:

- a) On the Bid cum Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
- b) In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
- c) Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Payment Instructions

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Bank(s) will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

Please note that payment into Escrow Account is applicable only to Retail Individual Bidders. The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank(s) and the Registrar to facilitate collection from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by ASBA Bidder, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - a) In case of Resident Retail Individual Bidders: “Escrow Account – LIL - R”
 - b) In case of Non-Resident Retail Individual Bidders: “Escrow Account – LIL - NR”

4. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
7. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
8. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
9. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.
10. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use stockinvest instruments in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through stockinvest will not be accepted in the Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one (and not more than one) Bid. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In this regard, all Bids will be checked for common PAN as per Depository records and all such Bids will be treated as multiple Bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

After submitting a Bid using an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected either before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. However, Retail Individual Bidders may withdraw / revise their Bids until finalisation of allotment through the Revision Form, the procedure for which is described under the sub-heading titled “*Build-up of the Book and Revision of Bids*” on page 311 of this Red Herring Prospectus.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all or all except one of such multiple Bid(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.
2. For Bids from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Bids on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids will be scrutinized for DP ID and beneficiary account numbers. In case such Bids bore the same DP ID and Beneficiary Account Numbers, these will be treated as multiple Bids and will be rejected.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Rejection of Bids

In case of QIB Bidders, our Company, in consultation with the BRLM, may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the Bids by ASBA Bidders only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid-cum-Application Form
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- Application on plain paper
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended including minors, insane persons;
- Bids by HUFs wherein the details mentioned in the "Who can Bid" on page no. 298 of this RHP are not mentioned correctly;
- PAN not mentioned in the Bid cum Application Form; except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants;
- GIR number furnished instead of PAN;
- Bids by OCBs;
- Bids by Bidders whose demat accounts have been suspended for credit pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or joint Bidders missing;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;

- Bids for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders;
- Bids for a Bid Amount of more than ₹ 200,000 by Bidders applying through the non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of 175;
- Bids by Company's Directors, Key Managerial Personnel and employees involved in the decision making process for price fixation and their family members or any person acting on their behalf;
- Bids by persons who are not eligible to acquire Equity Shares of our Company in terms of all applicable laws, rules, regulations, guidelines and approvals;
- Bidder Category not indicated in the Bid cum Application Form;;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stock invest/money order/postal order/cash;
- Bid cum Application Forms do not have the stamp of the BRLM or Syndicate Member or Registered Broker or the SCSB;
- Signature of Bidders missing. In case of joint Bidders, the Bid cum Application Forms not being signed by each of the joint Bidders and not appearing in the same sequence as appearing in the depository's records;
- Bid cum Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Bidder;
- In case of ASBA Bids, authorisation for blocking funds in the ASBA account not ticked or provided;
- Bid cum Application Forms does not have the Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;
- With respect to Bids by ASBA Bidders, if there are inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, BAN and PAN or if PAN is not available in the Depository database;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank(s);
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.
- Bids by QIBs or Non-Institutional Bidder not submitted through the ASBA process;
- Bids by persons in the United States excluding “QIB” as defined in Rule 144A of the US Securities Act and Bids by US persons, as defined under Regulation S of the US Securities Act, outside the United States; and
- In case of Bid cum Application Forms submitted to a member of the Syndicate at the Syndicate ASBA Bidding Centres, the SCSB where the ASBA Account is maintained as specified in the Bid cum Application Form, has not named at least one branch in the relevant Syndicate ASBA Bidding Centres for the members of the Syndicate to deposit Bid-cum-Application Forms, as displayed on the website of SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 29 of the Companies Act, 2013, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated December 12, 2012, among NSDL, our Company and the Registrar; and
- Agreement dated November 26, 2012, among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b) The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant’s identification number) appearing in the Bid cum Application Form or Revision Form.
- c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the sub-heading “*Bidders Depository Account Details*” in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

- g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.
- i) Non-transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

Payment of Refund

Within 12 Working Days of the Bid / Issue Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/Allotment to Bidders.

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the nine-digit Magnetic Ink Character Recognition ("MICR") code, on the basis of the DP ID, BAN and PAN provided by the Bidders in their Bid cum Application Forms. Accordingly, Bidders are advised to immediately update their bank account and other details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

In the case of Bids from Eligible NRIs and FIIs, refunds, dividends and other distributions, if any, will normally be payable in Indian Rupees only and net of bank charges and/or commission. Where so desired, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. *NECS* – Payment of refund would be done through *NECS* for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where clearing houses are managed by the RBI, except where the applicant is eligible and opts to receive refund through direct credit or RTGS.

2. *Direct Credit* – Applicants having bank accounts with the Refund Bank(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
3. *RTGS* – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds ₹ 200,000 will be considered to receive refund through RTGS. For such eligible applicants, IFSC code will be derived based on the MICR code of the Bidder as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. *NEFT* – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in case of Delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of the date of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions

for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days or 12 Working Days from the Bid/Issue Closing Date, whichever is later, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447 of the said Act.”

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 16,023,286 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- Pursuant to Regulation 50(1A) of the ICDR Regulations, if the aggregate demand in this category is greater than 16,023,286 Equity Shares at or above the Issue Price, the allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 8,011,643 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 8,011,643 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 175 Equity Shares, and in multiples of 1 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Issue Price.
- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;
 - b) In the second instance Allotment to all QIBs shall be determined as follows:
 - i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - ii. Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate number of equity shares available for allocation (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be 2,670,547 Equity Shares.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the

Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) Allotment to Non-Institutional Bidders and QIBs shall be made proportionately. The allotment to Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of shares, in retail individual bidder category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For further explanation on the Procedure of Allotment to Retail Individual Bidders, kindly refer to the illustration on page 327 of this Red Herring Prospectus.
- c) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- d) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- e) In all Bids where the proportionate Allotment is less than 175 Equity Shares per Bidder, the Allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
 - Each successful Bidder shall be allotted a minimum of 175 Equity Shares.
- f) If the proportionate Allotment to a Bidder is a number that is more than 175 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- g) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration explaining Procedure of Allotment

A.

- 1) Total no. of specified securities on offer @ ₹ 600 per share: 1 crore specified securities.
- 2) Specified securities on offer for retail individual investors' category: 3.5 million specified securities.
- 3) The issue is over-subscribed 2.5 times whereas the retail individual investors' category is oversubscribed 4 times.
- 4) Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - ₹ 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
- 5) Assume that a total of 0.1 million retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 – 16 bid lots, based on the maximum application size of upto ₹ 200,000.

- 6) Out of the 0.1 million investors, there are five retail individual investors A, B, C, D and E who have applied as follows: A has applied for 320 specified securities. B has applied for 220 specified securities. C has applied for 120 specified securities. D has applied for 60 specified securities and E has applied for 20 specified securities.
- 7) As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis. The actual entitlement shall be as follows:

Sr. No.	Name of Bidder	Total Number of specified securities applied for	Total number of specified securities eligible to be allotted
1	A	320	20 specified securities (i.e. the minimum bid lot) + 38 specified securities $[\{3,500,000 - (100,000 * 20)\} / \{14,000,000 - (100,000 * 20)\}] * 300$ (i.e. 320-20)
2	B	220	20 specified securities (i.e. the minimum bid lot) + 25 specified securities $[\{3,500,000 - (100,000 * 20)\} / \{14,000,000 - (100,000 * 20)\}] * 200$ (i.e. 220-20)
3	C	120	20 specified securities (i.e. the minimum bid lot) + 13 specified securities $[\{3,500,000 - (100,000 * 20)\} / \{(14,000,000 - (100,000 * 20))\}] * 100$ (i.e. 120-20)
4	D	60	20 specified securities (i.e. the minimum bid lot) + 5 specified securities $[\{(3,500,000 - 100,000 * 20)\} / \{(14,000,000 - (100,000 * 20))\}] * 40$ (i.e. 60-20)
5	E	20	20 specified securities (i.e. the minimum bid lot)

B.

- Total no. of specified securities on offer @ ₹ 600 per share: 1 crore specified securities.
- Specified securities on offer for retail individual investors' category: 3.5 million specified securities.
- The issue is oversubscribed 7 times whereas the retail individual investors' category is oversubscribed 9.37 times.
- Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
- Assume that a total of 0.2 million retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 – 16 bid lots, based on the maximum application size of upto ₹ 200,000, as per the table shown below.
- As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares.
- Since the total number of shares on offer to retail individual investors is 3,500,000 and the minimum bid lot is 20 shares, the maximum no. of investors who can be allotted this minimum bid lot will be 175,000. In other words, 175,000 retail applicants will get the minimum bid lot and the remaining 25,000 retail applicants will not get allotment. The details of allotment shall be as follows:

No. of Lots	No. of Shares at each lot	No. of Retail Investors applying at each lot	Total No. of Shares applied for at each lot	No. of investors who shall receive minimum bid-lot (to be selected on lottery)
A	B	C	D = (B*C)	E
1	20	10,000	2,00,000	$8,750 = (1,75,000 / 2,00,000) * 10,000$
2	40	10,000	4,00,000	8,750
3	60	10,000	6,00,000	8,750
4	80	10,000	8,00,000	8,750

No. of Lots	No. of Shares at each lot	No. of Retail Investors applying at each lot	Total No. of Shares applied for at each lot	No. of investors who shall receive minimum bid-lot (to be selected on lottery)
5	100	20,000	20,00,000	17,500
6	120	20,000	24,00,000	17,500
7	140	15,000	21,00,000	13,125
8	160	20,000	32,00,000	17,500
9	180	10,000	18,00,000	8,750
10	200	15,000	30,00,000	13,125
11	220	10,000	22,00,000	8,750
12	240	10,000	24,00,000	8,750
13	260	10,000	26,00,000	8,750
14	280	5,000	14,00,000	4,375
15	300	15,000	45,00,000	13,125
16	320	10,000	32,00,000	8,750
TOTAL		2,00,000	3,28,00,000	1,75,000

Time of Schedule for Allotment and Demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate or SCSBs will accept bids for the Equity Shares during the Bidding/Issue Period. Following the expiration of the Bidding/Issue Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to Allotment based on the bids received and subject to confirmation by the BSE. The SEBI (ICDR) Regulations require our Company to complete the Allotment to successful Bidders within ten (10) working days of the expiration of the Bidding / Issue period. The equity shares will be then be credited and Allotted to the investors' Demat Accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall credit the Allotted Equity Shares to the beneficiary account with Depository Participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500, by "Under Certificate of Posting", and shall dispatch refund orders equal to or above ₹ 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar to the Issue, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar

Our Company agrees that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a., if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days or 12 Working Days from the Bid/ Issue Closing Date, whichever is later.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by our Company

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc., except as disclosed in the Chapter titled “*Capital Structure*” beginning on page 61 of this Red Herring Prospectus; and
- That adequate arrangements shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in our balance sheet of the Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 1 of 2013, with effect from April 05, 2013 ("Circular 1 of 2013"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2013 will be valid until the DIPP issues an updated circular.

FII's are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares by an Indian resident to a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI. Further, in terms of the Consolidated FDI Policy, prior approval of the RBI shall not be required for transfer of shares between an Indian resident and person not resident in India if conditions specified in the Consolidated FDI Policy have been met.

The transfer of shares of an Indian company by a person resident outside India to an Indian resident, where pricing guidelines specified by RBI under the foreign exchange regulations in India are not met, will not require approval of the RBI, provided that (i) the original and resultant investment is in line with Consolidated FDI policy and applicable foreign exchange regulations pertaining to inter alia sectoral caps and reporting requirements; (ii) the pricing is in compliance with applicable regulations or guidelines issued by SEBI; and (iii) a compliance certificate in this regard is obtained from chartered accountant and attached to the filings made before the authorised dealer bank.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act, 1956 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Article No.	Particulars	Subject
CAPITAL		
#6	The Authorised Share Capital of the Company shall be such as mentioned in Clause V of the Memorandum of Association of the Company with power to the company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privileges or subject to any postponement of rights or to any conditions or restrictions, so that the conditions of issue shall otherwise be subject to the power herein contained. The rights and privileges attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the clauses of the accompanying Articles of Association but not otherwise.	‘Capital’
7	Subject to the provisions of the Act, the Company may by ordinary resolution in General Meeting, from time to time, increase the capital by the creation of new shares of such respective amount with such rights, privileges or restrictions as the resolution shall prescribe.	‘Increase of Capital’
8	(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then,	‘Further issue of Capital how disposed of’
	(a) Such further shares shall be offered to the persons who, at the date of the office, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at the date;	
	(b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; <i># Substituted vide Special Resolution passed at the Extraordinary General Meeting of the members held on 23rd March, 2011</i>	
	(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause [b] shall contain a statement of this right;	
	(d) after the expiry of the period specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as it may think most beneficial to the Company.	
	(2) Nothing in clause [c] of sub-clause [1] shall be deemed;	
	(a) to extend the time within which the offer should be accepted, or	
	(b) to authorise any person to exercise the right of renunciation for a second	

Article No.	Particulars	Subject
	time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.	
(3)	Notwithstanding anything contained in sub-clause [1], further shares to be allotted as aforesaid may be offered to any other person, if the Company in General Meeting authorizes the same.	
9.	(1) Subject to the provisions of the Act, and this Article, the Company may issue preference shares with such rights privileges and the Board of the Company in General Meeting may fix terms as.	'Preference Shares'
(2)	(a) No preference shares issued as aforesaid shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of redemption;	
	(b) No such shares shall be redeemed unless they are fully paid;	
	(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Share Premium Account, before the shares are redeemed; and	
	(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "The Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to reduction of the share capital of the company shall, except as provided in this article, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.	
(3)	Subject to the provisions of this Article, the redemption of preference share thereunder may be affected on such terms and in such manner as may be provided by these Articles, or the terms of issue thereof.	
(4)	The redemption of preference shares under this Articles by Company shall not be taken as reducing the amount of its authorised Share Capital.	
(5)	Where in pursuance of this Article the Company has redeemed or is about to redeem any preference shares; it shall have the power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this sub-clause	
	Provided that, where new shares are issued before the redemption of the old shares the new shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this sub-clause unless the old shares are redeemed within one month after the issue of the new shares.	
(6)	The capital redemption reserve account, may notwithstanding anything in this article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.	

Article No.		Particulars	Subject
10	(1)	In terms of Section 94 of the Act the Company may from time to time by ordinary resolution alter the conditions of its Memorandum of Association as follows, that is to say, it may:-	'Power of Company to alter its share capital'
	(a)	increase its share capital by such amount as it thinks expedient by issuing new shares;	
	(b)	consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;	
	(c)	convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denominations;	
	(d)	sub-divide its existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and	
	(e)	Cancel shares, which, at the date of the passing of the resolution, on that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	
	2	The powers conferred by this article shall be exercised by the Company in General Meeting and shall not require to be confirmed by the Court.	
	3	A cancellation of shares in pursuance of this article shall not be deemed to be a reduction of share capital within the meaning of the Act.	
11		The Company may, by special resolution, determine that any portion of its shares capital which has not been already called up shall not be capable of being called up, except in the event and for the purposes of the Company being wound up, and thereupon that portion of its share capital shall not be capable of being called up except in that event and for those purpose.	'Reserve Liabilities'
12		Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares, shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	'Same as existing Capital.'
13		The Company may, by special resolution, reduce its capital and any share capital redemption account in any manner including extinguishments or reduction of liability in respect of share capital not paid up on any of its subscribed shares or cancel any paid up share capital which is lost and in particular, paid up capital in excess of the needs of the Company may be paid off on the footing that it may be called up again.	'Reduction of Capital'
14	1	If at any time the share capital of the Company by reason of the issue of the preference shares, or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to the shares of any class [unless otherwise provided by the terms of issue of the shares of that class] may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed	Different classes of shares

Article No.	Particulars	Subject
	at a separate meeting of the holders of the issued shares of that class.	
2	To every such separate meeting all the provisions of these regulations relating to meetings shall mutates apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one-third of the issued shares of the class in question. This article is not by implication to curtail or derogate from any power the Company would have if this article were omitted.	
3	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.	

SHARES

15	a	Subject to the provisions of the Act, and of these Articles, the shares in the capital for the time being [including any shares forming part of any increased capital of the Company] shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions, and either at premium or at par or [subject to the provisions of the Act] at a discount as it may, from time to time, think fit and proper and with the sanction of the Company in General Meeting, may give to any person the option to call for or be allotted any shares either at par or at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board may think fit. In particular, the Board may allot and issue the shares as part or full payment for any property sold or transferred, goods or machinery supplied or for services rendered to or amount spent for the purpose of the Company or its business and any shares which may be allotted and/or may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.	‘Shares at the disposal of the Directors’
		Provided however, that the Company in General Meeting shall be entitled to make any provision or provisions as regards the issue and allotment of such shares before the issue thereof by the directors.	
	b	Option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.	‘Option or right to call of shares’
16		An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is in the Register shall, for the purposes of these Articles, be a member.	‘Acceptance of shares.’
17		The money [if any], which the Board shall on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	‘Deposits and calls etc. to be a debt payable immediately.’
18		Every member, or his heirs, executors or administrators, shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, such amounts at such time or times and in such manner, as the Board shall, from time to time, in accordance with the Company’s regulations require or fix for the payment	‘Liability of Members.’

Article No.	Particulars	Subject
	thereof.	
19	The certificates of title to shares shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by [i] two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney and [ii] the Secretary or some other person appointed by the Board other than the Managing Director or a Whole-time Director. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography.	‘Affixing of seal on Share Certificate’
	Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares shall be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.	
20	a Every member shall be entitled without payment, to one certificate of title to shares for all the shares of each class registered in his name. If the Board so approves, and upon payment of such fee per certificate as the Board may from time to time determine in respect of each class of shares, a member may be issued, more than one certificate for shares of each class. Every certificate of title to shares shall specify the number and distinctive number[s] of the shares in respect of which it is issued and the amount paid thereon.	‘Issue of Certificates’
	b Any two or more joint allottees of a share, shall for the purpose of this articles, be treated as a single member, and the certificates of any share which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.	
21	A certificate may be renewed or a duplicate of a certificate may be issued by the Company if such certificate is proved to have been lost or destroyed or have been defaced or mutilated or torn is surrendered to the Company. The Company shall comply with the rules as may be prescribed regarding the manner of issue or renewal of a certificate or issue of a duplicate thereof, the form of a certificate [original or renewed] or of a duplicate thereof, the particulars to be entered in the Register of Members or in the Register of Renewed or Duplicate thereof, the form of such registers, the fee on payment of which, the terms and conditions, if any [including terms and conditions as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company an investigating evidence] on which a certificate may be renewed or a duplicate thereof may be issued.	‘Renewal of Certificates’
22	If any share stands in the name of two or more persons, the person first named in the Register, shall as regards receipt of dividends or bonus or service of notices and all or any other matters connected with Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be, severally as well as jointly, liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the Company’s regulations.	‘The First Named of Joint Holders deemed Sole Holder.’
23	No notice of any trust, express, implied or constructive, shall be entered in the Register of Members. The Company shall not [except as ordered by a Court of competent jurisdiction or by the Act required] be bound to recognize [even when having notice thereof] any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share	‘Company not bound to recognize any interest in share other than that

Article No.	Particulars	Subject
	or [except only as is by these presents otherwise expressly provided] any right in respect of a share other than an absolute right to the entirety thereof in accordance with these presents, in the person from time to time registered as the holder thereof; but the board shall be at liberty at its sole discretion, to register any share in the joint names of any two or more persons or the survivors or survivor of them.	of registered holder.'
24	Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may change the same to capital as part of the cost of construction of the work or building, or the provision of the plant.	'Payment of interest out of Capital,
25	Subject to the provisions of the Act, and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold resell any of its own fully paid or redeemable shares and may make payment out of funds as its disposal for and in respect of such acquisition/purchases, on such terms and conditions and at such times as the Board may in its discretion decide and deem fit.	'Purchase by the Company of its own shares'
26	Subject to the applicable rules, regulations and guidelines the Board of Directors of the Company shall have power to formulate a scheme detailing the terms of Employee Stock Open Plan [ESOP] and implementing the same.	'Employees Stock Option Plan [ESOP]'
27	Subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may issue shares, either equity or any other kind with non-voting rights, and the resolution authorizing such issue shall prescribe the terms and conditions of the issue.	'Issue of Shares with non-voting rights.'
27A *	<p>Dematerialization of Securities:-</p> <p>(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.</p> <p>(b) Options for Investors-</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can any time opt out of depositories, if permitted by the law, in respect of any securities in the manner and within the time prescribed, issue to the beneficial owner the required certificate of securities.</p> <p>If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of securities, and on receipt of information, the depositories shall enter in its record the name of the allottee as the beneficial owner of the security.</p> <p>(c) Securities in Depositories to be in fungible form-</p> <p>All securities held by a depository shall be dematerialized and be in fungible</p>	

Article No.	Particulars	Subject
	<p>form. Nothing contained in section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.</p> <p>(d) Rights of the Depositories and Beneficial Owners:-</p> <p>Notwithstanding anything to the contrary contained in the Act, or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.</p> <p>Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</p> <p>(e) Service of Documents</p> <p>Notwithstanding anything in the Act or these Articles to the contrary where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>(f) Transfer of Securities-</p> <p>Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial owners in the records of the Depository</p> <p>(g) Allotment of Securities dealt within a depository-</p> <p>Notwithstanding anything in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities</p> <p>(h) Distinctive numbers of securities held in a Depository</p> <p>Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for the securities issued by the Company shall apply to securities held with a Depository.</p> <p>(i) Register and Index of Beneficial Owner –</p> <p>The Register and Index of Beneficial Owner maintained by Depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and security holders for the purposes of these articles.</p> <p><i>*Inserted vide special resolution passed by the members at the Extra Ordinary General Meeting held on September 29, 2012</i></p>	

COMMISSION, BROKERAGE AND DISCOUNT

Article No.		Particulars	Subject
28	1	Subject to the provisions of the Act the Company may pay a commission to any person in consideration of :	‘Commission, Brokerage and Discount.’
	a	his subscribing or agreeing to subscribe, whether absolutely or conditionally for any share in, or debentures of the Company.	
	b	his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in, or debentures of, the Company.	
		Provided that the commission paid or agreed to be paid does not exceed, the amount if any prescribed in the Act and that all the requirements prescribed in the Act in this regard are duly complied with.	
	2	The Company may also pay such brokerage as it has heretofore been lawful for a Company to pay.	

CALLS ON SHARES

29	1	The Board may, from time to time, make calls upon the members in respect of all moneys unpaid on their shares held by them respectively [whether on account of the nominal value of the shares or by way of premium] and not by the conditions of allotment thereof made payable at fixed times.	‘Directors may make calls on shares.’
	2	Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	
	3	A call may be revoked or postponed at the discretion of the Board.	
30		Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.	‘Calls on shares of the same class to be made on uniform basis.’
		(Explanation: - For the purpose of this Article, shares of the same nominal value on which different amounts have been paid up, shall not be deemed to fall under the same class.)	
31		A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	‘When call deemed to be made’
32		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	‘Joint holders liability’
33	1	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purpose of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.	‘What sum deemed to be a call.’
	2	In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such had become payable by virtue of a call duly made and notified.	

Article No.	Particulars	Subject
34	The Board may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members. The Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	‘Board may extend Time.’
35	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, or any such extension thereof as aforesaid, the person from whom the sum is due shall pay interest from the day appointed for the payment thereof to the time of actual payment at eighteen percent per annum or at such lower rate if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.	‘Call to carry interest.’
36	On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered in the register of members as the holder or one of the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member or his representatives in pursuance of the Act and these presents.	‘Proof on Trial of Suit for Money due on Shares.’
37	Neither a judgment nor a decree in favour of the Company for the amount of calls or other moneys due in respect of any shares, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.	‘Partial payment not to preclude forfeiture.’
38	The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys and unpaid upon any shares held by him; and upon all or any of the moneys so advanced, may [until the same would, but for such advance, become presently payable] pay interest at such rate as may be agreed upon between the Board and the member paying the sum in respect of the moneys so paid by him until the same would, but for such payment become presently payable. The Board may at any time repay the amount so advanced upon giving to the member proper notice in writing.	‘Payments in anticipation of calls may carry interest.’
39	Any money due from the Company to a member may without the consent of such member, be applied by the Company in or towards payment of any money due from him to the Company for calls or otherwise	‘Money due to a member from the Company.’

LIEN

40	The Company shall have a first and paramount lien upon the shares [other than fully paid up shares] registered in the name of each member [whether solely or jointly with others] and upon the proceeds of sale thereof for all money [whether presently payable or not] called or payable at a fixed time in respect of such shares. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company’s	‘Lien.’
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Article No.	Particulars		Subject
		lien if any on such shares. The Board may at anytime declare any shares to be exempt, wholly or partially, from the provisions of this Article.	
41		For the purpose of enforcing such lien Company may sell or dispose of the shares subject thereto, in such manner as the Board may think fit.	'Lien how exercised'
		Provided that no sale shall be made: -	
	a	unless a sum in respect of which the lien exists is presently payable; and	
	b	until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the holder for the time being of the share or the person entitled thereto by reason of his death or insolvency and default has been made in payment.	
42	1	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	'Protection to purchaser.'
	2	The purchaser shall be registered as the holder of the shares comprised in any such transfer.	
	3	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	
43	1	The net proceeds of the sale or disposal, after payment of the costs of such sale, shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable.	'Proceeds of sale how dealt.'
	2	The residue, if any, shall, subject to a like lien for sms not presently payable as existed upon the shares before the sale or disposal [if any] be paid to the person entitled to the shares at the date of the sale.	

FORFEITURE OF SHARES

44		If a member fails to pay any call or installment of a call on the day appointed for the payment thereof, the Board may, at any time thereafter, during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.	'If money payable on shares not paid, notice to be given to member.'
45		The notice aforesaid shall [a] name a further day [not being earlier than the expiry of fourteen days from the date of service of the notice] on or before which and the place at which the payment required by the notice is to be made, and [b] state that in the event of non-payment on or before the day and the place so named the shares in respect of which the call was made or installment was payable, will be liable to be forfeited.	'Terms of Notice.'
46		If the requirements of any such notice as aforesaid are not complied with any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not	'In default of payment shares to be forfeited.'

Article No.		Particulars	Subject
		actually paid before forfeiture.	
47		When any share shall have been so forfeited notice of the forfeiture, shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members.	‘Notice of Forfeiture to Member.’
48		Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same upon such terms and in such manner as the Board thinks fit.	‘Forfeited Shares to be property of the Company and may be sold etc.’
49		At any time before a sale or disposal as aforesaid, the Board may annual the forfeiture upon such terms, as it may think fit.	‘Power to Annual Forfeiture.’
50	1	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay and shall forthwith pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, if it may think fit, but shall not be under any obligation to do so.	‘Member still liable to pay money owed at time of forfeiture and interest.’
	2	The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.	
51		The forfeiture of share shall involve extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such rights as by these present expressly saved.	‘Effect of Forfeiture
52	1	A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.	‘Declaration as to forfeiture.’
	2	The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute or authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of and may cause to be issued a duplicate certificate in respect of the share sold.	
	3	The transferee shall thereupon be registered as the holder of the share.	
	4	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceeding in reference to the forfeiture, sale or disposal of the share.	
53		The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable as a fixed time, whether on account of the nominal value of the share	Non-payment of other sums payable at fixed

Article No.	Particulars	Subject
	or by way of premium, as if the same had been payable by virtue of call duly made and notified.	time
TRANSFER AND TRANSMISSION		
54	The Company shall keep a Register either in electronic media or book form, to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.	'Register of Transfer.'
55	No transfer shall be registered unless a proper instrument of transfer duly executed and stamped has been delivered to the Company. The instrument of transfer of any shares or debentures in the Company shall be in writing in the usual common form and executed by or on behalf of both the transferor and the transferee.	'Form of Transfer.'
56	The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.	'Transferor deemed holder.'
57	The Board may after giving not less than seven days' previous notice by advertisement in some newspaper circulating in Mumbai as required by the Act, close the Transfer Register and Register of Members and of Debenture Holders for any periods not exceeding in the aggregate, (forty-five) days in each year, but not exceeding 30 days at any one time.	'Transfer Register when closed.'
58	Subject to the provisions of the Act, the Board may refuse to register any proposed transfer of, or the transmission by operation of law of the right to, any shares, or interest of a member in, or debentures of the Company; and without prejudice to the generality of the aforesaid power, may refuse to register the transfer of a share [not being a fully paid share], or any transfer of shares on which the Company has a lien. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company. If the Board refuses to register a transfer of any shares, it shall within two months from the date on which the instrument of transfer, or the instrument of such transmission, as the case may be was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person, giving reasons for such refusal to transfer or such transmission, as the case may be.	'Board may refuse to register transfer.'
59	In case of death of any one or more of the persons named in the Register as the joint holder of any share, the survivors or survivor shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a deceased joint holder from any liability on shares held by him jointly with any other papers.	'Death of one or more joint holders of shares.'
60	Subject to Article 59 above, the executor or administrators of a deceased member or holder of a Succession Certificate shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executor or administrator unless such executor or administrator shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in India having jurisdiction provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or	'Title to shares of Deceased Holder.'

Article No.		Particulars	Subject
		Letters of Administration or Succession Certificate and under the next Article, register the name of deceased member, as a member. Every transmission of shares shall [if required by the Board] be evidenced by an instrument of transmission in such form and verified in such manner as the Board may require.	
61	1	Subject to the provisions of the last two preceding Articles, any person becoming entitled to a share in consequence of the death, lunacy, bankruptcy or insolvency of a member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board [which it shall not be under any obligation to give] upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title and giving such indemnity as the Board thinks sufficient, elect either [a] to be registered himself as the holder of the share [in which case he shall deliver or send to the Company a notice in writing signed by him stating that he so elects] or [b] to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to get his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares. The Board shall in either case, have the same right to decline or suspend registration as it would have had, if the deceased, or lunatic or insolvent member had transferred the shares before his death, lunacy or insolvency. All the limitations, restriction and provisions of these presents relating to the rights to transfer and the registration of transfer of shares shall be applicable to any such notice of transfer as aforesaid as if the death, lunacy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	Registration of shares to persons other than by transfer
	2	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until requirements of the notice have been complied with.	
62		Every instrument of transfer shall be left at the office of the Company or any other place as may be specified for registration accompanied by the certificate of the shares to be transferred or allotment letter thereof and such other evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such condition and regulations as the Board shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. In the case of partly paid-up shares the Board shall give notice to the transferee. Any instrument of transfer, which the Board may decline to register, shall be returned to the person depositing the same.	‘Transfer to be presented with evidence of title’
63		Previous to the registration of a transfer, the certificate or certificates of the share or shares to be transferred or if no such certificates is in existence the	‘Conditions of registration of

Article No.		Particulars	Subject
		letter of allotment of the share or shares to be transferred must be delivered to the Company.	transfer.'
64		Where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board think fit, on an application in writing made by the transferee and bearing the stamp required on an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.	'Lost transfer.'
65		No fee shall be charged by the Company, in respect of the transfer or transmission of any share of the Company. The Company shall not charge any fee for issuing any Share Certificate on splitting or for consolidation of share certificates.	'No fee payable on transmission or splitting or consolidation of shares.'
66		The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares, made or purported to be made by any apparent legal owner thereof [as shown or appearing in the Register of Members] to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest, to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or to give effect to any notice which may be given to it of any equitable right, title or interest to any other liability whatsoever for refusing or neglecting to do so, but the Company shall nevertheless be at liberty to have regard and attend to any such notice, and give effect thereto, if the Board shall so think fit.	'The Company not liable for disregard of a Notice Prohibiting Registration of a transfer.'
67		Nothing contained in Articles 59 to 66 shall prejudice any power of the Company to register as member or debenture holder any person to whom the right to any shares in or debentures of the company has been transmitted by operation of law.	'Transmission by law.'
67 A	1	Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.	'Nomination'
	2	A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either	
	a	to register himself as holder of the share or debenture, as the case may be; or	
	b	to make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.	
	3	If the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.	
	4	A nominee shall be entitled to the share dividend and other rights to which he	

Article No.	Particulars	Subject
	would be entitled if he were the registered holder of the share or debenture. Provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.	
	Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.	
68	Subject to the provisions of the Act, the Board shall have the power from time to time, as its discretion, to accept deposits from members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum of money for the purpose of the Company. The payment or repayment of such moneys may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by bonds, a mortgage or mortgages of, or the issue of perpetual or redeemable mortgage debentures or debenture stock of the Company [both present and future] including its uncalled capital for the time being and the debentures, debenture stock and other securities may be made assignable free from any equities between the Company and person to whom the same may be issued. The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of a particular class.	‘Power to Borrow’
69	An issue of debentures, debenture stock, bonds or other securities shall be governed by and be subject to the provisions of the Act. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending at General Meetings of the Company, appointment of Directors and otherwise. Provided that debentures or other securities with the right to allotment of or conversion into shares shall not be issued, except with the sanction of the Company in General Meeting.	Terms of issue of debentures etc.

CONVERSION OF SHARES INTO STOCK

70	The Company may subject to the provision of the Act, by ordinary resolution [a] convert any paid-up shares into stock; and [b] re-convert any stock into paid-up shares of any denomination.	‘Conversion of shares into stock.’
71	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.	‘Transfer of stock.’
72	The holder of stock shall according to the amount of stock held by them, have the same rights, privileges, and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which such stock arose; but no such privileges or advantages [except participation in the dividends and property of the Company or in the assets of winding up] shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	‘Rights of holders to stock.’

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73		Such of the regulations of the Company [other than those relating to share warrants] as are applicable to paid-up shares shall apply to stock and the words 'Share' and 'Share holder' in these regulations shall include 'stock' and 'stock holder' respectively.	'Regulations to apply to stock.'
SHARE WARRANTS			
74		Subject to the provisions of the Act the Company may with the previous approval of the Central Government, with respect to any fully paid-up shares, issue under its Common Seal, a warrant stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares specified in the warrant, and the Board may in its discretion and in accordance with the law prescribe regulations as to the issue and the rights of a bearer of a share warrant.	'Issue of share warrants to bearer.'
MEETING OF MEMBERS			
75	1	The Company shall, in each year, hold, in addition to any other meetings a General Meeting as its members as its Annual General Meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. All General Meeting other than Annual General Meetings shall be called Extra Ordinary General Meetings.	'Annual General Meeting.'
	2	Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be either at the Registered Office of the Company or at some other place within the Municipal city limits of Mumbai	
76		No resolution or an amendment thereto shall be put to a General Meeting unless it is duly proposed and seconded. This provision shall not apply to a resolution moved from the Chair.	'Resolution to be moved and seconded and exception.'
77		The Board may, whenever it thinks fit, convene an Extraordinary General Meeting and if at any time the Board is not able to act in the matter for want of quorum any director may call the Extraordinary General Meeting.	'Extraordinary General Meetings.'
78		A General Meeting of the Company may be called by giving not less than 21 day's notice in writing or by giving a shorter notice with the consent of members as provided in the Act. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and where any special business is to be transacted at the meeting, an explanatory statement shall be annexed to the notice as required under the Act.	'Notice of General Meeting.'
79		Where it is proposed to pass a special resolution, the intention to propose a Resolution as a special resolution shall be specified in the notice calling the General Meeting or other intimation given to the members of the Resolution.	'Notice of Special Resolution.'
80		The accidental omission to give notice to or the non-receipt of the notice by any member, or other person to whom it should be given, shall not invalidate the proceedings at the meeting.	'Omission to give notice not to invalidate proceedings.'
81		Five members entitled to vote and present in person shall be quorum for by	'Quorum of

Article No.	Particulars	Subject
	any member, or other person to whom it should be given, shall not invalidate the proceedings at the meeting.	General Meeting.'
82	If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved. In any other case, the meeting shall stand adjourned to the same day, in the next week at the same time and place or to such other day, and at such other time and place as the Board may determine. If at the adjourned meeting, also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.	'If Quorum not present, meeting to be dissolved or adjourned.'
83	The Chairman of the Board and in his absence the Deputy Chairman or the Managing Director, if any of the Board shall be entitled to preside as Chairman at every General Meeting including every meeting of any class of members. If there is no such Chairman or Deputy Chairman or Managing Director, or at any meeting neither of them shall be present within fifteen minutes, after the time appointed for holding the meeting or neither of them is able for any reason or neither of them is willing to act as Chairman of the meeting, the Directors present shall elect one of their member to be Chairman of the meeting, and in default of their doing so, the members present shall choose another Director as Chairman and if no Director present be willing to take the Chair or if no Director be present, the members present shall choose one of their number to be the Chairman of the meeting.	'Chairman of Meeting.'
84	No business shall be discussed at any meeting except the election of a Chairman while the Chair is vacant.	'Business confined to election of Chairman whilst Chair vacant.'
85	The Chairman may with the consent of the meeting at which a quorum is present, and shall. If so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Chairman with consent may adjourn meeting.'
86	At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in these Articles. A declaration by the Chairman that a resolution has on a show of hands been carried, or has been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against that resolution	'Questions at General Meetings how decided?'
87	In the case of equality of votes whether on a show of hands or on a poll, the Chairman of a meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.	'Chairman's Casting Vote.'
88	Before or on the declaration of the result of the voting on any resolution on a show of hands, poll may be ordered to be taken by the Chairman of the	'Poll.'

Article No.		Particulars	Subject
		meeting of his own motion and shall be ordered to be taken by him on a demand on that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who make the demand.	
89		A poll duly demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question [not being a question relating to the election of the Chairman] shall be taken at such time not being later than 48 hours from the time when the demand was made, or as the Chairman may direct. The poll shall be taken and scrutinizers shall be appointed as provided in Sections 184 and 185 of the Act. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	'Poll how taken.'
90		No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regards to which the Company has exercised any right of lien.	
91		Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.	
92		The Company shall cause minutes of all proceedings of every General Meeting to be kept as provided in Section 193 of the Act. Such minutes shall be evidence of the proceedings recorded therein and the presumptions to be drawn as provided in Section 195 of the Act shall apply thereto.	Minutes of General Meeting etc.'
91		The books containing minutes of proceedings of General Meetings of the Company shall be kept at the registered office of the Company and shall during business hours [subject to such reasonable restrictions as the Company in General Meeting may impose, so however, that not less than two hours in each day be allowed for inspection] be open to the inspection of any member without charge.	'Inspection of Book.'
94		Any member shall be entitled to furnished, within seven days after he has made a request on that behalf to the Company, with a copy of any minutes of General Meetings on payment of such charges as may be fixed by the Board.	'Copies of Minutes.'

VOTING RIGHTS

95	1		Subject to the provisions of the Act, or any amendment of variation thereof every member of the Company and holding any equity share capital therein shall have right to vote in respect of such capital, on every resolution placed before the Company, and on a show of hands every member shall have one vote and on a poll his votes shall be in proportion to his share of the paid-up equity capital of the Company.	'Votes of Members.'
	2	a	Subject as aforesaid, and save as provided in clause [b] of this article, every member of the Company holding any preference share capital [if any] in the Company, shall, in respect of such capital have a right to vote only on resolutions placed before the Company which affect the rights attached to his preference shares;	

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	[Explanation: Any resolution for winding up the Company or for the repayment or reduction of its share capital shall be deemed directly to affect rights attached to preference shares within the meaning of this clause.]	
	b Subject as aforesaid, every member holding any preference share capital in the Company, shall, in respect of such capital, be entitled to vote on every resolution placed before the Company at any meeting, if the dividend due on such capital or any part of such dividend has remained unpaid:	
	i] in the case of cumulative preference shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and	
	ii] in the case of non-cumulative preference shares, either in respect of a period of not less than two years ending with the expiry of the financial year immediately, preceding the commencement of the meeting, or, in respect of an aggregate period not less than three years comprised in the six years ending with the expiry of the financial year aforesaid.	
	[Explanation: For the purpose of this clause, dividend shall be deemed to be due to preference shares in respect of any period, whether a dividend has been declared by the Company on such shares for such period or not:]	
	a on the last day specified for the payment of such dividend for such period, in these Articles or other instrument executed by the Company in that behalf; or	
	b in case no day is so specified, on the day immediately following such period;	
	c where the holder of any preference share has a right to vote on any resolution in accordance with provisions of this sub-clause, his voting right on a poll, as the holder of such share, shall be in the same proportion as the capital paid-up in respect of the preference share bears to the total paid-up equity capital of the Company.	
96	No member not personally present shall be entitled to vote on a show of hands unless such member is present by an agent duly authorised under a power of attorney or unless such member is a Corporation present by proxy or a Company present by representative duly authorised under the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.	‘No voting by proxy on show of hands.’
97	No member shall be entitled to vote, speak on any question or be present either personally or by proxy for any member in any General Meeting or upon a poll, or be reckoned in a quorum unless all calls or other sums presently payable by him to the Company have been paid.	‘No members to vote unless calls paid-up’
98	With prejudice to Article a member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share shall be by his guardian or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting. Such evidence as the Board may require of the authority of the person claiming to vote shall be deposited at the office of the Company not less than 48 hours before the date fixed for holding the meeting.	‘How members of unsound mind and minors may vote.’

Article No.	Particulars	Subject
99	In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members. Several executors or administrators of a deceased member in whose name shares shall for the purpose of these Articles be deemed joint holders thereof.	‘Vote of joint members.’
100	Any person entitled under the transmission clause to transfer any shares may be allowed by the Board to vote at any General Meeting in respect thereof in the same manner as if he were the registered holder in respect of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Board of his rights to such shares.	Vote in respect of shares of deceased and bankrupt members.
101	Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting. A proxy shall not be entitled to vote except on a poll.	Proxy
102	Every proxy shall be appointed in writing under the hand of the appointer or his duly constituted, or if such appointer is a Company or Corporation under the resolution of such Company or Corporation, or by the hand of its attorney who may be a appointee.	Appointment and qualification of proxy
103	The instrument appointing a proxy and the power of attorney or other authority [if any] duly executed or a notarially certified copy of that power of authority shall be deposited at the registered office of the Company or at such other place as may be specified not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to attend and vote, and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, unless in the case of the adjournment of any meeting held previously to the expiration of such time.	Deposit of instrument of appointment
104	Every instrument of proxy whether for a specified meeting or otherwise shall as nearly as circumstances will admit be in the Forms set out in Schedule IX to the Act.	Form of proxy
105	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of the authority under which such proxy was executed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	‘Validity of votes given by proxy notwithstanding death of member.’
106	No objection shall be made to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is given or tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be valid for all purposes of such meeting or poll whatsoever. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.	‘Time for objection of votes.’

Article No.	Particulars	Subject
BOARD OF DIRECTORS		
107	Until otherwise determined by a General Meeting the number of Directors of the Company shall not be less than 3 nor more than 12 including the Managing Director or Nominated Directors appointed under Article 114 if any, and subject to the provisions of the Act, the Company, in General meeting, may by Ordinary resolution, increase the number of its Directors.	‘Number of Directors’
108	Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determine by retirement of Directors by rotation; and save as otherwise expressly provided by the Act, be appointed by the Company in General Meeting. Subject to the foregoing, but not withstanding anything contained in any Article, Mr. Rajesh G. Poddar and Mrs. Anju R. Poddar, as long as they continue to be Directors of the Company, shall not be liable to retirement by rotation.	Retirement by rotation and Non retiring Directors
109	Subject to the provisions of the Act, the Directors shall have power to appoint from time to time one or more Directors to be a Managing Director or Managing Directors (which expression shall include a joint or deputy Managing Director) and / or whole time Director(s) of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company, and from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.	Power to appoint Managing and/or Wholetime Director(s)
110	Subject to the provisions of the Act and of these Articles, a Managing Director or a whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation but he shall (subject to any provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the Company; and he shall ipso facto and immediately cease to be Managing Director or whole time Director of the company if he ceases to hold the office of Director from any cause. Provided that if at any time the number of Directors (including the Managing Director or whole time Director) as are not subject to retirement by rotation, shall exceed one-third of the total number of Directors for the time being, then such Managing Director or whole time Director(s) shall as the Board may from time to time direct, be liable to retire by rotation.	Provisions relating to Managing Director & whole time Director.
111	A Managing Director or whole time Director who is liable to retire by rotation is reappointed as a Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or whole time Director and such retirement and reappointment shall not be deemed to constitute a break in his appointment as Managing Director or whole time Director, as the case may be.	Reappointment by rotation not to constitute a break in appointment of Managing Director and Whole time Director
112	Subject to the provisions of the Act and these Articles the remuneration of Managing Director or whole time Director shall be determined and fixed from time to time, by the Board, subject to the approval of the Company in General Meeting by way of a fixed salary or commission on profits of the Company, and or perquisites or by any or all of those modes. A Managing	Remuneration of Managing Director or Wholetime Director(s) or

Article No.	Particulars	Subject
	Director or whole time Director shall not receive or be paid any commission on sales or purchase made by or on behalf of the Company.	part time Director(s).
113	Subject to the superintendence, control and Directions of the Board of Directors, the day-to-day management of the Company shall be in the hands of the Managing Directors / whole time Directors appointed under these presents with power to the Board to distribute such day-to-day management functions among such Directors or to delegate such power of distribution to a sub-committee of Directors. The Board may, from time to time, entrust to and confer upon the Managing Directors or whole time Directors for the time being (save as prohibited by the act) such of the power excisable by the Directors under these Articles or by law to such Managing Directors / whole time Director as the Board may think fit and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as the Board thinks expedient and any from time to time revoke, withdraw or vary all any of such powers.	Powers and duties of Managing Director(s) or Wholetime Director(s)
114	(a) Notwithstanding anything to the contrary contained in these Articles, but subject to the provisions of the Act, so long as nay moneys remain owing by the Company to any financial institution (hereinafter referred to as “ the said Institution”) out of any loan granted or to be granted by the said institution to the company, the said institution shall have a right from time to time to appoint their nominee, acceptable to the Board of Directors as a Director (hereinafter described as “said Director”), on the Board of the Company and to remove from such office any person so appointed and to appoint any other person in his place;	Nominee Director
	(b) The Board of Directors shall have no power to remove from office the said Director;	
	(c) The said Director shall not be required to hold any qualification shares in the Company nor shall he be liable to retire by rotation. Subject to the aforesaid, the said Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.	
115	Any trust deed for securing the debentures or debenture stock (or a deed of mortgage of any assets of the Company) may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debenture or debentures stock (or in the case of deed of mortgage by the person or persons having such power) of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock (or such person or persons) from time to time, to remove any Director so appointed. The Director appointed under the article is herein referred to as the “Debenture Director” (or a “Mortgage Director”) and the term “Debenture Director” (or a “Mortgage Director”) means the Director for the time being in office under this article. This “Debenture Director” (or a “Mortgage Director”) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation, or be removed by the Company. The trust deed (or the mortgage deed) may contain such ancillary provisions as may be arranged between the Company and the trustee (or mortgages) and all such provisions shall (subject to the provisions of the Act) have effect notwithstanding on any of the other provisions herein contained.	Debenture Director or Mortgage Director
116	A person who is not a retiring Director, shall, subject to the provisions of the Act be eligible for appointment to the office of Director at any General	Right of persons other than

Article No.	Particulars	Subject
	Meeting, on not less than fourteen days notice of the proposal to so appoint him being given to the Company as provided in Section 257 of the Act. On receipt of the notice, the Company shall proceed as required by the said Section.	retiring Director to stand for Directorship
117	The Company may, subject to the provisions of the Act, by ordinary resolution, remove any Director whose period of office is liable to determination at any time by rotation, before the expiry of his period of office and may by ordinary resolution appoint another person in his stead. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. The Board shall not appoint a Director so removed a Director.	Removal of Director
118	The Board subject to the provisions of the Act shall have power at any time and from time to time, to appoint any qualified person or persons to be an additional Director or additional Directors, provided that such additional Director or Directors shall hold office only upto the next Annual general Meeting of the Company; provided further that the number of Directors and additional Directors together shall not exceed the maximum strength fixed for the Board by these Articles.	Additional Directors
119	If the office of any Director appointed by the Company in General Meeting is vacated before his term of Office will expire in the normal course, the Board may subject to the provisions of the Act fill the resulting casual vacancy at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office it had not been vacated as aforesaid.	Casual Vacancies
120	The Board may subject to the provisions of the Act appoint an alternate Director to act for a Director during his absence for a period of not less than three months from the Maharashtra State.	Alternate Directors
121	A Director of the Company shall not be required to hold qualification shares.	Qualification of Director
122	Every Director or proposed Director shall furnish particulars of the shares of the Company held by him or acquired by him thereunder.	Disclosure of shareholding
123	Subject to the provisions of the Act, the remuneration payable to the Directors shall be regulated as follows:	Remuneration of Directors
	a The remuneration of a Director for his services shall be the Board for each meeting of the Board may fix such a sum as or a Committee thereof attended by him. Further such reasonable additional remuneration as may be fixed by the Board may be paid to any one or more of the Directors for any extra services rendered by him or them including signing the share certificates in respect of the Company in respect of the Company's capital or any Debentures issued by the Company. The Directors may also be paid such further remuneration as the Company in General Meeting may be Special Resolution from time to time determine and sanction and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and in default of such determination shall be divided among the Directors equally.	
	b The Board may allow and pay to any Director who is not a bonafide resident of Mumbai and who shall come to Mumbai for the purpose of attending a meeting of the Board or Committee thereof or for any business of the	

Article No.	Particulars	Subject
	Company such sum as the Board may consider fair and reasonable for his expenses including traveling expenses in connection with such visit, in addition to his fees for attending such meeting or work as specified above.	
124	The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company but for no other purpose.	Directors may act notwithstanding vacancy
PROCEEDINGS OF DIRECTORS		
125	The Director may meet together for the dispatch of business, adjourn and otherwise regulate their meeting and proceeding as they think fit. A meeting of the Board shall be held at least at least once in every three calendar months at such times and places as the Board may fix from time to time and at least four such meetings shall be held in a year. Notice of every meeting shall be given to every Director as provided in Section 286 of the Act.	Meeting of directors
126	The quorum for a meeting of the Board shall be one third of the total strength of the Board [any fraction contained in the one-third being rounded off as one] or two directors whichever is higher; provided that if at any meeting the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such time. The provision of Section 288 of the Act shall apply where a meeting is adjourned for want of quorum.	Quorum
127	A director may at any time and the secretary on the requisition of a director shall convene a meeting of the directors. The omission to give notice of any such meeting of the directors to a director, who is not in the place where the registered office of the company is situated, shall not invalidate any resolution passed at any such meeting.	When meetings to be convened
128	Questions arising at any meeting shall be decided by majority of votes, each director having one vote and in case of an equality of votes, the chairman of the meeting shall have a second or casting vote.	Casting vote
129	The directors may appoint a chairman of the board and determine the period for which he is to hold office as chairman. The directors may also appoint a deputy chairman of the board who shall preside at meetings of the directors at which the chairman is not present.	Appointment of chairman of the board
130	All meetings of the board shall be presided over by the chairman but if at any meeting of directors, the chairman is not present at the time appointed for holding the same, the deputy chairman, if present shall preside and if he is also not present at such time then and in that case, the directors shall choose one of the directors then present to preside at the meeting.	Person to preside at meeting in absence of chairman
131	A meeting of the directors for time being at which a quorum is present as aforesaid shall be competent to exercise all or any of the authority, power and discretion by or under the act or the regulations of the company for the time being vested in or exercisable by the directors generally.	
132	Subject to the provision of the act, the board may delegate any of its power to committees consisting of one or more member or members of its body as it	Sub – committee of the board

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		thinks fit, and it may from time to time revoke and discharge any such committee, either wholly or in part and either as to person or purposes. Every committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the board. All acts done by any such committee in conformity with such regulations and fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the board.	
133		A committee consisting of two and more members may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present at the time appointed for holding the meeting, the members present may choose one of their number to be chairman of the meeting. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairman shall have a second or casting vote.	Chairman of committee
134		Except in cases provided in section 292 of the act a resolution shall be deemed to have been duly passed by the board or by a committee thereof by circulation, provided the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the committee then in India (not being less in number than the quorum fixed for a meeting of the board or committee as the case may be) and to all other directors at their usual address in India, and has been approved by such of the directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.	Circular resolution of the board
135		Acts done by any meeting of the board or of a committee thereof or by any person acting as a director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such directors or of any other person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. Provided that no act done by a director after his appointment has been shown to the company to be invalid or to terminate shall be valid.	Acts of board or committee valid
136		The Board shall cause minutes of all its meetings and those of its sub-committee to be duly entered as required by section 193 of the act. The provisions of section 194 and 195 of the act shall apply to such minutes.	Minutes of proceedings of the meetings of directors and committees to be kept
137	1	Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board.	'Disclosure of interest of Directors.'
	2	a	In the case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not, at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

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	b In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.	
3	a For the purposes of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.	
	b Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time, by a fresh notice in the last month of the financial year in which it would otherwise have expire.	
	c No such general notice and no renewal thereof shall be effective unless either it is given at a meeting of the Board; or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.	
4	Nothing in this article shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contracts or arrangements with the company.	
5	Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company or in the Company.	
138	1 No Director of the Company shall, as Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void.	Interested director not to participate or vote in board's proceedings
	2 Sub-clause (1) shall not apply to:	
	a Any contract of indemnity against any loss which the director or anyone or more of them may suffer by reason of becoming or being sureties or surety for the Company;	
	b Any contract or arrangement entered into or to be entered into with the public company or a private company which is a subsidiary, in which the interest of the director aforesaid consists solely	
	i) in his being a director of such company and the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, he having been nominated as such director by this company, or,	

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	ii) in his being a member holding not more than two percent of the paid up capital.	
POWERS OF DIRECTORS		
139	Subject to the provisions of the Act the Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required by the act or any other act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in general meeting; provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in any other act or in the Memorandum and these Articles or in any regulations not inconsistent therewith and duly made there under, including regulations made by the Company in general meeting. No regulations made by the Company in general meeting shall invalidate any prior act of the Board, which would have been valid, if that regulation had not been made.	Powers of directors
140	Without prejudice to the general powers conferred by the preceding article and so as not in any to limit or restrict those powers and without prejudice to the other powers conferred by these presents, but subject nevertheless to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers, that is to say	Express powers of the board
1	To pay the costs, charges and expenses incurred preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
2	To purchase or otherwise acquire for the company any property, right or privileges which the company requires at such prices and on such terms and conditions as they think fit.	
3	To make loans to and enter into agreements with prospective customers of the company or persons likely to do business or deal with the company.	
4	To make loans generally with a view to gainfully employ the funds of the company and to give guarantees and provide securities as and when considered to be in the interest of the company.	
5	To consent to entering into contracts or deeds with a director of the company, or his relatives, a firm in which such a director or relative is a partner or any other partner in such a firm or a private company of which the director is a member or director, as may be permissible under the law and which may be beneficial to the company.	
6	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provision of sections 76 and 208 of the Act and the provisions contained in these presents.	
7	To purchase or otherwise acquire or take on lease for the company any property, rights or privileges which the company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as it may think fit and in any such purchase or other acquisition to accept such title of as the board may believe or may be advised, to be reasonably satisfactory, also to mortgage, sell or let the same or any other property of the company on such terms as it may think proper.	

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8	At their discretion to pay for any property rights or privileges, acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures, mortgages, or other securities of the company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged,	
9	To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of building, machinery, goods, stores, produce and other moveable property of the company either separately or jointly, also to insure all or any portion of goods, produce, machinery and other articles imported or exported by the company, and to sell, assign surrender or discontinue any policies of assurance effected in pursuance of this power.	
10	To open accounts with any bankers or bankers, or with an company, firm or individual and to pay money into draw money from any such amount from time to time as the board may think fit.	
11	To attach to any shares issued or to be issued as the consideration or part of the consideration for any contract with or property acquired by the company, or in payment for services rendered to the company, such conditions as to the transfer thereof as they think fit	
12	To accept from any member so far as may be permissible by law a surrender of his shares or stock or any part thereof, on such terms and conditions as shall be agreed.	
13	To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company, and to refer any difference to arbitration and observe and perform any award made thereon.	
14	To act on behalf of the company in all matters relating to bankruptcy and insolvency.	
15	To make and give receipts releases and other discharges for money payable to the Company and for the claims and demands of the Company.	
16	To invest and deal with any money of the company whether or not immediately required for the purpose thereof, upon such securities or without security, and in such manner as they may think fit and from time to time vary or realize such investments.	
17	Subject to the provisions of the act, to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability whether as principal or surety, for the benefit of the Company such mortgages of the Company's property (present and future) as it thinks fit and any such mortgages may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.	
18	To determine from time to time who shall be entitled to sign on the	

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	Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.	
19	Within the limits provided by the act or any other law to provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreation, hospitals and dispensaries, medical and other attendance or assistance as the Board shall think fit.	
20	Within the limits provided by the act, to subscribe or contribute or otherwise to assist or to guarantee money for any charitable, benevolent, religious, scientific, national, public, political or any other useful institutions, objects or purpose or for any exhibition, or to any institution, club, society or fund.	
21	Before recommending and dividend, to set aside out of the profits of the Company, such sums as they may think proper to depreciation fund or to an insurance fund or as a reserve fund or any special fund to meet contingencies to repay debentures or debenture-stock or special dividends or redeemable preference share or for equalizing dividends or for repairing, improving extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in clauses 19 and 20) as the Directors may, in their absolute discretion think conducive to the interest of the Company, with power from time to time to transfer money standing to the credit of one part thereof to the credit of any other fund and to invest the several sums so set aside or so much thereof as required to be invested upon such investments as they think fit and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefits of the Company, in such manner and for such purposes as the Board in their absolute discretion thinks conducive to the interests of the Company, notwithstanding that the matters to which the Board may apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to reserve fund into such special funds as the Board may think fit, and to employ the assets constituting all or any of the above funds for any purpose of the Company and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rates as the Board may think proper.	
22	To appoint and at their discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and servants, form permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, emoluments and to require security in such instances and to such amounts as it may think fit. And from time to time provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they deem fit and the provisions contained in the three next following sub-clauses 23, 24 and 25 shall be without prejudice to the general powers conferred by this sub-clause.	

Article No.		Particulars	Subject
	23	To comply with requirements of any local law which in their opinion it shall in the interest of the company, be necessary or expedient to comply with.	
	24	From time to time and at any time to establish any local board for managing any of the affairs of the company in any specified locality in India or elsewhere and to appoint any person to be members of such local boards and to fix their remuneration. And from time to time and at any time (subject to the provision of section 292 of the act) to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the directors and to authorise the members for the time being of any local board or any of them, to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms, and subject to such conditions as the board may think fit, and the board may at any time remove any persons so appointed, and may annul or vary any such delegation.	
	25	At any time and from time to time, by power of attorney under the seal of the company, to appoint any person or persons to be the attorneys for the company, for such purposes and with such powers, authorities and discretions (not exceeding those vested or exercisable by the directors under these presents) and for such period and subject to such conditions as the board may from time to time think fit, and any such appointment may (if the board think fit) be made in favour of the members of the local board, established as foresaid or in favour of any company, or the shareholders, directors, nominees or managers of any company, or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the board may think fit, and may contain powers enabling any such delegates or attorneys aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.	
	26	Subject to the provisions of the act, for and in relation to any of the matters or otherwise for the purpose of the company to enter into all such negotiations and contracts including underwriting contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient.	
141		The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. The dividend declared by the Company, shall be paid or the warrant in respect thereof shall be posted, within the time prescribed by the law but not later than 42 days from the date of the declaration.	The Company in General Meeting may declare a dividend.'
142	1	The Board may, before recommending and dividend, set aside out of the profits of the Company such sums as it think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provisions for meeting contingencies or for equalizing dividends, and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Board may, from time to time think fit.	'Setting apart fund before declaration.'
	2	The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve.	

Article No.		Particulars	Subject
143		No dividends shall be declared or paid for any financial year except out of profits of the Company for that year arrived at as provided in Section 205 of the Act, or out of the profits of the Company for any previous financial year or years arrived at as provided by the said Section, or out of both. No dividend shall carry interest as against the Company. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive	‘Dividends only to be paid out of profits.’
144		The Board may, from time to time pay to the members such interim dividend as appears to it, to be justified by the profits of the Company.	‘Interim Dividend’
145	1	Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid. In respect of shares where calls are unpaid and in arrears the dividend payable thereon shall stand reduced proportionately.	‘Dividends in proportion to amount paid up.’
	2	No amount paid or credited as paid on a share in advance of call shall be treated for the purpose of this regulation as paid on the shares; nor shall it in respect thereof confer a right to dividend or to participate in profits.	‘Capital paid up advance not to earn dividend.’
	3	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms, providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.	
146	1	The Board may retain the dividends payable on the shares in respect of which any person is, under Article 61 entitled to become a Member, or which any person under that Article is entitled to transfer the shares, until such person shall become a member in respect of such shares or shall duly transfer the same.	‘Retention of dividends until completion of transfer.’
	2	No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct from any dividend payable to any member all sums of money presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	‘No member to receive dividend whilst indebted to the Company.’
147		A transfer of shares shall not confer the right to any dividend declared thereon and before the registration of the transfer by the Company.	‘Transfer of shares must be registered.’
148		Unless otherwise provided in accordance with Section 205 of the Act.	‘Dividends how remitted.’
	1	Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant, or electronic mode or by a pay-slip or receipt having the force of a cheque, sent through the post or courier directed to the registered address of the holders; or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or the such person or to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	

Article No.	Particulars	Subject
2	Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.	
3	The Company shall not be liable or responsible for any cheque warrant, pay-slip, or receipt lost in transit or for any dividend lost to member or person entitled thereto, by the forged endorsement of any cheque or warrant, or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend or other moneys by any other means.	
149	Notice of any dividend whether interim or otherwise that may have been declared shall be given to the person entitled to share therein in the manner mentioned in these articles. All unclaimed dividends will be dealt as per the provisions of Section 205 of the Act.	
150	No dividend shall be payable except in cash:	How dividend to be paid
	Provided that nothing in this Article shall be deemed to prohibit the capitalisation of profits or reserves of the company for the purpose of issuing fully paid – up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.	
151	Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each members shall not exceed the dividend payable to him and so that the call may be made payable at the time as dividend; and the dividend may if so decided may if so decided at that meeting be set off against the call.	Dividend and call together
152	1 The company in general meeting may, upon recommendation of the board, resolve:	Capitalisation
a	That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; or any part of the amount standing to the credit of any capital reserve or any other reserve not created out of profits earned by the company; and	
b	That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereof, if distributed by way of dividend and in the same proportions.	
2	The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in clause (3), either in or towards:	
i	Paying up any amounts for the time being unpaid on any shares held by such members respectively;	
ii	Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid upto and amongst such members in the proportions aforesaid; or	
iii	Partly in the way specified in the sub-clause (i) and partly in that specified in sub-clause (ii)	

Article No.	Particulars	Subject
3	A share premium account and a capital redemption reserve account may, for the purpose of this article only be applied in the paying up of unissued shares to be issued to members of the company as fully paid –up bonus shares.	
4	The board shall give effect to the resolution passed by the company in pursuance of this article.	
153	1	Power of the board
	a	Whenever a resolution as mentioned in the preceding articles shall have been passed, the board shall; Make all appropriation and applications of the reserves and/or undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares and,
	b	Generally do all acts and thing required to give effect thereto.
	2	The board shall have full power:
	a	To make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and also
	b	To authorise any person to enter, on behalf of all members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the amounts resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.
	3	Any agreement made under such authority shall be effective and binding on all the members.

ACCOUNTS

154		The Company shall cause to be kept proper books of account with respect to:	Proper books of accounts to be maintained
	a	all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;	
	b	all sales and purchases of goods by the Company; and	
	c	the assets and liabilities of the Company.	
		The books of account shall be open to inspection by any director during business hours. The books of account relating to transaction effected at a branch office may subject to the provision of the act be kept at that branch Office. The books of account relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.	
155		The Board of Directors shall from time to time determine whether and to what extent and at what times and place and under what conditions or	As to inspection of accounts by

Article No.	Particulars	Subject
	regulations the accounts and books of the company, or any of them, shall be open for inspection of members not being directors. No members (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the board or by the company in general meeting.	members
156	At every annual general meeting the board shall lay before the company:	Statement of account to be furnished to general meeting
1	A balance sheet prepared in the manner as prescribed by the act, made up as on the date of the close of the preceding financial year which date shall not precede the day of the meeting by more than six months (except where extension of time hold the annual general meeting has been granted under section 166 of the act)	
2	A profit and loss account for the financial year referred to above	
157	Every such balance sheet shall be accompanied by a report of the board inter alia, with respect to:	Director's report under section 217 of the act.
1	The state of the company's affairs	
2	The amounts, if any, which it proposes to carry to any reserve, depreciation, insurance or any other special fund according to the provisions in that behalf, in these articles contained, in such balance sheet,	
3	The amount, if any, which it recommends should be paid by way of dividend;	
4	Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report.	
	The report and addition thereto, shall be signed by the chairman if he is authorised in that behalf by the board, and when he is not so authorised, or is not available to sign, shall be signed by any two directors of the company one of whom shall be a managing director who may be authorised by the board.	
158	Every balance sheet and every profit and loss account subject to the provisions of the act, be signed on behalf of the board of directors by the secretary, if any, and by not less than two directors of the company one of whom shall be a managing director where there is one, provided that when there is only one director present in India at the time, the profit and loss account and the balance sheet be signed by such director, but in such a case there shall be sub-joined to the profit and loss account and the balance sheet a statement signed by such director explaining the reason for non-compliance with the aforesaid provision requiring the signature of two directors. The profit and loss account shall be annexed to the balance sheet and the board shall approve both before they are signed. The profit and loss account and balance sheet after being approved by the board be submitted to the auditors	Signing of profit and loss account and balance sheet

Article No.	Particulars	Subject
	for their audit and report thereon. The auditor's report including the auditor's separate, special or supplementary report (if any), shall be read before the company in general meeting and shall be open to inspection by any member.	
159	A copy of every such profit and loss account and balance sheet (including the auditor's report and every other document required by law to be annexed or attached to the balance sheet) shall at least twenty-one days before the date of the meeting at which the same are to be laid before the members, be sent to the members of the company, to every trustee for holders of debentures issued by the company, whether such member or trustee is or is not entitled to have notices of general meetings of the company sent to him and to all persons so entitled. Provided that the company shall not be required to send the aforesaid documents if the said documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents, in the prescribed form, is sent to every member of the company and to every trustee for the holders of the debentures issued by the company not less than twenty-one days before the date of the meeting.	A copy of profit and loss account, balance sheet etc. shall be sent to each member and debenture trustee

AUDIT

160	Once at least in every year the accounts of the Company (including branch offices if any) shall be balanced and audited and the correctness of the profit and loss account and balance sheet ascertained by an auditor or auditors. The accounts of the branch office (if any) of the company shall be audited as provided in section 228 of the act, unless exempted under the companies (branch audit exemption) rules, 1961, or other rules for the time being in force.	Accounts to be audited
161	The company shall at each annual general meeting appoint/reappoint an auditor.	Appointment and qualification of auditors
	The company shall at each annual general meeting appoint/reappoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall within seven days of the appointment, give intimation thereof to every auditor so appointed. The appointment, remuneration, rights and duties of the auditor or auditors shall be regulated by section 224 to 227 of the act. The following provisions shall have effect, that is to say:	
1	If the appointment of an auditor or auditors is not made at an annual general meeting, the company shall notify the fact to the central government or such other official as may be authorised in this behalf, within seven days, thereafter, the central government may then appoint an auditor to fill the vacancy.	
2	The board may fill up any casual vacancy in the office of an auditor. An auditor so appointed shall hold office until the conclusion of the next annual general meeting. While any such vacancy continues, the remaining auditor or auditors (if any) may act; provided that where such vacancy is caused by the resignation of an auditor, the company in general meeting shall only fill the vacancy.	
3	In appointing an auditor, the company shall have regard to section 266 of the act. If an auditor becomes subject after his appointment, to any of the disqualification specified in section 226 of the act, he shall be deemed to	

Article No.		Particulars	Subject
		have vacated his office as such.	
	4	In the case of proposal to appoint as auditor, a person other than a retiring auditor, or a proposal that a retiring auditor shall not be re-appointed, the provisions of sections 225 of the act shall be complied with.	
162		The remuneration of the auditors shall be fixed by the company in general meeting, or in such manner as the company in general meeting may determine, except that the remuneration of the first auditors or any auditors appointed to fill any causal vacancy, may be fixed by the board	Remuneration of auditors
163		Every auditor of the company shall have right of access at all times to the books and accounts and vouchers of the company whether kept at the registered office of the company or elsewhere, and shall be entitled to require from the directors and officers of the company such information and explanations as the auditor may think necessary for the performance of his duties as auditor. The auditor shall make report to the members as required by section 227 of the act.	Company's books etc, shall always be open to the auditors
164		The auditor's report including auditors special or supplementary report, if any, shall be attached to the balance sheet and profit and loss account and there shall be inserted at the foot thereof a reference to the report and such report shall be read before the company in general meeting and shall be open to inspection by any member of the company.	Report to be attached to balance sheet
165		All notices of, and other communication relating to any general meeting of the company, which any member of the company is entitled to have sent to him, shall also be forwarded to the auditor of the company; and the auditor shall be entitled to attend, on any part of the business which concerns him as auditor.	Auditors to receive notice of certain meeting
166		Every account, which is audited and approved by a general meeting, shall be conclusive except as regards any error discovered therein within three months next after approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and henceforth shall be conclusive.	Accounts when audited and approved to be conclusive excepts as to errors discovered within three months
167	1	Contract on behalf of the company may be made as follows:	Forms of contracts
		a A contract which, if made between private persons, would by law be required to be in writing signed by the parties to be charged therewith, may be made on behalf of the company in writing signed by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.	
		b A contract which, if made between private persons, would by law be valid although made by parol only and not reduced into writing, may be made by parol on behalf of the company by any person acting under its authority, express or implied, and may in the same manner be varied or discharged.	
	2	A contract made according to this article shall bind the company.	

Article No.		Particulars	Subject
168		A bill of exchange, hundi or promissory note shall be deemed to have been made, accepted, made or endorsed on behalf of the company if drawn, accepted, made or endorsed in the name of, or on behalf or on account of the company by any person acting under its authority express or implied.	Bills of exchange and promissory notes
169		The board shall provide a common seal for the purpose of the company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The board shall provide for the safe custody of the seal. The seal shall not be affixed to any instrument except by the authority of a resolution of the board or a committee of the board authorised by it in that behalf.	Seal
170		Every deed or other instrument except a share certificate to which the seal of the company is required to be affixed shall be signed by person(s) authorised by the board of directors or a committee thereof by way of a resolution and/or by granting a specific power of attorney. Every share certificate to which the seal of the company is required to be affixed shall be signed by two directors by affixing his signature thereon by means of any machine, equipment other mechanical means such as engraving in metal or lithography, and countersigned by the secretary/ assistant secretary or other person(s) appointed by the board or committee thereof for the purpose.	Deed how executed
171	1	The company may, by writing under its common seal, empower any person, either generally or in respect of any specified matters, as its attorney, to execute deeds on its behalf in any place either in or outside India.	Execution of deed by attorney
	2	A deed signed by such an attorney on behalf of the company and under seal where sealing is required shall bind the company and have the same effect as if it were under its common seal.	
172	1	The company, if its objects require or comprise the transaction of business outside India may have for use in any territory, district or place not situated in India an official seal which shall be a facsimile of the common seal of the company with the addition on its face of the name of the territory, district or place where it is to be used.	Official seal for use outside India
	2	The company may by writing under its common seal authorise any person appointed for the purpose in the territory, district or place to affix the official seal to any deed or other document to which the company is a party in that territory, district or place.	
	3	The authority of any agent authorised under sub-clause (2) shall as between the company and any person, dealing with the agent continue for the period, if any, mentioned in the instrument conferring the authority, or if no period is there mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.	
	4	The person affixing any such official seal shall, by writing under his hand, certify on the deed or other document to which it is affixed.	
	5	A deed or other document to which the official seal is duly affixed shall bind the company as if it has been sealed with the common seal of the company.	

SERVICE OF DOCUMENTS

Article No.		Particulars	Subject
173		A document may be served on the company or an officer thereof by sending it to the company or officer at the registered office of the company by post under a certificate of posting or by registered post, or by leaving it all its registered office.	Service of documents on company.
174		A document may be served on the registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it at his office.	Service of documents on registrar
175	1	A document may be served by the company on any member thereof either personally, or by sending it by post or by courier to him to his registered address or if he has no registered address in India, to the address, if any within India supplied by him to the company for the giving of notices to him.	Service of document on members
	2	Where a document is sent by post or courier:	
	a	Service thereof shall be deemed to be effected by properly addressing, prepaying and posting or couriering a letter containing the document, provided that where a member has intimated to the company in advance that document should be sent to him under a certificate of posting or by registered post or by courier with or without acknowledgement due and deposited with the company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member: and	
	b	Such service shall be deemed to a have been effected :	
		i) in the case of as notice of a meeting, at the expiration of forty-eight hours after the letter containing the same is posted or couriered, and	
		ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.	
	3	A document advertised in a newspaper circulating the neighboring of the registered office of the company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the company of the company who has no registered address in India and has not supplied to the company an address within India for the giving of notice to him.	
	4	The company on the joint holders of a share may serve a document by serving it on the joint holder named first in the registered in respect of the share.	
	5	A document may be served by the company on the person entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in the prepaid letter addressed to him by name, or by the title of representatives of the deceased, or assigned of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.	
176		Every person who by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which previously to his name and address being entered on the register, shall have been duly given to the person from whom he derives his title to such share and is registered.	Members bound by notice given to previous holders.

Article No.	Particulars		Subject
177		Any notice to be given by the company may be signed by the managing director, the secretary or other authorised officer of the company, and the signature thereto may be written, printed or lithographed.	Notice by company and signature there to.
AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS			
178		Save as otherwise expressly provided in the act, a document or proceeding requiring authentication by the company may be signed by a director, the managing director, the secretary or other authorised officer of the company, and need not be under its common seal.	Authentication of documents and proceedings.
179		Notice of every general meeting of the company shall be given in the manner authorised by article 175 to :	To whom notices must be given.
	a	Every member of the company.	
	b	The persons entitled to a share in consequence of the death or insolvency of a member.	
	c	Auditor or auditors for the time being of the company.	
180		Subject to the provisions of the act, no member shall be entitled to visit or inspect any works of the company without the permission of the board or managing director or to require discovery of any information respecting any detail of the company's trading or customers or any matter which is or may being in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the company and which in the opinion of the board, it would be in expedient in the interest of the company	Secrecy
RECONSTRUCTION			
181		On any sale of the undertaking of the company, the board or the liquidators on a winding up may, if authorised by a special resolution accept fully paid or partly paid up share, debentures, or securities of any other company, whether Indian or foreign, either then existing or to be formed for the purchase in whole or in part of the property of the company and the board (if the profits of the company permit) or the liquidators (on a winding up) may distribute such shares or securities or any other property of the company amongst the members without realization or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or their securities benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by valuation or distribution so authorised and waive all rights in relation thereto.	Distribution of assets
WINDING UP			
182	1	If the company shall be wound up, the liquidator may, with the sanction of the special resolution of the company and any other sanction required by the act, divide amongst the members in specie or kind, the whole or part of the assets of the company, whether they shall consist of property of the same	Winding up

Article No.	Particulars	Subject
	kind or not.	
2	For purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determined how such division shall be carried out as between the members or different classes of members.	
3	The liquidator may with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	

INDEMINITY

183	Every officer and auditor for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 633 in which relief is granted to him by the court.	
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SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Bid/Issue Opening Date until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Memorandum of Understanding dated August 27, 2012 between our Company and the BRLM.
2. Memorandum of Understanding dated October 10, 2012 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the BRLM, Escrow Collection Bank(s), Refund Bank and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, the BRLM and the Syndicate Member(s).
5. Underwriting agreement dated [●] between our Company and the BRLM and the Syndicate Member(s).

B. Material Documents

1. Certified copies of the Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation of our Company.
3. Resolutions of the Board of Directors dated September 28, 2012, in relation to this Issue and other related matters.
4. Shareholders' resolution dated September 29, 2012, in relation to this Issue and other related matters.
5. Consent from the Auditors for inclusion of their reports on the restated accounts in this Red Herring Prospectus.
6. Auditor's report for Restated Financials dated February 03, 2014 included in this Red Herring Prospectus.
7. The Statement of Tax Benefits dated February 03, 2014 from our Statutory Auditors.
8. Consent of our Directors, BRLM, Legal Advisor to the Issue, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.
9. Consent from Mott MacDonald, the Lender's Independent Engineer appointment by the Lead Banker (Punjab National Bank Ltd.) to the Expansion Project of the Company, for inclusion of data from the Fifth Construction Monitoring Final Report dated September 25, 2012, prepared by them.
10. Extracts of the Fifth Construction Monitoring Report pertaining to disclosures made in this Red Herring Prospectus.
11. Due Diligence Certificate dated December 14, 2012 addressed to SEBI from the BRLM.
12. Tripartite Agreement dated November 26, 2012 between our Company, CDSL and the Registrar to the Issue.

13. Tripartite Agreement dated December 12, 2012 between our Company, NSDL and the Registrar to the Issue.
14. In-principle listing approvals dated February 05, 2013 and February 12, 2013 issued by BSE and NSE respectively.
15. IPO Grading Report dated February 14, 2014, by Credit Analysis & Research Ltd.
16. Observation Letter (ref. no. CFD/DIL/ISSUES/SK/PM/6155/2013) dated March 13, 2013, issued by SEBI.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, certify that all relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the guidelines issued by the GoI or the regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or the rules made or regulations issued there under, as the case may be. We hereby certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Rajesh Poddar

(Chairman & Managing Director)

Sanjay Bansal

(Whole-Time Director)

Biswanath Chakraborty

(Whole-Time Director)

Shruti Shah

(Non-Executive Independent Director)

Sujata Chattopadhyay

(Non-Executive Independent Director)

Sandhya Malhotra

(Non-Executive Independent Director)

Shobhana Sinkar

(Company Secretary and Compliance Officer)

Rishi Vyas

(Senior Vice President - Finance)

Date: February 25, 2014

Place: Mumbai

ANNEXURE A

TABLE 1: Disclosure of Price Information of Past Issues Handled By Aryaman Financial Services Limited

Sr. No.	Issue Name	Issue size (₹ in mn.)	Issue Price (₹)	Listing date	Opening price on listing date (₹)	Closing price on listing date (₹)	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Suyog Telematics Ltd.	45.30	25.00	22-Jan-2014	25.20	25.25	1.00%	21,337.67	25.20	20,513.85	25.00	20,363.37	25.50	20,700.75
2	Stellar Capital Services Ltd.	90.00	20.00	01-Nov-2013	20.10	19.10	(4.50)%	21,196.81	16.90	20,490.96	16.10	20,229.05	14.55	20,791.93
3	S R G Securities Finance Ltd.	50.16	20.00	29-Oct-2013	23.90	24.25	21.25%	20,929.01	20.50	20,666.15	20.10	20,850.74	20.00	20,534.91
4	Kushal Tradelink Ltd.	277.48	35.00	04-Sep-2013	35.00	35.08	0.23%	18,567.55	35.30	19,732.76	35.25	19,920.21	41.00	19,915.95
5	India Finsec Ltd.	60.00	10.00	11-Jun-2013	10.00	10.50	5.00%	19,143.00	9.55	18,774.24	10.00	19,577.39	10.00	19,676.06
6	SRG Housing Finance Ltd.	70.08	20.00	11-Sep-2012	20.30	20.30	1.50%	17,852.95	21.00	18,823.91	20.15	18,823.91	20.00	18,804.75
7	Jupiter Infomedia Ltd.	40.80	20.00	16-Aug-2012	22.00	22.05	10.25%	17,657.21	21.95	17,783.21	22.40	17,313.34	23.55	18,464.27
8	Sangam Advisors Ltd.	50.68	22.00	09-Aug-2012	22.10	22.00	0.00%	17,560.87	22.10	17,691.08	22.20	17,490.81	22.00	17,749.65
9	VKS Projects Ltd.	550.00	55.00	18-Jul-2012	55.80	55.05	0.09%	17,185.01	55.50	16,839.19	53.10	17,601.78	52.00	17,691.08
10	BCB Finance Ltd.	88.50	25.00	13-Mar-2012	27.00	25.70	2.80	17,813.62	25.27	17,361.74	25.35	17,478.15	25.00	17,332.62

TABLE 2: Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in mn.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 th calendar day from listing day			Nos. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2013-14#	5 [@]	522.94	-	-	1	-	-	4	-	1	-	-	-	2
2012-13	4*	711.56	-	-	-	-	-	3	-	-	1	-	-	1
2011-12	1 [^]	88.50	-	-	-	-	-	1	-	-	-	-	-	-

Details indicated in 2013-14 are for the IPOs completed as on date.

[@] As on the 30th Calendar day from the listing day, the price of India Finsec Limited and S R G Securities Finance Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

* As on the listing day, the price of Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount; As on the 30th Calendar day from the listing day, the price of SRG Housing Finance Ltd. and Sangam Advisors Ltd. is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

[^]As on the 30th Calendar day from the listing day, the price of BCB Finance Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount.

Note:

(a) In case the 10th, 20th and 30th calendar day from the date of listing is a holiday, or if the stock was not traded on the said calendar days from the date of listing, the share price and benchmark index is taken of the immediately preceding working day.

(b) BSE SENSEX has been considered as the benchmark index.

LOHA ISPAAT LIMITED

Grading

Particulars	Amount to be raised	Grading ¹	Remarks
IPO Grade	30,241,320 equity shares of face value of Rs.10 each	CARE IPO Grade 3 [Grade Three]	Assigned

Grading Rationale

The grading assigned to the proposed initial public offering (IPO) of Loha Ispaat Limited (LIL) factors in the long experience of the promoters in the steel and allied industry, successful execution of the expansion project and the resultant enhanced scale of operations. The grading also takes into account the large customer base alleviating the client concentration risk and the favourable prospects for Steel Service Centre (SSC) segment in India.

The grading is, however, tempered by the high working capital intensity associated with the business marked by long inventory holding period, susceptibility of profitability to variation in the prices of steel and financial risk profile marked by high gearing and moderate debt coverage indicators. Furthermore, CARE also takes into consideration the low profitability levels of LIL due to limited value-addition and increasing competition in the SSC segment.

Background

LIL was promoted in 1988 by Mr. Rajesh Poddar, a first generation entrepreneur having 28 years of experience in the steel industry. Mr. Rajesh Poddar entered the steel trading business in 1985 with a partnership firm M/s Pragati Enterprises (PE) and later incorporated Loha Ispaat Pvt. Ltd. (LIPL) in 1988, which acquired the business of PE in 1990. Later, LIL diversified into operating as an independent SSC by purchasing raw materials such as hot rolled coils and cold rolled coils from steel manufacturers, processing and transforming the same into various dimensions by decoiling/recoiling, slitting, shearing, gas cutting, pickling, oiling, etc, and marketing its customized products to the end-users. LIL commenced its processing business by commissioning slitting lines and Cut-to-Length (CTL) lines in 2001 and pickling line in Taloja in Navi Mumbai in 2004. Over the years, the company has expanded its capacity in phases by installing additional CTL and slitting lines. The company undertook expansion of its existing facilities at Ransai from 900,000 Metric Tonnes per annum (MTPA) to its present capacity of 2,181,900 MTPA. The total cost of expansion at Ransai plant (of 1,281,900 MTPA) was Rs.363.95 crore funded by debt of Rs.242.63 crore and equity of Rs.121.32 crore (debt-equity ratio of 2:1). The expansion project has completed and has achieved COD in phases. LIL also operates a Cold Rolling Mill (CRM) at Taloja with an installed capacity of 30,000 MTPA which was a part of the expansion undertaken in 2012.

Management

LIL is promoted by Mr Rajesh Poddar (Managing Director), a first generation entrepreneur having more than two decades of experience in the steel industry. Mr Poddar along with his family members entered the steel trading business in 1985 and established independent SSC in India. He is supported by Mr Biswanath Chakraborty, Director – Technical & Projects. Mr Chakraborty has over 38 years of experience in designing, constructing and commissioning of large scale projects. He has worked with Tata Steel Limited earlier and brings with himself extensive experience in the steel industry. The promoters have been consistently supporting the operations/financial requirements of the company. During FY13 (refers to the period April 1 to March 31), the promoters infused further equity of approximately Rs.48 crore towards part funding of the capacity expansion project.

Corporate Governance Practices

LIL has complied with the corporate governance code in accordance with Clause 49 of the listing agreement (as applicable) in relation to the appointment of independent directors to its board and constitution of the audit committee, remuneration committee and shareholders'/investor's grievance committee. As on December 31, 2013, the board has six directors, of which three are independent.

¹Complete definition of the grading assigned is available at www.careratings.com and in other CARE Publications

Operations and financials

Successful execution of the expansion project and the resultant enhanced scale of operation

LIL has enhanced its processing capacities in a phased manner gradually over the years from 480,000 Metric Tonne Per Annum (MTPA) as on FY08-end to 2,181,900 MTPA as on H1FY14 end. Consequently, the scale of operations has substantially enhanced with the production increasing from 682,205 MT during FY12 to 799,710 MT during FY13.

The recent capacity expansion at its existing SSC is aimed to process steel of higher dimensions to cater to the potential market demand. In addition, LIL has initiated backward integration by setting up a CRM facility of 30,000 MTPA at Talaja, which was a part of the capacity expansion plan. Thus, the capacity addition is expected to increase the revenues substantially. This will also result in higher inventory of larger processed steel grades, thereby increasing the buildup of current assets and current liabilities.

Large customer base alleviating revenue concentration risk

LIL has a well-diversified client base with more than 1,500 customers (including 500 recurring customers) due to the application of its products across diverse industries and regions. This significantly mitigates the client concentration risk and brings stability to its revenues. Furthermore, LIL has a wide marketing network across various states in the country, with a majority of the sales coming from 12 states at present. LIL has established two international subsidiaries, namely, Loha Ispaat Middle East FZC, Dubai and Loha Ispaat Hong Kong Limited, Hong Kong during FY10. The primary objective of setting up these companies is to source high grade HR/CR coils, sheets and plates from steel mills located abroad at competitive prices and to market LIL's products internationally.

Highly working capital intensive business marked by long inventory holding period

LIL purchases raw materials such as HR/CR coils from large Indian steel manufacturers and customizes them through various processes. LIL is required to keep sufficient inventory of steel resulting in high inventory period of about 70-90 days. This is because of the high lead time for procurement of steel from manufacturers as it takes 2-3 weeks for transportation of the ordered raw material from their manufacturing units. Also, LIL has no long-term contracts with either the suppliers/customers; as a result the company has to purchase its raw-material requirement on spot basis; thus it is exposed to the volatility in steel prices. The current assets being majorly financed by creditors and working capital limits, the average fund-based working capital utilization was high at 96% for the past 12 months ended October 31, 2013.

Improved operational performance though financial risk profile is marked by high leverage

The total operating income in FY13 grew at 17% on the back of enhanced capacity and also due to increased capacity utilisation from 76% in FY12 to 81% in FY13. The operating margins improved from 5.80% during FY12 to 6.92% during FY13 on account of economies of scale due to enhanced capacity while PAT margin also improved from 1.44% during FY12 to 2.05% in FY13. As a result, the interest coverage has improved marginally from 1.74 times during FY12 to 1.96 times during FY13.

Furthermore, due to largely debt funded capex, the capital structure of LIL has deteriorated in the past few years. The overall gearing stood at 1.55 times as on FY13-end as against 1.43 times as on FY12-end.

IPO issue details

The IPO proceeds are proposed to be utilized primarily to fund—

Utilization of proceeds	Amount (Rs. crore) to be funded by IPO
Working capital requirements at Khopoli and Talaja Plants	250
Expenditure for General Corporate Purposes	Remaining proceeds from IPO

- a) Fund working capital requirement for LIL's plants at Ransai and Talaja;
- b) Fund expenditure for general corporate purpose

Industry risk

The prospects of steel industry are strongly co-related to economic cycles. The demand for steel products is sensitive to the trends of particular industries, such as automotive, construction, infrastructure and consumer durables, which are the key consumers of steel products. These key user industries in turn depend on various macroeconomic factors, such as consumer confidence, employment rates, interest rates and inflation rates, etc, in the economies in which they sell their products. When downturns occur in these economies or sectors, the steel industry may witness decline in the demand.

The steel demand in India is expected to be impacted in the near term due to the slowing demand growth in various end-user industries. Furthermore, domestic steel prices have remained flat due to INR depreciation against the USD. Moreover, Indian steel players continue to face threat of higher steel imports from Free Trade Agreement (FTA) countries, namely, Japan and South Korea (FTA country players attract lower import duty), thereby putting pressure on the domestic steel industry.

However, the contribution of SSCs in India to the total Indian steel production is very low as compared with other countries where SSCs account to 15%-30% of the total steel production. Thus, there is huge untapped potential in this segment. It is estimated that SSCs will process approximately 25% of Indian steel output in the coming years as demand grows for smaller batches and shorter lead times.

Prospects

With the capacity expansion, the scale of operations of LIL is significantly expected to grow. However, considering the high debt and working capital borrowings of LIL, the financial leverage is expected to remain high in the medium term. The company's ability to mobilise the equity funds and reduce the financial leverage would be key credit monitorable.

Financial Performance

(Rs. Cr)

For the period ended / as at March 31,	2011	2012	2013
	(12m, A)	(12m, A)	(12m, A)
Working Results			
Net Sales	2083.58	2909.42	3403.38
Total Operating income	2085.3	2912.66	3410.77
PBILDT	132.25	168.93	236.19
Interest	52.01	96.85	120.65
Depreciation	5.95	6.78	10.43
PBT	74.67	65.3	105.19
PAT (after deferred tax)	52.25	41.98	70.05
Gross Cash Accruals	65.74	55.45	94.58
Financial Position			
Equity share capital	66.66	67.76	70.76
Net Worth	352.64	425.94	549.8
Total capital employed	698.76	1034.51	1400.07
Key Ratios			
Growth			
Growth in Total income (%)	36.87	39.68	17.1
Growth in PAT (after D.Tax) (%)	2.51	1.44	2.05
Profitability			
PBILDT/Total Op. income (%)	6.34	5.8	6.92
PAT (after deferred tax)/ Total income (%)	2.51	1.44	2.05
ROCE (%)	20.69	18.71	18.55
RONW (%)	16.98	10.78	14.36
EPS (Rs.)	7.84	6.20	9.90
Solvency			
Long-term Debt Equity ratio (times)	0.03	0.31	0.44
Overall gearing ratio (times)	0.98	1.43	1.55
Overall Gearing (Including Acceptances / Creditors on LC)	1.99	2.53	2.47
Interest coverage(times)	2.54	1.74	1.96
Term debt/Gross cash accruals(years)	0.36	2.37	2.6
Total debt/Gross cash accruals(years)	5.26	10.98	8.99

For the period ended / as at March 31,	2011	2012	2013
	(12m, A)	(12m, A)	(12m, A)
Liquidity			
Current ratio(times)	1.28	1.18	1.26
Quick ratio(times)	0.59	0.45	0.66
Turnover			
Average collection period (days)	51	49	59
Average creditors (days)	47	54	55
Average inventory (days)	76	81	81
Operating cycle (days)	80	75	86

A-Audited

(This follows our brief rational for entity published on 14 February, 2014)

DISCLAIMER

CARE's IPO grading is a onetime assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

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February 14, 2014

CARE ASSIGNS 'CARE IPO GRADE 3' TO THE PROPOSED INITIAL PUBLIC OFFERING OF LOHA ISPAAT LIMITED

Grading

Particulars	Amount to be raised	Grading ¹	Remarks
IPO Grade	30,241,320 equity shares of face value of Rs.10 each.	CARE IPO Grade 3 [Grade Three]	Assigned

Grading Rationale

The grading assigned to the proposed initial public offering (IPO) of Loha Ispaat Limited (LIL) factors in the long experience of the promoters in the steel and allied industry, successful execution of the expansion project and the resultant enhanced scale of operations. The grading also takes into account the large customer base alleviating the client concentration risk and the favourable prospects for Steel Service Centre (SSC) segment in India.

The grading is, however, tempered by the high working capital intensity associated with the business marked by long inventory holding period, susceptibility of profitability to variation in the prices of steel and financial risk profile marked by high gearing and moderate debt coverage indicators. Furthermore, CARE also takes into consideration the low profitability levels of LIL due to limited value-addition and increasing competition in the SSC segment.

Background

LIL was incorporated in 1988 by Mr Rajesh Poddar, by acquiring the running business of M/s Pragati Enterprises, which was engaged in the business of trading of steel. Later, LIL diversified into operating as an independent SSC by purchasing raw materials such as hot rolled coils and cold rolled coils from steel manufacturers and transforming the same into various dimensions. LIL currently has cutting and slitting lines of 2,181,900 MTPA at Ransai (Maharashtra) and Cold Rolling Mill of 30,000 MTPA at Taloja (Maharashtra).

As per the audited financials of FY13 (refers to the period April 1 to March 31), LIL reported a profit after tax (PAT) of Rs.70.05 crore on a total operating income (TOI) of Rs.3,410.77 crore as against a PAT of Rs.41.98 crore on a TOI of Rs.2,912.66 crore in FY12.

As per the unaudited financial results of H1FY14, LIL registered a PAT of Rs.34.53 crore on a TOI of Rs.1,955.20 crore as against a PAT of Rs.33.06 crore on a TOI of Rs.1,608.36 crore during H1FY13.

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¹Complete definition of the grading assigned is available at www.careratings.com and in other CARE Publications

Disclaimer

CARE's IPO grading is a onetime assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading

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