Preliminary Placement Document
Subject to Completion
Not for Circulation and Strictly Confidential
Serial Number: [●]

JTL INDUSTRIES LIMITED

Registered and Corporate Office: S.C.O. 18-19, Sector 28-C, Chandigarh 160002, India
Telephone: +91 172 4668 000; **E-mail:** contact@jtl.one; **Website:** www.jtl.one
Corporate Identity Number: L27106CH1991PLC011536; **Contact Person**: Amrender Kumar Yadav, Company Secretary & Compliance Officer

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. This Preliminary Placement Documents is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

*Our Company was incorporated as "Jagan Tubes Private Limited" on July 29, 1991, at Chandigarh as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Subsequently, it was converted to a public limited company and a fresh certificate of incorporation dated May 31, 1993 was issued by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Thereafter, the name of our Company was changed to "JTL Infra Limited" pursuant to a special resolution dated March 12, 2008 passed by our shareholders and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Punjab & Chandigarh ("**RoC**") dated April 4, 2008. The name of our Company was again changed to "JTL Industries Limited", pursuant to Rule 29 of the Companies (Incorporation) Rules. 2014 and a fresh certificate of incorporation dated October 10, 2022 was issued by the RoC. For further details, see "General Information" on page 258.*

Our Company is issuing up to [●] Equity Shares of face value of ₹ 2 each ("**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 30.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

The Equity Shares are listed on BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**"), and the Metropolitan Stock Exchange of India Limited ("**MSE**" and together with NSE and BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on July 16, 2024, was ₹ 226.60 and ₹ 226.86 per Equity Share, respectively. No transactions in Equity Shares of our Company currently take place on the MSE. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received by our Company from BSE, NSE and MSE on July 18, 2024, respectively. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

Except for this Preliminary Placement Document, the information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Manager (*as defined hereinafter*) and their respective affiliates or agents does not form part of this Preliminary Placement Document, and prospective investors should not rely on such information contained in, or available through, such websites for their investment in this Issue. A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (*as defined hereinafter*) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (*as defined hereinafter*). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Preliminary Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 45, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document and the Placement Document and the Confirmation of Allocation Note (*each as defined hereinafter*). For further details, see "*Issue Procedure*" on page 219. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. See "*Selling Restrictions*" on page 236 for information about eligible offerees for the Issue and "*Purchaser Representations and Transfer Restrictions*" on page 237 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Preliminary Placement Document is dated July 18, 2024.

BOOK RUNNING LEAD MANAGER

Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*)

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiary and the Equity Shares, which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiary and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiary. There are no other facts in relation to our Company, our Subsidiary and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company, our Subsidiary nor the Book Running Lead Manager have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*) (the "**Book Running Lead Manager**" **or** "**BRLM**") has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager and/or any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiary and the Equity Shares or its distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the Book Running Lead Manager or on any of its shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiary and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to this Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Manager or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Book Running Lead Manager that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 236.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiary, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the Book Running Lead Manager are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of Equity Shares should conduct their own due diligence on Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Neither our Company nor the BRLM is liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs (*as defined hereinafter*) are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations (*as defined hereinafter*) and the QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations (*as defined hereinafter*) and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz., www.jtl.one, any website directly or indirectly linked to the website of our Company or to the website of the Book Running Lead Manager or any of its respective affiliates or agents, other than this Preliminary Placement Document, does not and shall not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites in making an investment decision in relation to the Equity Shares.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" in this section is to the Bidders in this Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 236 and 237, respectively, and have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiary which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (*as defined hereinafter*) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets;

- You are aware that in terms of the FEMA Rules, the total holding by each FPI (*as defined hereinafter*) including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI (*as defined hereinafter*), subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations (*as defined hereinafter*). Since FVCIs (*as defined hereinafter*) are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 236 and 237, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each of which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy (*as defined hereinafter*) and press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the Book Running Lead Manager. The Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of all the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) you confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

- You are outside the United States and are subscribing for the Equity Shares in an "*offshore transaction*" as defined in Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the section "*Selling Restrictions*" on page 236;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association (*as defined hereinafter*) and Articles of Association (*as defined hereinafter*) and will be credited as fully paid-up and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. Neither our Company nor the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of such Equity Shares shall be at the discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager;

- You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 45;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of us and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company, the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our 'Promoters', or 'Promoter Group' (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board (as defined hereinafter), other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;

- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid / Issue Closing Date (*as defined hereinafter*);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, undertaken to use reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the Book Running Lead Manager nor any person acting on its behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any other person, and the Book Running Lead Manager or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Book Running Lead Manager and its respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 236 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 236;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 237 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 237;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the Book Running Lead Manager and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;

- You represent that you are not an affiliate of our Company or the Book Running Lead Manager or a person acting on behalf of such affiliate. However, affiliates of the Book Running Lead Manager, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 9;

- Our Company, the Book Running Lead Manager, their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the Book Running Lead Manager, who are registered as Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**Offshore Derivative Instruments**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit such regulatory fee with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments position held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative Instruments that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the Book Running Lead Manager and do not constitute any obligations of or claims on the Book Running Lead Manager.

Prospective investors interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any such Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore Derivative Instruments, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

(2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Subsidiary, the Promoters of our Company, our management or any scheme or project of our Company;

and it should not, for any reason, be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription / acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)', 'bidder' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue and references to 'our Company', 'Company', 'the Company' and the 'Issuer', are to JTL Industries Limited and references to 'we', 'us' or 'our' are to our Company together with our Subsidiary, on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America. All references herein to 'India' are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state governments, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

All the numbers in this Preliminary Placement Document have been presented in lakhs or crores, unless stated otherwise. Where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Preliminary Placement Document expressed in such denominations as provided in their respective sources. However, our Financial Statements are presented in ₹ lakhs.

Except as otherwise set out in this Preliminary Placement Document, all figures set out in this Preliminary Placement Document have been rounded off to the nearest whole number. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Financial data and other information

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. The financial statements for Fiscal 2023 included as comparatives in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 has been regrouped to give a fair presentation in line with schedule III of the Companies Act, 2013. Further, the financial statements for Fiscal 2022 were restated consequent to the Scheme of Amalgamation, hence any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024 is derived from the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and the financial information for Fiscals 2023 and 2022 included herein is derived from the comparatives included in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023, respectively. Further, all financial information for the three months ended June 30, 2024, and June 30, 2023 included in this Preliminary Placement Document is from the Unaudited Consolidated Financial Results for the three months ended June 30, 2024. For further information, see "*Financial Statements*" on page 260.

Our Company prepares its financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting standards or principles. Any reliance by persons not familiar with Indian accounting standards on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. Please see *"Risk Factors – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition"* on page 64.

The information on our Company's website shall not form a part of this Preliminary Placement Document.

Non-GAAP financial measures

We have included certain non-GAAP financial measures relating to our operations and financial performance (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") such as, EBITDA, EBITDA Margin, Net Worth, Return on Net Worth, Net Profit Margin, Debt- Equity Ratio, and Operating Profit Margin in this Preliminary Placement Document. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the refractory businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Preliminary Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" and "*Risk Factors – We have in this Preliminary Placement Document included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies"* on pages 260 and 63, respectively.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. The statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 124.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Industry Research Report on Steel Products*" dated July 16, 2024 (the "**CARE Report**"), which is a report commissioned and paid for by our Company and prepared and issued by CARE Analytics and Advisory Private Limited (*CareEdge Research*) pursuant to an engagement letter dated January 12, 2024, in connection with the Issue.

The CARE Report contains the following disclaimer:

"This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure veracity and adequacy of the information while developing this report based on information available in CareEdge Research's proprietary database, and other sources including the information in public domain, considered by CareEdge Research as reliable after exercise of reasonable care and diligence. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research at the time of issuance of this report; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research. CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so."

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 63.

Further, the calculation of certain statistical and/or financial information / ratios specified in the sections titled "*Our Business*", "*Risk Factors*" and "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" on pages 185, 45 and 94, respectively, and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CARE Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Manager can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute '*forward-looking statements*'. Investors can generally identify forward-looking statements by terminology such as '*aim*', '*anticipate*', '*believe*', '*continue*', '*can*', '*could*', '*estimate*', '*expect*', '*intend*', '*may*', '*objective*', '*plan*', '*potential*', '*project*', '*pursue*', '*shall*', '*should*', '*will*', '*would*', '*will likely result*', '*is likely*', '*are likely*', '*believe*', '*expect*', '*expected to*', '*will continue*', '*will achieve*', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects and growth of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions and liquidity of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. As a result, actual future gains or losses could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others, the following:

1. A certain amount of our revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.
2. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.
3. Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as billets, HR Coil, zinc may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay.
4. We do not have long-term agreements with our customers and suppliers which would have a material adverse effect on our business, results of operations and financial condition.
5. Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.
6. The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.
7. Our business may be adversely affected if we are unable to maintain and grow our brand image.
8. The steel industry is characterized by volatility in the prices of raw materials and energy which could adversely affect our profitability.
9. We derive a portion of our revenues from exports to a limited number of markets such as Germany, Belgium, Greece, West Indies and UAE and any adverse developments in these markets or inability to enter into new markets could adversely affect our business.
10. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 45, 94, 124 and 185, respectively.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although, we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the Book Running Lead Manager nor any of its affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiary could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company limited by shares incorporated under the laws of India. All of our Directors, Key Managerial Personnel and Senior Management Personnel of our Company are residents of India and all of the assets of our Company and of such persons are located in India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and Section 44A, respectively, of the Civil Procedure Code, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards (even if such an award is enforceable as a decree or judgement).

A total of 11 territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code by the Government of India, comprising United Kingdom, Aden, Fiji, Republic of Singapore, Federation of Malaysia, Trinidad and Tobago, New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa, Hong Kong, Papua and New Guinea, Bangladesh and United Arab Emirates. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD), for the years / periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmarks India Limited ("**FBIL**"), which are available on the website of the RBI and FBIL, respectively. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

US Dollar

On July 16, 2024, the exchange rate was ₹ 83.58 to USD 1.

(₹ per USD)

	Period end(1)	Average(2)	High(3)	Low(4)
Month ended*				
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.40	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
Fiscal ended*				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48

(Source: www.fbil.org.in and www.rbi.org.in)

Notes:
(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Represents the average of the official rate for each Working Day of the relevant period;
(3) Maximum of the official rate for each Working Day of the relevant period; and
(4) Minimum of the official rate for each Working Day of the relevant period.
** In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been disclosed. The RBI / FBIL reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder unless specified otherwise in the context thereof. Further, any references to any statute, rules, guidelines, regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA (*as defined hereinafter*), the Depositories Act (*as defined hereinafter*), or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "*Taxation*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*", shall have the meaning given to such terms in such sections on pages 246, 124, 260 and 252, respectively.

General terms

Term	Description
"Issuer", or "our Company" or "the Company"	JTL Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered and corporate office at S.C.O. 18-19, Sector 28-C, Chandigarh 160 002, India
"we", "Group", "our Group", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary

Company related terms

Term	Description
Articles / Articles of Association / AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as disclosed in "*Board of Directors and Senior Management*" on page 204
Audited Consolidated Financial Statements	Collectively, the Audited Consolidated Financial Statements for Financial Year ended March 31, 2024, the Audited Consolidated Financial Statements for Financial Year ended March 31, 2023 and the Audited Consolidated Financial Statements for Financial Year ended March 31, 2022.
Audited Consolidated Financial Statements for Financial Year ended March 31, 2024	The audited consolidated financial statements of our Company as at and for the financial year ended March 31, 2024, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act along with the audit report thereon issued by our Statutory Auditors
Audited Consolidated Financial Statements for Financial Year ended March 31, 2023	The audited consolidated financial statements of our Company as at and for the financial year ended March 31, 2023, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act along with the audit report thereon issued by our Previous Statutory Auditors
Audited Consolidated Financial Statements for Financial Year ended March 31, 2022	The audited consolidated financial statements of our Company as at and for the financial year ended March 31, 2022, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act along with the audit report thereon issued by our Previous Statutory Auditors
Board of Directors / Board	The board of directors of our Company or any duly constituted committee thereof, as the context may require
Chairperson	The chairperson of the Board of our Company, Sukhdev Raj Sharma
Chief Financial Officer	The chief financial officer of our Company, Atul Garg
CARE Report	Report titled "*Industry Research Report on Steel Products*" dated July 16, 2024, which has been commissioned and paid for by our Company and prepared and issued by CARE Analytics and Advisory Private Limited (*CareEdge Research*) pursuant to an engagement letter dated January 12, 2024, in connection with the Issue

Term	Description
Company Secretary & Compliance Officer	The company secretary and compliance officer of our Company, Amrender Kumar Yadav
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, as disclosed in "*Board of Directors and Senior Management*" on page 204
Director(s)	The director(s) on the Board of our Company
Equity Share(s)	The equity shares of our Company, having a face value of ₹ 2 each
Executive Director(s)	The executive directors on the Board of our Company. For further details of the Executive Directors, see "*Board of Directors and Senior Management*" on page 204
Financial Statements	Collectively, the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results
Fund Raising Committee	The fund raising committee of our Board constituted for the purposes of this Issue
Independent Director(s)	Independent director(s) on the Board of our Company and eligible to be appointed as independent director(s) under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For further details of the Independent Directors, see "*Board of Directors and Senior Management*" on page 204
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in "*Board of Directors and Senior Management*" on page 204
Managing Director	The managing director of our Company, Madan Mohan
Materiality Policy	The Company's '*Policy for determination of material events or information*' framed in accordance with Regulation 30 of the SEBI Listing Regulations
MoA / Memorandum / Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 204
Non–Executive Director(s)	The non-executive directors of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 204
Non-Executive Non-Independent Director	The non-executive non-independent director of our Company, Mithan Lal Singla
Previous Statutory Auditors	The previous statutory auditors of our Company, namely Suresh K. Aggarwal & Co, Chartered Accountants
Promoters	The promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act, namely, Mithan Lal Singla, Madan Mohan, Rakesh Garg, and Rakesh Garg HUF
Promoter Group	The persons and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	The registered office and corporate office of our Company located at S.C.O. 18-19, Sector 28-C, Chandigarh 160002, India
Risk Management Committee	The risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 204
RoC / Registrar of Companies	The Registrar of Companies, Punjab and Chandigarh
Securities Issue and Allotment Committee	The securities issue and allotment committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 204
Senior Management Personnel	Member(s) of the senior management of our Company as disclosed in "*Board of Directors and Senior Management*" on page 204
Shareholder(s)	The holder(s) of the Equity Shares of our Company, from time to time, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 204
Statutory Auditors	Current statutory auditors of our Company, namely, N. Kumar Chhabra & Co., Chartered Accountants
Subsidiary	The wholly-owned subsidiary of our Company as of the date of this Preliminary Placement Document, namely JTL Tubes Limited
Unaudited Consolidated Financial Results	The limited review consolidated unaudited quarterly financial results of our Company as of and for the three months period ended June 30, 2024 and June 30, 2023, prepared in accordance with the principles laid down in the Indian Accounting Standard 34, "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares by our Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot / Allotment / Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottees	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid / Issue Closing Date	The date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount, being [●]
Bid / Issue Opening Date	The date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount, being July 18, 2024
Bid / Issue Period	Period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Book Running Lead Manager / BRLM	Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*)
CAN / Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about [●]
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an Eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.
Eligible FPI(s)	Foreign portfolio investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices), and including persons who have been registered under the SEBI FPI Regulations, that are eligible to participate in this Issue
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form
Escrow Agent	Axis Bank Limited
Escrow Agreement	The escrow agreement dated July 18, 2024 entered into amongst our Company, the Escrow Agent and the Book Running Lead Manager for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue.
Floor Price	The floor price of ₹ 221.57 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the shareholder's resolution passed through postal ballot concluded on January 18, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Issue	The offer, issue and Allotment of [●] Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Price	₹ [●] per Equity Share
Issue Size	The issue of up to [●] Equity Shares aggregating up to ₹ [●] lakhs
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated March 5, 2024 entered into by and amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the proceeds of the Issue
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	The placement agreement dated July 18, 2024 entered into between our Company and the Book Running Lead Manager
Placement Document	The placement document to be issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
Preliminary Placement Document	This preliminary placement document along with the Application Form dated July 18, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
QIBs or Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	July 18, 2024, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Technical, industry and other terms

Term	Description
ADR	Age Dependency Ratio is the ratio of dependents to the working age population
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
B2B	Business-to-business
B2C	Business-to-customer
CAGR	Compound Annual Growth Rate
Capacity utilization	Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facility as of at the end of the relevant period.
CBAM	Carbon Border Adjustment Mechanism
CCEA	Cabinet Committee on Economic Affairs
CGD	City Gas Distribution
CNG	Compressed Natural Gas
CPI	Consumer Price Index
CPSE	Central Public Sector Enterprise
DDP	Desert Development Programme
DFC	Dedicated Freight Corridor
DFT	Direct Forming Technology
DPAP	Drought Prone Area Programme
EBITDA	EBITDA is calculated as the sum of (i) profit before tax, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses
EBITDA Margin	EBIDTA Margin is calculated as EBITDA divided by Revenue from Operations

EBITDA/Tonne	EBITDA/Tonne is calculated as EBITDA divided by the total volume of sales
EIR	Effective Interest Rate
EPC	Engineering, Procurement and Construction
ERP	Enterprise Resource Planning
ERW	Electric Resistance Welding
EU	European Union
FAME	Faster Adoption and Manufacturing of Electric Vehicles scheme
GA	Geographical Area
GAIL	Gas Authority of India Limited
GFCF	Gross Fixed Capital Formation is a measure of the net increase in physical assets
GNDI	Gross National Disposable Income is a measure of the income available to the nation for final consumption and gross savings
GVA	Gross Value Added is the measure of the value of goods and services produced in an economy
HAM	Hybrid Annuity Model
HSS	Hollow Structural Sections
IGGL	Indradhanush Gas Grid Limited
IGX	Indian Gas Exchange
IIP	Index of Industrial Production is an index to track manufacturing activity in an economy
IMD	Indian Meteorological Department
IOCL	Indian Oil Corporation Limited
IMF	International Monetary Fund
ISA	International Solar Alliance
IWMP	Integrated Watershed Management Programme
JHBDP	Jagadishpur –Haldia –Bokaro- Dhamra Pipeline
JJM	Jal Jeevan Mission
JNNSM	Jawaharlal Nehru National Solar Mission
LAF	Liquidity Adjustment Facility
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act 2005
MNP	Mobile Number Portability
MNRE	Ministry of New and Renewable Energy
MoHFW	Ministry of Health and Family Welfare
MoSPI	Ministry of Statistics and Programme Implementation
MSF	Marginal Standing Facility
MTPA	Million Tonnes Per Annum
NIP	National Infrastructure Policy
NMP	National Monetization Pipeline
NPA	Non-performing Assets
NRL	Numaligarh Refinery Limited
NRP	National Rail Plan
NSP	National Steel Policy
NTKM	Net Tonne Kilometres
OCI	Other Comprehensive Income
OECD	Organisation for Economic Co-operation and Development
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
PAT Margin	PAT Margin is calculated as PAT divided by Revenue from Operations
PFCE	Private Final Consumption Expenditure is a measure of consumer spending
PLI	Production-linked Incentive
PMAY	Pradhan Mantri Awas Yojana
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojna
PM KUSUM	Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan
PNG	Piped Natural Gas
PNGRB	Petroleum and Natural Gas Regulatory Board
PPAC	Petroleum Planning and Analysis Cell
PPE	Property, Plant and Equipment
PPP	Purchasing Power Parity
PRI	Panchayat Raj Institutions
PV	Photo-voltaic

Peer Group	Key listed companies in the steel tubes and pipes segment, as provided in the CARE Report
Return on Assets	Return on Assets is calculated as PAT divided by Total Assets
Return on Capital Employed	Return on Capital Employed is calculated as Earnings Before Interests and Tax divided by Total Assets (excluding current liabilities)
Return on Equity	Return on Equity is calculated as PAT divided by total shareholder' fund.
Revenue/Tonne	Revenue/Tonne is calculated by dividing Revenue from Operations from the total volume of sales
RLB	Rural Local Bodies
RTS	Rooftop Solar Power
SAAP	State Annual Action Plan
SDF	Standing Deposit Facility
SKU	Stock Keeping Unit
UDAN	Ude Desh ka Aam Naagrik
VGF	Viability Gap Funding
Y-o-Y	Year-Over-Year

Conventional and General Terms / Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
BSE	BSE Limited
Calendar Year / CY / Year	Period of 12 months commencing from January 1 & ending on December 31
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CSR	Corporate social responsibility
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Competition Act	The Competition Act, 2002, as amended
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary general meeting
FDI	Foreign direct investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (formerly called the Department of Industrial Policy and Promotion) bearing file number 5(2)/2020-FDI Policy dated and with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, as amended and the regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
Financial year / Fiscal Year / FY / Fiscal	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI / Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India

Term	Description
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
Ind AS	Indian accounting standards converged with IFRS as specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended
IPC	Indian Penal Code, 1860
IT	Information technology
MSE	Metropolitan Stock Exchange of India Limited
MSME	Micro, Small and Medium Enterprises
NCLT	National Company Law Tribunal, GoI
NRI / Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PSU	Public sector undertaking
R&D	Research and development
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
Rs. / Rupees / INR / ₹	Indian Rupees, the legal currency of the Republic of India
ROCE	Return on capital employed
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Stock Exchanges / Indian Stock Exchanges	Collectively, BSE, NSE and MSE
STT	Securities transaction tax
U.S.$ / U.S. dollar / USD	United States Dollar, the legal currency of the United States
USA / U.S. / United States	United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
VCF	Venture capital fund

SUMMARY OF BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 45, 260 and 94, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. The financial statements for Fiscal 2023 included as comparatives in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, has been regrouped to give a fair presentation in line with schedule III of the Companies Act, 2013. Further, the financial statements for Fiscal 2022 were restated consequent to the Scheme of Amalgamation, hence any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024 is derived from the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and the financial information for Fiscals 2023 and 2022 included herein is derived from the comparatives included in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023, respectively. Further, all financial information for the three months ended June 30, 2024, and June 30, 2023 included in this Preliminary Placement Document is from the Unaudited Consolidated Financial Results for the three months ended June 30, 2024. For further information, see "Financial Statements" on page 260.

Our Audited Consolidated Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Consolidated Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

Further, unless otherwise indicated or the context otherwise requires, all information for the three months ended June 30, 2024, and June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2024 is on a consolidated basis. For further information, see "Financial Statements" on page 260.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to JTL Industries Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to JTL Industries Limited and its Subsidiary on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Industry Research Report on Steel Products" dated July 16, 2024 (the "**CARE Report**") prepared and released by CARE Analytics and Advisory Private Limited (CareEdge Research).*

Overview

We are a manufacturer of structural steel tubes and pipes, with more than 33 years of experience in the steel tubes and pipes segment. Initially, our business was primarily focused on the production of ERW steel pipes, which has now been expanded to include value-added products such as galvanized steel tubes and pipes, metal beam crash barriers and solar mounting structures. Our products are applied in various sectors, including irrigation and agriculture, construction, energy, infrastructure, real estate and railways (*Source: CARE Report*).

Our Company was incorporated in the year 1991. It got listed on the Over-The-Counter Exchange of India (OTCEI) in November 1995 and the Delhi Stock Exchange on August 9, 2010. It delisted from OTCEI and the Delhi Stock Exchange on October 3, 2012 and April 28, 2014, respectively. As of the date of this Preliminary Placement Document, the equity shares of our Company are listed on NSE, BSE and MSE with effect from June 12, 2023, July 31, 2012 and December 4, 2017, respectively. Our Company currently has one wholly owned subsidiary, JTL Tubes Limited, which was incorporated in 2022 and has not yet completely commenced its operations.

As part of our growth strategy, we have also recently acquired a controlling stake of 67% in M/s Nabha Steels and Metals. The newly acquired partnership firm is engaged in the manufacturing of a wide portfolio of steel products such as HR coils and long steel products like billets and has a plant situated in Mandi Gobindgarh with an aggregate installed capacity of 2,10,000 MTPA, as of June 30, 2024 ("**Nabha Plant**").

As on date of this Preliminary Placement Document, our Company currently operates five manufacturing facilities, including the Nabha Plant, with a combined installed metal capacity of 7,96,000 MTPA as of June 30, 2024. Our manufacturing facilities are strategically located in Punjab (Derabassi & Mandi Gobindgarh) as well as in Raigad, Maharashtra and Raipur, Chattisgarh near the major mineral belts of India, primary raw material sources, and ports, enabling cost effective production and logistics management.

Our Raipur plant was acquired pursuant to an amalgamation with Chetan Industries Limited, a promoter-held company, pursuant to which we gained a manufacturing capacity of 1,00,000 MTPA**.** The Raipur plant has undergone backward integration which has helped us achieve cost efficiencies due to improved proximity to raw materials. Similarly, our Nabha Plant is also backward integrated. The acquisition of Nabha Steels and Metals has enabled us to enhance our total backward integration capacity to 2,50,000 MTPA of HR coils, and thereby support the captive requirements of our existing manufacturing facilities, specifically our original plant located in Mandi Gobindgarh.

Our products are sold under the JTL brand. As of June 30, 2024, we have a product range of 978 SKUs. We maintain stringent quality standards and place a strong emphasis on the quality of our products. Our manufacturing facilities at Raigad, Maharashtra and Derabassi, Punjab have been certified in accordance with ISO 9001:2015, the international standard of quality management system, for the manufacturing, export and supply of ERW black pipes, galvanised pipes and hollow steel sections.

We also have an extensive distribution network of 820 dealers and distributors with a pan-India presence across 25 states and 3 union territories, as of June 30, 2024, enabling us to reach a wide geographical area and a larger number of customers and thereby increasing our market coverage.

We have an experienced leadership team. Our management team is led by our Promoters Madan Mohan, Mithan Lal Singla and Rakesh Garg who have several decades of experience in the steel industry and have been instrumental in the growth of our Company. Our Board of Directors and senior management team comprises professionals who come from diverse backgrounds with expertise in various fields such as finance, banking, production management, strategic planning, cost management, trade and commercial operations, industrial projects, engineering, and management affairs. Our Whole-time Directors Dhruv Singla, with a masters' degree in international management from Kings College, London; as well as Pranav Singla, with a a master's degree in project management, finance and risk from City College, University London, have played an instrumental role in the formulation and implementation of our growth and expansion strategies. We also have several professionals leading key aspects of our business including Narender Singh and Sonam KG, our plant heads, who oversee the operations of our manufacturing facilities, Atul Garg, our Chief Financial Officer and Amrender Kumar Yadav (Company Secretary and Compliance Officer), who heads our secretarial functions and is also the compliance officer of our Company appointed in terms of the SEBI Listing Regulations.

We believe that the vision and leadership of our management team has contributed to our consistent and positive performance in the past and will drive our strategic direction in the future.

We have demonstrated sound operational and financial performance in the past three fiscals. Amongst the top five companies in the steel tubes and pipes segment in terms of various financial parameters such as revenue, EBITDA margin, PAT, PAT Margin ("**Peer Group**"), our Company is the fastest-growing company, in terms of revenue in FY22-24, with a CAGR of 23% (*Source: CARE Report*). Other companies in the Peer Group had a CAGR in the range of 16% to 20% during the same period (*Source: CARE Report*). Further, in Fiscal 2024, our Company had a PAT growth of 25.4% on a year-on-year basis and in terms of CAGR it grew by 36% (*Source: CARE Report*). In contrast, the Peer Group's CAGR averaged around 17.3% over the same period (*Source: CARE Report*). In Fiscal 2024, our Company also demonstrated healthy growth in its EBITDA, with year-on-year and three-year CAGR of about 21% and 31% respectively surpassing its peer group whose CAGR averaged around 18% over the same period (*Source: CARE Report*).

The following table sets out certain key financial and operational parameters in the relevant periods:

(in ₹ lakhs, unless otherwise indicated)

Particulars	As of/for the three month period ended June 30,		Fiscal		
	2024*	2023*	2024	2023	2022
Revenue from Operations	51,537.88	50,480.20	2,04,022.89	1,54,991.88	1,35,531.74
EBITDA (1)	3,968.57	3,553.08	15,219.04	12,936.50	8,941.92
EBITDA Margin (%) (2)	7.70	7.04	7.46	8.35	6.60
EBITDA/Tonne (3)	4,632.18	4,593.99	4,447.61	5,383.11	4,125.45
Revenue/Tonne (4)	60,155.80	65,268.81	59,623.64	64,494.86	62,528.97
PAT	3,070.10	2,536.99	11,301.14	9,012.78	6,106.27
PAT Margin (%)(5)	5.96	5.03	5.54	5.81	4.51
Return on Assets (%) (6)	3.07	4.85	13.40	16.00	18.00
Return on Capital Employed (%)(7)	4.65	7.67	18.83	29.64	40.76
Return on Equity (%)(8)	3.79	5.83	14.59	22.14	30.89
Basic EPS (in ₹)**	1.73	1.50	6.63	5.35	3.91
Diluted EPS (in ₹)**	1.65	1.31	6.52	4.64	3.62
Installed capacity (in MTPA)	7,96,000.00#	5,86,000.00	586,000.00	5,86,000.00	4,00,000.00
Actual Sales (in MT)	85,674.00	77,342.00	3,42,184.58	2,40,316.65	2,16,750.33
Domestic Sales (in MT)	79,757.35	72,839.00	324,986.96	2,21,399.58	2,01,864.52
Export Sales (in MT)	5,916.65	4,503.00	17,197.62	18,917.07	14,885.81

** Not annualised, except installed capacity (in MTPA).*

***The Company has issued equity shares of ₹ 2/- each as fully paid bonus shares on 07-09-2023 in the ratio of one equity share of ₹ 2/- each for every equity share held. This has been considered for calculating weighted average number of equity shares for all comparative periods presented as per Ind AS 33. In line with the above. EPS (basic and diluted) have been adjusted for all periods presented.*

 # The aggregate installed capacity is inclusive of the installed capacity of 2,10,000 MTPA of our Nabha Plant, which was recently acquired by our Company on April 9, 2024

Notes:

(1) EBITDA is calculated as the sum of (i) profit before tax, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income and exceptional items
(2) EBIDTA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA/Tonne is calculated as EBITDA divided by the total volume of sales
(4) Revenue/Tonne is calculated by dividing Revenue from Operations from the total volume of sales
(5) PAT Margin is calculated as PAT divided by Revenue from Operations
(6) Return on Assets is calculated as PAT divided by Total Assets
(7) Return on Capital Employed is calculated as Earnings Before Interests and Tax divided by Total Assets (excluding current liabilities)
(8) Return on Equity is calculated as PAT divided by total shareholder' fund

Our Competitive Strengths

1. Wide range of product offerings with shift towards margin accretive products
2. Strategically located manufacturing facilities leading to significant cost and time efficiencies
3. A significant domestic and international customer base catering to diversified end-users across various industries
4. Extensive pan-Indian distribution network
5. Experienced and professional management team

Our Strategies

1. Continuous improvement and innovation in products and increasing SKUs
2. Driving revenue growth through organic and inorganic capacity expansion opportunities
3. Expansion into the B2C segment
4. Deepening customer relationships
5. Strengthening Goodwill and increasing brand awareness

For further details, see "*Our Business*" on page 185.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections entitled "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-Up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 45, 82, 234, 219 and 242, respectively.

Issuer	JTL Industries Limited
Face Value	₹ 2 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 221.57 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Board may, in consultation with the Book Running Lead Manager, offer a discount of not more than 5% on the Floor Price, in accordance with the approval of our Board accorded by way of a resolution dated December 18, 2023 and the resolution of our shareholders accorded by way of postal ballot concluded on January 18, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to ₹ [●] lakhs. A minimum of 10% of the Issue Size i.e., at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only, and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution authorizing the Issue	December 18, 2023
Date of shareholders' resolution authorizing the Issue	January 18, 2024
Eligible Investors	Eligible QIBs to whom this Preliminary Placement Document and the Application Form are delivered. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by our Company in consultation with the Book Running Lead Manager, at its discretion. For further details, see "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 224, 236 and 237, respectively.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 242 and 93, respectively.
Taxation	See "*Taxation*" on page 246
Equity Shares issued and outstanding immediately prior to the Issue	17,72,10,830 fully paid-up Equity Shares
Subscribed and paid-up Equity Share capital prior to the Issue	₹ 35,44,21,660
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue Procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, please see the section entitled "*Issue Procedure*" on page 219
Listing and trading	Our Company has obtained in-principle approvals dated July 18, 2024 from the Stock Exchanges, respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares, after the Allotment and credit of Equity Shares to the beneficiary account with the Depository Participants. The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "*Placement and Lock-up*" on page 234
Proposed Allottees	See "*Proposed Allottees in the Issue*" on page 423 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company

Transferability restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, please see "*Purchaser Representations and Transfer Restrictions*" on page 237.	
Use of proceeds	The gross proceeds from the Issue will be aggregating to ₹ [●] lakhs. The Net Proceeds from the Issue, after deducting fees, commissions and estimated expenses of the Issue, will be approximately ₹ [●] lakhs. For details, see "*Use of Proceeds*" on page 82 for additional information regarding the use of net proceeds from the Issue.	
Risk factors	For details, see "*Risk Factors*" on page 45 for a discussion of risks you should consider before participating in the Issue.	
Closing Date	The Allotment is expected to be made on or about [●]	
Ranking and Dividend	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, please see "*Dividends*" and "*Description of the Equity Shares*" on pages 93 and 242, respectively.	
Security codes for the Equity Shares	ISIN	INE391J01024
	BSE Code	534600
	NSE Symbol	JTLIND
	MSE Symbol	JTLIND

SELECTED FINANCIAL INFORMATION

The following selected financial information of our Company is extracted from and should be read in conjunction with, the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included elsewhere in this Preliminary Placement Document. You should refer to "Management's Discussion and Analysis *of Financial Condition and Results of Operations"* on page 94, *for further discussion and analysis of the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results.*

S. No	Summary financial information	Page No.
1.	Unaudited Consolidated Financial Results as of and for the three months period ended June 30, 2024	33
2.	Audited Consolidated Financial Statements as of and for the year ended March 31, 2024	34
3.	Audited Consolidated Financial Statements as of and for the year ended March 31, 2023	38
4.	Audited Consolidated Financial Statements as of and for the year ended March 31, 2022	41

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Statement of Consolidated unudited Financial Results for period enend 30th June, 2024 **(Rs. in Lakhs except EPS data)**

Sr. No.	Particulars	Quarter Ended			F.Y. Ended
		30-Jun-2024	31-Mar-2024	30-Jun-2023	31-Mar-2024
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	**Income**				
	a) Revenue from operations	51,537.88	46,593.98	50,480.20	2,04,022.89
	b) Other Income	417.90	393.14	76.76	866.90
	Total Income	**51,955.78**	**46,987.13**	**50,556.97**	**2,04,889.79**
2.	**Expenses**				
	a) Cost of materials consumed	44,122.75	34,288.21	42,770.04	1,69,489.56
	b) Purchases of stock-in-trade	1,032.80	6,298.46	-	9,912.82
	c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates	(86.47)	(813.93)	2,476.71	424.57
	d) Employee benefits expense	618.03	669.62	529.59	2,116.94
	e) Finance costs	125.68	95.24	124.28	509.38
	f) Depreciation and amortization expense	188.64	155.08	115.24	555.75
	g) Other expenses	1,882.21	2,478.07	1,150.77	6,859.95
	Total Expenses	**47,883.63**	**43,170.77**	**47,166.63**	**1,89,868.98**
3.	**Profit Before Exceptional Items and Tax (1-2)**	**4,072.15**	**3,816.36**	**3,390.33**	**15,020.81**
4.	**Exceptional Items**	-	-		-
5.	**Profit Before Tax (3 +/- 4)**	**4,072.15**	**3,816.36**	**3,390.33**	**15,020.81**
6.	**Tax Expense**				
	a) Current Tax	995.17	939.90	853.35	3,710.50
	b) Deferred Tax	6.88	(154.02)	-	(66.77)
	c) Previous period Tax	-	75.94	-	75.94
	Total Tax Expenses	**1,002.05**	**861.83**	**853.35**	**3,719.67**
7.	**Profit for the Year / Period (5-6)**	**3,070.10**	**2,954.54**	**2,536.99**	**11,301.14**
8.	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss	(102.00)	(1,166.44)	-	(782.56)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	25.67	262.71	-	166.36
	B (i) Items that will be reclassified to profit or loss	2.52	10.10	-	10.10
	(ii) Income tax relating to items that will be reclassified to profit or loss	(0.64)	(2.54)	-	(2.54)
	Total Other Comprehensive Income	**(74.44)**	**(896.18)**	**-**	**(608.65)**
9.	**Total Comprehensive Income (7 +/- 8)**	**2,995.66**	**2,058.36**	**2,536.99**	**10,692.50**
10.	**Profit For The Year / Period Attributable To**				
	I) Owner of the Parent	3,070.10	2,954.54	2,536.99	11,301.14
	Ii) Non Controlling Interest	-	-		-
	Other Comprehensive Income Attributable To				
	I) Owner of the Parent	(74.44)	(896.18)	-	(608.65)
	Ii) Non Controlling Interest	-	-		-
11.	**Total Comprehensive Income For The Year / Period Attributable To**				
	Owners Of The Parent	2,995.66	2,058.36	2,536.99	10,692.50
	Non-Controlling Interests	-	-		-
10.	**Paid Up Equity Share Capital(Face Value Rs. 2/- each)**	3,544.22	3,540.22	1,686.84	3,540.22
11.	Other Equity	77,441.11	73,935.59	41,825.56	73,935.59
12.	Net Worth	**80,985.33**	**77,475.81**	**41,825.57**	**77,475.81**
13.	**Earnings Per Share *(Not Annualised)***				
	a) Basic (Rs.)	1.73	1.71	1.50	6.63
	b) Diluted (Rs.)	1.65	1.68	1.31	6.52

NOTES:

1. These Standalone and Consolidated financial results have been prepared in accordance with the recognition and measurement principle of applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013. The above un-audited Standalone and Consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 10th day of July, 2024 at the Registered Office of the Company. The Statutory Auditors have issued Auditors' Report on the same, with unmodified opinion.
2. The Parent Company has become a partner in an already existing Partnership firm, M/s Nabha Steels & Metals, from 9th April, 2024 having 67% share in the Profit/Loss in the partnership firm.
3. The Group operates in one reportable business segment i.e., manufacturing of 'Steel Tubes, Pipes and Structures' there are no separate reportable segment pursuant to IND AS-108.
4. During the quarter, the Parent Company has allotted 100,000 shares against warrants convertible into equal number of shares, to non-promoter, public category.
5. The Group has not discontinued any of its operations during the period under review/ audit.
6. Figures for the previous year/ quarters have been reclassified/ regrouped wherever necessary.
7. The results of the Group are also available for investors at www.jtl.one,www.bseindia.com, www.nseindia.com and www.msei.in.

***for* and on behalf of the Board of Directors**

PRANAV SINGLA
Digitally signed by PRANAV SINGLA
Date: 2024.07.10 17:53:33 +05'30'

Pranav Singla
Whole Time Director
DIN: 07898093

Date: 10-07-2024
Place : Chandigarh

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Balance Sheet as at 31st March, 2024

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
ASSETS		
Non-Current Assets		
Property, plant and equipment	11,134.29	6,536.20
Capital work-in-progress	600.47	440.10
Financial assets		
Investments	579.53	1,616.88
Other non-current assets	6,118.24	424.64
Total Non-current Assets	**18,432.53**	**9,017.82**
Current Assets		
Inventories	15,043.15	16,773.80
Financial Assets		
Trade receivables	19,266.12	14,124.87
Cash and cash equivalents	10,122.87	5,008.51
Bank balances other than cash and cash equivalents	477.77	305.59
Loans	4,160.39	2,959.67
Other current assets	16,846.33	8,155.40
Total Current Assets	**65,916.62**	**47,327.84**
Total Assets	**84,349.15**	**56,345.66**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3,540.22	1,686.84
Other equity	73,935.59	39,024.42
Total Equity	**77,475.81**	**40,711.27**
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	-	912.57
Other financial liabilities	19.61	7.42
Provisions	190.60	168.94
Deferred tax liabilities	185.85	416.45
Total Non-current Liabilities	**396.06**	**1,505.38**
Current liabilities		
Financial liabilities		
Borrowings	2,000.53	9,764.81
Trade payables		
Total outstanding dues of micro and small enterprises	1.07	-
Total outstanding dues of creditors other than micro and small enterprises	2,448.79	2,862.23
Other financial liabilities	265.36	159.23
Other current liabilities	1,301.57	496.32
Provisions	31.23	42.47
Current tax liabilities (net)	428.72	803.96
Total Current Liabilities	**6,477.27**	**14,129.02**
Total Equity and Liabilities	**84,349.15**	**56,345.66**

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Statement of Profit and Loss for year ended 31st March, 2024

Particulars	For the Year ended 31-Mar-2024	₹ in Lakhs For the Year ended 31-Mar-2023
Revenue from operations	2,04,022.89	1,54,991.88
Other income	866.90	493.75
Total Income (I)	**2,04,889.79**	**1,55,485.63**
EXPENSES		
Cost of materials consumed	1,69,489.56	1,34,564.87
Purchases of stock-in-trade	9,912.82	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	424.57	(552.53)
Employee benefits expense	2,116.94	1,981.72
Finance costs	509.38	634.93
Depreciation and amortisation expense	555.75	425.50
Other expenses	6,859.95	6,061.31
Total Expenses (II)	**1,89,868.98**	**1,43,115.81**
Profit before exceptional items and tax (I-II)	15,020.81	12,369.82
Exceptional items		
Profit/(loss) on sale of investments	-	(108.21)
Profit before tax	**15,020.81**	**12,261.61**
Tax Expenses		
Current tax	3,710.50	3,051.00
Income tax of earlier years	75.94	70.46
Deferred tax	(66.77)	127.38
Total Tax Expense	**3,719.67**	**3,248.84**
Profit for the years	**11,301.14**	**9,012.78**
Other Comprehensive Income :		
Items that will be reclassified to Profit and Loss		
Re-measurement gains/ (losses) on defined benefit obligations	10.10	3.78
Income tax related to item that will be reclassified to profit and loss	(2.54)	(0.95)
Items that will not be reclassified to Profit and Loss		
Fair valuation of financial instruments through OCI	(782.56)	397.53
Income tax related to item that will not be reclassified to profit and loss	166.36	(100.06)
Total Other Comprehensive Income	**(608.65)**	**300.30**
Total Comprehensive Income	**10,692.50**	**9,313.08**
Earnings per Equity Share of ₹ 2 each		
Basic	6.63	5.35
Diluted	6.52	4.64

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Cash Flow Statement for the year ended 31st March, 2024

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Cash Flow from Operating Activities		
Profit before tax	15,020.81	12,261.61
Adjustment for :		
Depreciation and amortisation Expense	555.75	425.50
Interest income	(500.28)	(98.33)
Proceeds from sale of current investments	(182.41)	-
Finance costs	509.38	634.91
Dividend income	(0.01)	(3.94)
Net unrealized foreign exchange (gain)	(54.57)	(13.96)
(Gain) / Loss on sale of property, plant and equipment (net)	-	(5.50)
Operating Profit before working Capital Changes :	**15,348.67**	**13,200.29**
Movements in Working Capital :		
(Increase)/decrease in trade receivables	(5,086.68)	(3,099.72)
(Increase)/decrease in inventories	1,730.65	(4,846.82)
Increase/(decrease) in trade payables	(412.36)	707.57
Increase/(decrease) in other liabilities and provisions	944.08	4,176.24
(Increase)/decrease in other financial assets and other assets	(10,575.27)	(7,132.80)
Cash generated from Operations :	**1,949.10**	**3,004.75**
Direct taxes paid	(4,161.69)	(2,607.80)
Net Cash flow from/(used in) Operating Activities	**(2,212.59)**	**396.96**
Cash Flow from Investing Activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(10,324.38)	(1,891.71)
Proceeds from sale of property, plant and equipment	-	5.50
Proceeds from sale of investments valued through profit and loss	254.79	(389.38)
Movement in Non Current Assets	-	331.41
Movement bank deposit not considered as cash and cash equivalent	(172.19)	(150.93)
Dividend Received	0.01	3.94
Proceeds from sale of current investments valued through other comprehensive income	182.41	-
Interest received	500.47	98.33
Net Cash flow from/(used in) Investing Activities	**(9,558.89)**	**(1,992.84)**
Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long-term borrowings	(1,124.21)	(189.52)
Proceeds from issue of equity share capital	83.27	127.00
Proceeds from securities premium received	12,406.70	2,159.00
Money received/(refund) against share warrants	13,750.98	9,033.28
Proceeds from/ (repayment of) in short-term borrowings	(7,552.64)	(3,926.94)
Dividend paid	(168.91)	-
Other Long Term Provisions	-	10.63
Finance costs paid	(509.38)	(634.91)
Net Cash flow from/(used) in Financing Activities	**16,885.81**	**6,578.54**
Net Increase/Decrease in Cash and Cash Equivalents	**5,114.34**	**4,982.66**
Cash and Cash equivalents at the beginning of the year	**5,008.51**	**25.85**
Cash and Cash equivalents at the end of the year	**10,122.87**	**5,008.51**

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Notes:

(i) Components of Cash and Cash Equivalents

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Cash on hand (including imprest)	28.90	40.84
Balance with Scheduled Banks :		
- in current accounts	401.90	3.56
- in cash credit accounts	2,791.28	-
Investment in commercial papers	-	4,964.11
Cheques in hand	4,614.01	-
Deposit with remaining maturity for less than 3 months	2,286.78	-
Cash and Cash Equivalents	**10,122.87**	**5,008.51**

(ii) Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

(iii) Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year

(iv) Figures in brackets indicate cash outflows.

(v) Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes under Para 44A as set out in Ind AS 7 "Statement of Cash Flows" under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is as under:

Particulars	Non-current borrowings	Current borrowings	Total
As at 1st April, 2022	1,336.81	8,094.51	9,431.32
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings (including current maturities) (net)	(212.61)	-	(212.61)
Proceeds/ (Repayment) of current borrowings (net)	-	1,458.66	1,458.66
As at 31st March, 2023	**1,124.20**	**9,553.17**	**10,677.37**
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings (including current maturities) (net)	(1,124.20)	-	(1,124.20)
Proceeds/ (Repayment) of current borrowings (net)	-	(7,552.64)	(7,552.64)
As at 31st March, 2024	**-**	**2,000.53**	**2,000.53**

(vi) Figures for the Previous year have been reclassified/regrouped wherever necessary to confirm to current year's classification.

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)
Consolidated Balance Sheet as at March 31, 2023

Rs. in Lakh

Particulars	As at 31-Mar-23	As at 31-Mar-22
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	6,536.20	4,858.49
Capital Work in Progress	440.10	339.96
Financial Assets		
Investments	1,616.88	1,241.87
others		
Other Non-Current Assets	1,751.14	1,670.64
Total Non-Current Assets	10,344.31	8,110.96
Current Assets		
Inventories	16,773.80	11,926.98
Financial Assets		
Loans	5,174.19	443.66
Trade Receivables	14,124.87	10,956.83
Cash and Cash Equivalents	5,008.51	25.85
Bank Balances other than Cash and Cash	305.59	154.66
Others	-	-
Current Tax Assets (net)	-	-
Other Current Assets	4,614.39	2,299.30
Total Current Assets	46,001.34	25,807.28
Total Assets	56,345.66	33,918.24
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	1,686.84	1,344.47
Other Equity	39,024.42	18,422.79
Total Equity	40,711.26	19,767.26
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Borrowings	912.57	1,035.75
Provisions	168.94	135.06
Deferred Tax Liabilities	416.45	188.06
Other Non-Current Liabilities	7.42	38.56
Total Non-Current Liabilities	1,505.38	1,397.43
Current Liabilities		
Financial Liabilities		
Borrowings	4,339.17	8,094.51
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises and	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,862.23	2,569.76
Other Financial Liabilities	211.64	301.23
Other Current Liabilities	5,813.26	1,351.88
Provisions	98.76	145.82
Income Tax Liabilities	803.97	290.36
Total Current Liabilities	14,129.02	12,753.55
Total Equity and Liabilities	56,345.66	33,918.24

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)
Consolidated Statement of Profit and Loss for period ended March 31, 2023

Rs. in Lakh

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Revenue from Operations	1,54,991.88	1,35,531.74
Other Income	493.75	379.02
Total Income (I)	1,55,485.63	1,35,910.76
EXPENSES		
Cost of Materials Consumed	1,36,532.11	1,23,723.20
Purchases of Stock-in-Trade	-	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work -in -Progress	(552.53)	(3,415.91)
Employee Benefits Expense	1981.72	1,759.84
Finance Costs	634.93	771.85
Depreciation and Amortisation Expense	425.50	315.06
Other Expenses	4,094.08	4,522.70
Total Expenses (II)	1,43,115.81	1,27,676.73
Profit Before Exceptional Items and Tax (I-II)	12,369.82	8,234.03
Exceptional Items	-108.21	-
Profit/ (Loss) Before Tax	12,261.61	8,234.03
Tax Expense/(Benefits):		
Current Tax	3,051.00	2,051.36
Income Tax of Earlier Years	70.46	72.46
Deferred Tax	127.38	3.94
Total Tax Expense	3,248.84	2,127.76
Profit/ (loss) for the years	9,012.78	6,106.27
Other Comprehensive Income :		
Items that will be reclassified to Profit and Loss		
Re-measurement gains/ (losses) on defined benefit obligations	3.78	12.74
Income tax relating to items that will be reclassified to Profit & loss	(0.95)	(3.21)
Items that will not be reclassified to Profit and Loss		
Fair valuation of financial instruments through OCI	397.53	50.76
Income tax relating to items that will not be reclassified to Profit & loss	(100.06)	(15.98)
Total Other Comprehensive Income	300.30	44.31
Total Comprehensive Income	9,313.08	6,150.58
Earnings per Equity Share of Rs. 2 each		
Basic	10.69	8.45
Diluted	9.28	7.63

Consolidated Cash Flow Statement for the Period Ended March 31, 2023

Rs. in Lakh

Particulars	Year ended 31-Mar-23	Year ended 31-Mar-22
Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	12,261.62	8,234.03
Adjustment for :		
Depreciation & Amortisation Expense	425.50	315.06
Interest Income	(9.91)	(77.74)
Interest Expense	634.91	760.20
Dividend income	(3.94)	-
Net unrealized foreign exchange (gain)	(13.96)	(22.93)
(Gain) / Loss on Sale of Property, Plant and Equipment (net)	(5.50)	(0.19)
Operating Profit before working Capital Changes :	13,288.72	9,208.42
Movements in Working Capital :		
(Increase)/decrease in Trade Receivables	(3,099.72)	(247.57)
(Increase)/decrease in Inventories	(4,846.82)	(4,291.45)
Increase/(decrease) in Trade payables	707.57	(1,418.89)
Increase/(decrease) in Other liabilities and Provisions	4,176.24	866.56
(Increase)/decrease in Other financial assets and Other assets	(7,132.80)	234.97
Cash generated from Operations :	3,093.18	4,352.05
Direct Taxes Paid	(2,607.80)	(2,643.46)
Net Cash flow from/(used in) Operating Activities	485.38	1,708.59
Cash Flow from Investing Activities		
Purchase of property, plant and equipment including CWIP	(1,891.71)	(2,160.12)
Proceeds from sale of property, plant and equipment	5.50	0.10
Movement in Investments	(389.38)	(1,592.29)
Movement in Non Current Assets	331.41	-
Movement Bank Deposit not considered as cash & cash equivalent	(150.93)	241.46
Dividend Received	3.94	67.31
Interest Received	9.91	10.43
Net Cash flow from/(used in) Investing Activities	(2,081.25)	(3,433.10)
Cash Flow from Financing Activities		
Proceeds from/ (repayment of) Long term borrowings	(189.52)	(476.58)
Equity Share Capital received	127.00	-
Securities Premium received	2,159.00	-
Money received against share warrents	9,033.28	1,226.50
Proceeds from/ (repayment of) in Short term borrowings	(3,926.94)	1,920.04
Dividend Paid	-	(212.15)
Other Long Term Provisions	10.63	6.51
Interest Paid	(634.91)	(760.20)
Net Cash flow from/(used) in Financing Activities	6,578.54	1,704.12
Net Increase/Decrease in Cash & Cash Equivalents	4,982.67	(20.39)
Cash & Cash equivalents at the beginning of the year	25.85	46.25
Cash & Cash equivalents at the end of the year	5,008.52	25.86
Components of Cash and Cash Equivalents		
Cash in Hand	40.84	23.61
Balance with Scheduled Banks :		
Current Accounts	3.56	2.24
Investment	4,964.11	-
	5,008.51	25.85
Add:- Term Deposits pledged with Scheduled banks not considered as cash and cash equivalents	-	-
Less:- Fixed Deposits having maturity period more then 12 months	-	-
Cash & Cash Equivalents	5,008.51	25.85

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2022

(₹ in lacs)

Particulars		As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		4,245.40	2,847.64
Capital Work in Progress		339.96	-
Financial Assets			
Investments		1,241.87	1.44
Other Non-Current Assets		207.72	133.90
Total Non-Current Assets		**6,034.95**	**2,982.99**
Current Assets			
Inventories		9,254.67	5,308.73
Financial Assets			
Loans		271.80	15.82
Trade Receivables		9,627.47	9,511.33
Cash and Cash Equivalents		9.13	21.23
Bank Balances other than Cash and Cash Equivalents		159.66	396.12
Others		-	12.98
Other Current Assets		2,287.56	2,689.20
Total Current Assets		**21,610.29**	**17,955.43**
Total Assets		**27,645.24**	**20,938.42**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital		1,183.74	1,060.74
Other Equity		14,567.73	8,629.78
Total Equity		**15,751.47**	**9,690.52**
Liabilities			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		755.74	1,069.66
Provisions		93.82	70.58
Deferred Tax Liabilities		225.32	201.60
Other Non-Current Liabilities		38.56	41.93
Total Non-Current Liabilities		**1,113.44**	**1,383.76**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings		7,071.28	5,198.28
Trade Payables		1,964.98	3,383.87
Other Financial Liabilities		301.23	43.53
Other Current Liabilities		1,147.32	529.91
Provisions		5.16	2.76
Income Tax Liabilities		290.36	705.78
Total Current Liabilities		**10,780.33**	**9,864.13**
Total Equity and Liabilities		**27,645.24**	**20,938.42**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lacs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations		97,571.61	43,576.10
Other Income		353.76	460.76
Total Income (I)		**97,925.37**	**44,036.86**
EXPENSES			
Cost of Materials Consumed		90,118.72	39,203.61
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work -in -Progress		(2,359.28)	28.89
Employee Benefits Expense		1,122.33	299.11
Finance Costs		641.90	865.77
Depreciation and Amortisation Expense		212.59	171.33
Other Expenses		1,436.01	765.42
Total Expenses (II)		**91,172.27**	**41,334.13**
Profit Before Exceptional Items and Tax (I-II)		6,753.10	2,702.73
Exceptional Items		-	-
Profit/ (Loss) Before Tax		**6,753.10**	**2,702.73**
Tax Expense/(Benefits):			
Current Tax		1,673.81	661.25
Income Tax of Earlier Years		72.46	-
Deferred Tax		4.54	35.16
Total Tax Expense		**1,750.81**	**696.41**
		-	**-**
Profit/ (loss) for the years		**5,002.29**	**2,006.32**
Other Comprehensive Income :			
Items that will not be reclassified to Profit and Loss			
Re-measurement gains/ (losses) on defined benefit obligations		12.74	(0.34)
Deferred Tax Charge		(3.21)	
Items that will not be reclassified to Profit and Loss		-	-
Fair valuation of financial instruments through OCI		50.76	
Deferred Tax Charge		(15.98)	-
Total Other Comprehensive Income		44.31	(0.34)
Total Comprehensive Income		**5,046.60**	**2,005.98**
Earnings per Equity Share of ₹ 2/- each			
Basic		8.45	3.39
Diluted		7.63	3.39

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	6,753.10	2,702.73
Adjustment for :		
Depreciation & Amortisation Expense	212.59	171.33
Interest Income	(67.31)	(19.14)
Interest Expense	630.25	807.24
Net unrealised foreign exchange (gain)	(22.93)	(78.56)
(Gain) / Loss on Sale of Property, Plant and Equipment (net)	(0.19)	(38.87)
Operating Profit before working Capital Changes :	**7,505.51**	**3,544.73**
Movements in Working Capital :		
(Increase)/decrease in Trade Receivables	(93.21)	(4,361.21)
(Increase)/decrease in Inventories	(3,945.93)	(1,107.35)
Increase/(decrease) in Trade payables	(1,418.89)	2,266.54
Increase/(decrease) in Other liabilities and Provisions	886.87	148.36
(Increase)/decrease in Other financial assets and Other assets	234.97	(677.27)
Cash generated from Operations :	**3,169.32**	**(186.20)**
Direct Taxes Paid	(2,161.69)	(309.88)
Net Cash flow from/(used in) Operating Activities	**1,007.63**	**(496.08)**
Cash Flow from Investing Activities		
Purchase of property, plant and equipment including CWIP	(2,049.61)	(663.15)
Proceeds from sale of property, plant and equipment	0.10	50.59
Movement in Investments	(1,245.43)	-
Movement Bank Deposit not considered as cash & cash equivalent	241.46	(163.23)
Interest Received	67.31	19.14
Net Cash flow from/(used in) Investing Activities	**(2,986.16)**	**(756.64)**
Cash Flow from Financing Activities		
Proceeds from/ (repayment of) Long term borrowings	(290.68)	1,061.33
Money received against share warrents	1,226.50	1,562.00
Proceeds from/ (repayment of) in Short term borrowings	1,873.01	(596.06)
Dividend Paid	(212.15)	-
Interest Paid	(630.25)	(807.24)
Net Cash flow from/(used) in Financing Activities	1,966.43	1,220.03
Net Increase/Decrease in Cash & Cash Equivalents	(12.10)	(32.69)
Cash & Cash equivalents at the beginning of the year	21.23	53.92
Cash & Cash equivalents at the end of the year	9.13	21.23
Components of Cash and Cash Equivalents		
Cash in Hand	8.96	21.02
Balance with Scheduled Banks :		
Current Accounts	0.17	0.21
	9.13	21.23
Add:- Term Deposits pledged with Scheduled banks		

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the three months period ended June 30, 2024; (ii) Fiscal 2024; (iii) Fiscal 2023; and (iv) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see the section titled *"Financial Statements"* on page 260.

RISK FACTORS

An investment in Equity Shares involve a high degree of risk. Potential investors should carefully consider each of the following risk factors described below as well as other information contained in this Preliminary Placement Document before making an investment decision in the Issue. If any particular risk or some combination of the risks described below actually occurs, our business, prospects, financial condition, results of operation and cash flows could be seriously harmed, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management currently believes are material, but the risks set out in this Preliminary Placement Document may not be exhaustive or complete and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.

In order to obtain a complete understanding about us, potential investors should read this section in conjunction with sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Our Business" and "Industry Overview" beginning on pages 94, 185, and 124, respectively, as well as the other financial information included in this Preliminary Placement Document. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Preliminary Placement Document. For details, see section entitled "Forward Looking Statements" beginning on page 16. Additional risks not described below or not currently known to us or that we currently deem immaterial may also adversely affect the market price of our Equity Shares.

RISKS RELATING TO OUR BUSINESS

1. ***A certain amount of our revenue is generated from certain key customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

We are dependent on a limited number of customers for a certain portion of our revenues. For the three-month period ended June 30, 2024, and June 30, 2023, and the last three fiscals, revenue from operations from our largest customer, our top 5 customers, our top 10 customers and our top 20 customers is as follows:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Top 1 customer	3,950.18	7.66%	6,567.32	13.01%	17,192.89	8.43%	15,265.25	9.86%	10,940.40	8.07%
Top 5 customers	12,519.57	24.29%	19,038.89	37.72%	64,423.80	31.58%	41,449.98	26.74%	34,678.97	25.59%
Top 10 customers	18,115.64	35.15%	25,086.22	49.70%	94,648.21	46.39%	55,836.40	36.03%	45,108.20	33.28%
Top 20 customers	25,308.95	49.11%	30,395.07	60.22%	116,068.70	56.89%	71,325.25	46.02%	57,641.56	42.53%

Further, please see below the details of the number of customers renewed for each of the corresponding periods:

Particulars	For the three-month period ended		For the financial year ended		
	June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Number of new customers added	121	118	347	474	291

There can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. A significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting the steel industry or the economic environment generally may materially and adversely affect our business, results of operations and financial condition.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. In addition, our revenues may be adversely affected if there is an adverse change in any of our customers supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

2. *Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability*

We are engaged in the manufacturing and supply of products such as hollow ERW steel pipes, galvanised steel tubes, solar module mounting structures and metal beam crash barriers, which are used in various industries including construction, railways, oil & gas, agriculture, and real estate. We intend to diversify and expand our product offerings and manufacture products such as galvanised and black steel pipes and tubes with larger diameter and thickness, colour coated products and sheets, puff panels and galvanised iron strips in accordance with the evolving needs of our customers and the industry in which we operate.

Venturing into a new product line may require methods of operations and marketing and financial strategies, different from those currently employed in our Company. We cannot assure you that we will be able to successfully develop our new product lines. The transition of our production units and resources to fulfil production under new product offerings may impact production rates or other operational efficiency measures at our units. Further, we cannot assure you that we will succeed in effectively implementing the new technology required in manufacturing new product offerings or that we will be able to recover our investments since will be subject to the risks generally associated with new product introductions and applications, including unproven know-how, unreliable technology, inexperienced staff, and delays in product development and possible defects in products.

Additionally, any changes to regulations in end-use industries which we cater to (such as railways, oil & gas, agriculture, and real estate etc.), shifts in customer demand/trends (new designs in real estate, decreasing usage of railways as means of transport etc.), substitution of steel with other materials and technological evolution can also render certain products/SKUs we manufacture as obsolete.

3. *Loss of any of our suppliers or a failure by our suppliers to deliver some of our primary raw materials such as billets, HR Coil, zinc may have an adverse impact on our ability to continue our manufacturing process without interruption and our ability to manufacture and deliver the products to our customers without any delay.*

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We are dependent on third party suppliers for the raw materials used in the manufacture of our products and procure some of our primary raw materials, such as HR Coil, billet and zinc on a purchase order basis or through short-term sale contracts. Set forth below are the details of the cost of raw materials consumed as a percentage of our total expenses, as of each of the corresponding periods:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses
Cost of raw materials Consumed	44,122.75	92.15	42,770.04	90.68	1,69,489.56	89.27	1,34,564.87	94.03	1,23,723.20	96.90

We select suppliers based on total value (including total landed price, quality and delivery), taking into consideration their production capacities and financial condition and expect that they will deliver in accordance with our quality standards and comply with their contractual obligations with us. However, there can be no assurance that capacity limitations, industry shortages, labour or social unrest, weather emergencies, commercial disputes, government actions, riots, wars, pandemic, sabotage, cyberattacks, non-conforming parts, acts of terrorism, "Acts of God", financial or operational instability of suppliers, or other problems that our suppliers experience will not result in occasional shortages or delays in their supply of raw materials to us. Further, there is no assurance that if we experience a disruption of supplies, we will be able to source such commodities from alternative suppliers on similar commercial terms and within a reasonable timeframe.

We are also dependent upon the ability of our suppliers to meet performance and quality specifications and delivery schedules. The inability of a supplier to meet these requirements could cause returns of products under warranty or product recalls. Also, see "– *Product liability claims could adversely affect our operations.*" on page 58. This would have a material adverse impact on our customer relations, reputation and business and also generate additional costs for our Company such as increased transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition.

Although we have not faced significant disruptions in the procurement of raw materials in the past three fiscals and the three month period ended June 30, 2024, there can be no assurance that we will procure the quantities and quality of raw materials commensurate with our requirements in the future.

4. ***We do not have long-term agreements with our customers and suppliers which would have a material adverse effect on our business, results of operations and financial condition.***

Our product offerings cater to a mix of customers that consist of institutional customers and end-use consumers through our distribution network. Though we had repeat orders from customers and have developed relationships with certain customers, which enables us to predict production cycles, reduce turnout time and control excess inventory, we do not typically enter into long-term contracts with our customers. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products that may have a material adverse effect on our business, results of operations and financial condition.

We are also exposed to risks of lower sales volume or lower price realization on such volumes depending on prevailing market conditions, as a result of such short-term arrangements. Our relationship with our customers is therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries, and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers and agents. The deterioration of the financial condition or business prospects of these customers could also reduce their requirement for our products and could result in a significant decline in the revenues we derive from such customers.

Further, we have not entered into long-term contracts for the supply of such raw materials. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw material suppliers. If any of our major suppliers ceases to have business dealings with us or materially reduces the quantity of raw materials supplied to us and we are unable to secure new suppliers for such raw materials to meet the requirements at our manufacturing facilities at competitive rates, our production schedule may be delayed and our business, financial condition, results of operations and prospects will be adversely affected.

Absence of long-term supply contracts also subject us to risks such as price volatility caused by various factors including commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. For instance, during FY22, steel prices were impacted by the geopolitical tension between Russia and Ukraine and stood at ₹ 85,820 per tonne as of March 2022 (*Source: CARE Report*). The geopolitical crisis continued and the prices were further pushed to ₹ 88,498 per tonne in the June 2022 quarter (*Source: CARE Report*). The escalation in prices was also due to increased coking coal and iron ore prices globally. However, after a sharp rise, the prices declined by around 16% in the quarter ending September 2022 compared to the previous quarter (*Source: CARE Report*). Further, since we also import a certain amount of raw materials from international suppliers, we remain susceptible to the risks arising out of raw material price fluctuations as well as import duties, which could result in a decline in our operating margins.

5. ***Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.***

We depend on railways to transport the raw materials for our manufacturing units. We also utilize third party transportation services by road for transport of raw materials and our products from/ to our suppliers and customers. Further, we rely on freight ships for the export of our products. Transportation by rail, road or ship, as the case may be, involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, allotment of rakes, allotment of berths for cargo ships for our imports and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic. Set forth below are the details of our logistics costs, as of each of the corresponding periods:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses
Logistics/ Freight inward costs	289.66	0.60	92.38	0.20	578.42	0.30	341.81	0.24	422.85	0.33

Any delay or disruption caused to the transportation of raw materials or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials and this may also resultantly increase our cost.

Further, the operation and maintenance of the railways is carried out by the central Government, and we cannot assure you that rakes will be allotted to us on a cost effective basis and that such logistics and transportation infrastructure will be operated and maintained at adequate levels. In the event we are not allotted rakes by the central Government for the transportation of our raw materials or our products, we will be required to transport such raw materials or products by way of road which could increase our logistics costs and could materially and adversely affect our results of operations and financial conditions. Further, disruptions of the logistics and transportation services on account of weather-related problems, strikes, inadequacies in the rail infrastructure, operating restrictions or other events could impair the ability of our suppliers to deliver raw materials or significant increase in transportation costs may have an adverse impact on our operations.

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

Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, domestic and international manufacturing production and capacity, government spending on infrastructure, inflation and interest rates, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products, and are sensitive to the trends of particular industries, such as, the construction, real estate and machinery industries. When downturns occur in these economies or sectors, we may experience decreased demand for our products, which may lead to a decrease in steel prices, which may, in turn, have a material adverse effect on our business, results of operations, financial condition and prospects. For instance, the global consumption of finished steel declined by 3.3% on a year-on-year basis in 2022, because global production was affected due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures which raised input costs, and supply chain disruptions caused due to the Russia-Ukraine war (*Source: CARE Report*).

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

7. *Our business may be adversely affected if we are unable to maintain and grow our brand image*

Steel pipe offerings as a product segment are fairly standardized and required to meet certain quality requirements. Although brand position plays a limited role vis-a-vis availability, pricing and on-time order fulfilment, there has been an increasing affinity for branded quality products from end-use customers. We also believe that continuing to develop our reputation and awareness of our brand, through focused and consistent business development initiatives, among our customers is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets.

Although we believe that we are in favourable position with respect to brand recall due to our ISO accreditations, brand logo and trademarks, history of providing good-quality products and we continue to take many steps to increase awareness of our products and protect the value of our brand through marketing and promotion, our business is dependent on customers' perception of our reputation and brand. If we adopt unsuccessful marketing programs or are otherwise unable to maintain our customer relationships, or the quality standards for the new product offerings, we may only incur expenses without the benefit of higher revenues. If we fail to preserve the value of our brands, maintain our reputation, or attract consumers to our products and systems, or provide good after-sale services to our customers, our business, results of operations and financial condition could be adversely impacted.

In addition, our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation. Further, our reputation and brands could be damaged by negative publicity in traditional or social media or by claims or perceptions about the quality of our equipment and systems, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation, regulatory actions or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business or suppliers, can significantly reduce our brand value and consumer trust, and accordingly, adversely affect our business, results of operations and financial condition.

8. *The steel industry is characterized by volatility in the prices of raw materials and energy which could adversely affect our profitability.*

Steel production requires substantial amounts of raw materials and energy, including iron ore, iron ore fines, non-coking coal and coke, scrap and power, which are subject to significant price volatility. For instance, after the government of India reduced export duty on iron ore in November 2022, domestic prices began to rise (*Source: CARE Report*). In January 2023, the National Mineral Development Corporation increased the prices for iron ore lumps and fines, which further boosted the prices (*Source: CARE Report*). For the quarter ended March 2023, iron ore prices increased to ₹ 4,436 per tonne, a growth of 8% as compared to the quarter ended December 2022 (*Source: CARE Report*). However, the prices of iron ore observed a fall of 4.5% in the quarter ending June 2023 due to weak global demands, especially from China (the largest consumer of iron ore) as the recovery was slower than expected (*Source: CARE Report*). The prices exhibited an increase in trend during the quarter ended December 2023 with a quarter-on-quarter growth rate of 12.0% and a year-on-year growth rate of 31.7% (*Source: CARE Report*). The prices of iron ore continued to rise and further increased by 34.1% on a year-on-year basis as of quarter ended March 2024 (*Source: CARE Report*). As of quarter ended June 2024, the prices stood at 6,173 per tonne, a growth rate of 47.5% on a year-on-year basis (*Source: CARE Report*).

The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high-capacity utilization. If capacity exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought online as quickly. The result can be substantial price volatility.

We may be negatively affected by the significant price volatility, particularly in the event of excess production capacity in the global steel market,and incur operating losses as a result.

9. ***We derive a portion of our revenues from exports to a limited number of markets such as Germany, Belgium, Greece, West Indies and UAE and any adverse developments in these markets or inability to enter into new markets could adversely affect our business.***

Set forth below are the details of the revenue generated from exports for each of the corresponding periods:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Revenue generated from exports	4,135.59	8.02%	3,514.13	6.96%	12,655.19	6.20%	15,511.66	10.02%	12,107.88	8.93%

We have derived a portion of such revenues from exports to limited number of markets. Our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease, such as the COVID-19 pandemic. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets or enter into new markets could adversely affect our business, prospects, results of operations and financial condition.

10. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers.

In recent times, we have made significant investments for the expansion of our installed capacities and are continuing to undertake additional investments to increase our existing capacity. Set forth are the details of the amount invested by our Company in the last three financial years:

Particulars	For the year ended March 31		
	2024	2023	2022
	Amount (₹ lakhs)	Amount (₹ lakhs)	Amount (₹ lakhs)
Amount invested for Gross Capex	14,227.83	9,080.32	7,288.75
Amount invested for Capital Work in Progress	600.14	440.10	339.96
Total	**14,827.97**	**9,520.40**	**7,628.71**

Our expected return on total assets invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. For further information, see "*Our Business - Aggregate Installed Capacity and Capacity Utilization*" on page 197. Under-utilization of our manufacturing capacities over extended periods, or significant underutilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance. Our revenue from operations could be negatively impacted by low production volumes, which is a function of our capacity utilisation and installed capacity. Further, an inability to manufacture or fulfil orders could also affect our ability to source and maintain customer relationships, and consequently our brand image and identity.

11. ***We intend to utilise a portion of the Net Proceeds for part funding our capital expenditure requirements. This includes part financing the cost towards capacity expansion of our manufacturing facility at Raigad, Maharashtra which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.***

We intend to strengthen our market position in India as the manufacturer of structural steel tubes and pipes, and achieve better economies of scale by expanding our existing manufacturing capacities. Towards this, we are undertaking capacity expansion of our existing manufacturing facility by setting up a new unit at Raigad, Maharashtra ("**Megaproject**"). Our Company proposes to utilise a portion of the Net Proceeds, not exceeding ₹ 8,750 lakhs, towards part financing the cost of this Megaproject for purchasing certain plant and machinery.

The total estimated cost towards capital expenditure for the Megaproject is estimated to be ₹ 90,000 lakhs for which we propose to fund a sum of ₹ 8,750 lakhs from the Net Proceeds. The remaining capital expenditure is proposed to be funded out of proceeds from preferential allotment of 250 lakh fully convertible warrants and from the internal accruals of our Company. However, we cannot assure you that we will be able to generate the required internal accruals to fund the entire estimated capital expenditure or receive the pending call money in relation to the preferential issue of warrants in a timely manner or complete the construction of the Megaproject within the expected estimated cost and on time which may result in cost escalations and time overruns. Furthermore, we may encounter operational complexities and potential disruptions in the supply chain, leading to production delays or cost overruns.

We have already started negotiating with suppliers and placed an order of plant/machinery for which an advance of ₹ 2,983 lakhs has been paid to them. This amount was funded from the internal accruals of our Company and part consideration received by our Company, *i.e.*, 25% of the warrant issue price received from the allottees, pursuant to the preferential allotment of 250 lakhs fully convertible warrants undertaken by them. No other payment has been made by our Company to any vendor or contractor yet, in relation to the Megaproject. We have estimated the requirement of the plant and machinery and other ancillary expenses for the Megaproject based on quotations received from third party vendors and as certified by Vivek Consultants and Preeti Malhotra & Associates, Chartered Accountant, pursuant to their detailed project report dated July 17, 2024. We cannot assure you that we would be able to acquire the plant and machinery required for the proposed Megaproject at the prices as quoted/ estimated to us by the vendors. Any delay in setting up of the plant and/ or machinery required for the proposed Megaproject could lead to time and cost overruns and may have a material adverse effect on our business, results of operations and financial condition. The completion of the Megaproject is also dependent on the performance of external agencies which are responsible for inter alia installation and commissioning of plants and machinery. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and results of operations.

We are required to obtain certain licenses and approvals in relation to the Megaproject from governmental and local authorities and at different stages of the construction. For further details, see "*Use of Proceeds– Government and other Approvals*" on page 85. For instance, we have applied for and are yet to obtain the consent to establish, renewal of clearance from Mumbai Waste Management Membership and approval from Maharashtra State Electricity Distribution Company Limited. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. Expanding our current operations can be risky and expensive, and we cannot assure you that we may be successful in meeting the desired cost-efficiencies and any consequent growth in our business. Our inability to procure such approvals or plant / machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure and/ or in the extension of the proposed schedule of implementation and deployment of Net Proceeds.

12. ***Our business is working capital intensive. If we experience insufficient cash flows to meet required payments on our working capital requirements, there may be an adverse effect on the results of our operations.***

Our Company proposes to utilise ₹ 17,500 lakhs from the Net Proceeds towards funding its working capital requirements. The estimated working capital requirements have been approved basis our historical holding levels and our existing working capital requirements. The actual amount and timing of our future capital requirements may differ from these estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the industries we operate. For details, please see "*Use of Proceeds*" on page 82.

The details of Company's working capital, on the basis of its audited standalone financial statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 are provided in the table below:

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1.	Total Current Assets (A)	66,455.55	45,830.31	25,802.28
2.	Total Current Liabilities (B)	4,467.74	9,781.17	4,659.05
3.	Net working capital requirements (A-B)	61,987.81	36,049.14	21,143.23

We typically meet our working capital requirements through financing arrangements availed by us. Our ability to arrange working capital financing in the future is dependent on numerous factors, including credit availability from banks, investor confidence, the continued success of our current projects and laws that are conducive to our raising capital in this manner. Our attempts to complete future financings may not be successful or on favourable terms or may include several restrictive covenants and require us to furnish bank guarantees. We may also be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as delay in disbursements under our financing arrangements, increased interest rates, insurance or other costs, or borrowing and lending restrictions or finance our working capital requirements on commercially acceptable terms or at all, each of which may have a material adverse effect on our business, financial condition, prospects and results of operations. These factors may result, or have resulted, in increase in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have an adverse effect on our financial condition and results of operations.

If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

13. ***Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

Our operations are subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including various environmental approvals, factories licenses, labour related and tax related approvals. For instance, we are required to obtain consent from the relevant state pollution control board to establish and operate our manufacturing facilities under the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"). We are also required to adhere to the permissible production capacity limits prescribed in the relevant approvals. As on date of this Preliminary Placement Document, we have exceeded the permissible production capacity limits for our manufacturing facilities in Derabassi, Raigad and Raipur for the financial year ended March 31, 2024. Our Company has applied to the Punjab Pollution Control for increasing the production capacity limit. However, there can be no assurance that the Punjab Pollution Control Board will issue or rectify such permits or approvals in time or at all. Further, the relevant authorities may initiate penal action against us, restrain our operations, close our factories, impose fines/ penalties or initiate legal proceedings for our inability to renew/ obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability.

Additionally, if there is any other failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

14. ***The Unaudited Consolidated Financial Results for the three months ended June 30, 2024 included in this Preliminary Placement Document account for the recent acquisition of M/s Nabha Steels and Metals.***

Accordingly, the prior period financial information for the three months ended June 30, 2023 included in the Unaudited Consolidated Financial Results is not comparable.

Subsequent to March 31, 2024, our Company has acquired a 67% controlling stake in M/s Nabha Steels and Metals on April 9, 2024 ("***Nabha Steel Acquisition***"). For further details, see "*Our Business*" on page 185. The Unaudited Consolidated Financial Results included in this Preliminary Placement Document account for such acquisitions for the three months ended June 30, 2024. However, the prior period financial information for the three months ended June 30, 2023 included in the Unaudited Consolidated Financial Results will not factor in the impact of such acquisition as the acquisition is not material to the Company on a consolidated basis. Hence the financial information included in the Unaudited Consolidated Financial Results for the three months ended June 30, 2024 is not comparable to the prior period of three months ended June 30, 2023. Investors should make their own independent evaluations and should conduct their own investigation and analysis and obtain independent and specified advice from appropriate professional adviser, as they deem necessary in relation to the Issue.

15. ***The Nabha Steel Acquisition may fail to realise targeted synergies or other anticipated benefits which would adversely impact our business, results of operations, financial condition and prospects.***

Our Company acquired a controlling stake of 67% in M/s Nabha Steels and Metals with effect from April 9, 2024. The newly acquired partnership firm is engaged in the manufacturing of a wide portfolio of steel products such as HR coils and long steel products like billets and has a plant situated in Mandi Gobindgarh with an aggregate installed capacity of 2,10,000 MTPA, as of June 30, 2024. Through this acquisition, we aim to enhance our total backward integration capacity, which was previously concentrated in our Raipur plant, and thereby support the captive requirements of our existing manufacturing facilities, specifically our original plant located in Mandi Gobindgarh.

While M/s Nabha Steels and Metals is not a material acquisition, there are still certain significant risks associated with it. For instance, there can be no guarantee that we will realise any or all of the anticipated benefits from the Nabha Steel Acquisition, either in a timely manner or at all. In particular, our ability to realise anticipated benefits and the timing of this realisation may be affected by a variety of factors, including but not limited to:

- Inability to realise economies of scale through backward integration due to supply chain disruptions, quality issues, and fluctuations in raw material prices.
- Inability to ensure optimal capacity utilization of the newly acquired manufacturing facility.
- Inability to obtain or maintain the requisite regulatory approvals from the relevant statutory or governmental authorities.
- Inability to retain and/or replace key manpower of M/s Nabha Steels and Metals.
- Unforeseeable events, including major changes in the industries in which our Company and M/s Nabha Steels and Metals operate.

In addition, our ability to realise anticipated benefits may also be impacted by any of the other risks that we face individually as businesses as described in this Preliminary Placement Document. If the anticipated benefits that our Company expects are not realised or are delayed, our business, results of operations, financial condition and prospects could be adversely affected. Even if we are able to successfully integrate our businesses and operations, it may not be possible to realise the full benefits of the integration opportunities, the synergies that we currently expect to result from the Nabha Steel Acquisition, or realise these benefits within the time frame that we currently expect.

For the Issue, we have included certain information related to M/s Nabha Steels and Metals in the Preliminary Placement Document. We have completed Nabha Steels Acquisition recently and there may be unknown risks associated with M/s Nabha Steels and Metals. Any discovery of adverse information concerning the Nabha Steels Acquisition may result in the information about it contained in this Preliminary Placement Document being inaccurate or inadequate and may materially and adversely affect our business, financial condition and results of operations.

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

We rely largely on our distributors to sell ERW black pipes, galvanized pipes, pre-galvanised pipes, solar mounting structures and hollow sections to our end consumers.

Particulars	As of		As of		
	June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Distributors	820	449	820	631	653

Our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We cannot assure you that we will be able to successfully identify or appoint new distributors, maintain relationship with our brokers or effectively manage our existing distribution network. Any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition, cash flows and results of operations:

- failure to maintain relationships with our existing distributors or brokers;
- failure to establish relationships with new distributors or brokers on favorable terms;
- reduction, delay or cancellation of orders from one or more of our distributors or brokers;
- disruption in delivering of our products by distributors; and
- inability to collect full or partial payments from distributors.

For instance, in our sales through dealers in India, we strive to operate on immediate payment terms, and at times with partial or no advance payment terms, but there is no guarantee that our dealers will not default on their payments. We extend credit periods to our dealers and we cannot guarantee that our dealers will not default on their payments which might adversely affect our profits margins and cash flows. An inability to collect receivables from our dealers in a timely manner or at all, could adversely affect our working capital cycle, and cash flow. Set forth below are the details of our trade receivables as a percentage of our total assets, as of each of the corresponding periods:

(in ₹ lakhs, unless otherwise indicated)

Particulars	For the three-month period ended		For the financial year ended		
	June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Trade receivables	23,097.74	16,062.07	19,266.12	13,946.01	10,956.83
% of Total Assets	23.21	30.74	22.86	24.83	32.30

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers/ distributors to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements.

Further, we may not be able to compete successfully against larger and better-funded distribution networks of some of our current or future competitors, especially if these competitors provide their distributors or brokers with more favorable arrangements. If the terms offered to such distributors, brokers or agents by our competitors are more favourable than those offered by us, our distributors, brokers or agents may decline to distribute/ sell our products or push competitors' products and terminate their arrangements with us. Additionally, our distributors and brokers are not exclusive to us and also stock and sell products of multiple manufacturers, who could be our competitors. We cannot assure you that we will not lose any of our distributors or brokers to our competitors, which could cause us to lose some or all of our favorable arrangements with such distributors or brokers and may result in the termination of our relationships with other distributors or brokers.

Alternately, if our distributors or brokers are not able to maintain a strong network of distribution or effectively distribute/ sell our products, our products may not attain as much reach as our competitors in the market and we may lose market share which may have a material adverse effect on our results of operations.

17. *Our Company was incorporated in 1991 and we are unable to trace some of our corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation.*

We are unable to trace some of our corporate records, such as the form filings made with the RoC, minutes of the board and shareholders' meetings, annual returns, financial statements, statutory registers maintained by our Company from its incorporation on July 29, 1991, up to the year 2006, which include, *inter-alia*, the corporate records and regulatory filings as set forth below:

i) return of allotment filed with RoC, including the payment challans thereof, minutes of the meetings of the board and/or shareholders, statutory registers and others regulatory forms in relation to allotments of equity shares made by the Company on November 12, 1991, March 28, 1992, March 28, 1993, March 31, 1994, November 30, 1994, December 31, 1994, February 28, 1995, October 1995;
ii) copies of share transfer forms and other secretarial filings in relation to the re-issuance of forfeited equity shares undertaken by the Company pursuant to the shareholders' resolution dated February 27, 2006; and
iii) original memorandum of association and article of association of our Company, along with the revised MOA and AOA pursuant to the change in name of our Company from Jagan Tubes Limited to JTL Infra Limited

We have been unable to trace these documents despite commissioning a detailed search (including online search) at the RoC through an independent practicing company secretary, SV Associates ("**Practicing Company Secretary**"), and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

We have placed reliance on other documents, including the prospectus filed by our Company upon listing on the Over-The-Counter Exchange of India in 1995, annual reports and annual returns for corroborating the share capital history and other related information of our Company for such period, and we cannot assure that the information gathered through other alternative available documents are accurate.

Further, we have intimated the Registrar of Companies, Punjab and Chandigarh, about untraceable secretarial and other corporate records vide our letter dated July 18, 2024. While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings, missing corporate records as of the date of this Preliminary Placement Document, we cannot assure you that such proceedings or regulatory actions will not be initiated against our Company in the future in relation to the missing filings and corporate records. The actual amount of the penalty which may be imposed or loss which may be suffered by our Company cannot be ascertained at this stage and depends on the circumstances of any potential action which may be brought against our Company. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation.

18. *We derive a significant portion of our revenue from government contracts, which are prone to delays and longer working capital cycles, which could in turn adversely affect our business and results of operations.*

Set forth below is the revenue from our customers in the government sector for each of the corresponding periods:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Government sector	2,137.86	4.15%	13,313.36	26.38%	31,269.95	15.33%	23,487.17	15.17%	12,211.60	9.02%

Government bodies typically take a longer period than corporates in the private sector to make payment for services rendered. Our reliance on contracts with government bodies may lead to a longer working capital cycle. A longer working capital cycle could lead to delayed realization of our revenues, utilization of intensive capital and inventory is utilized which could strains our cash flows. There is no assurance that we will be able to obtain payment from the government bodies in a timely fashion, or, if bad debts fall due, that we will be able to enforce repayment for such amounts.

19. *We face substantial competition from Indian structural steel tubes, pipes and steel producers, which may affect our prospects.*

The Indian steel industry is highly competitive. The key listed players in the steel pipes segment include APL Apollo Tubes, Rama Steel Tubes Limited, Hi-Tech Pipes Limited and Goodluck India Limited. (*Source: CARE* Report)

We believe that the key competitive factors affecting our business include product quality, capacity creation and utilization, changes in manufacturing technology, workforce skill and productivity, operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to a regular supply of raw materials. Therefore, some of our domestic competitors may possess an advantage over us due to various reasons, such as captive raw material sources, greater economies of scale, integrated manufacturing facilities, specialization in production of value-added or niche products, stronger distribution network and greater presence in certain markets.

Maintaining or increasing our market share will depend on effective marketing initiatives and our ability to anticipate and respond to various competitive factors affecting the industry, including our ability to improve our manufacturing process and techniques, introduce new products, respond to pricing strategies of our competitors, and adapt to changes in technology and changes in customer preferences. We cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. Failure by us to compete effectively could have a material adverse effect on our business, financial condition and results of operations. For example, these companies may be able to negotiate preferential prices for certain products or receive discounted prices for bulk purchases of certain raw materials that may not be available to us. Further, changes in India's debt restructuring and insolvency laws, including the Insolvency and Bankruptcy Code, 2016, has led to consolidation among our competitors. In addition, our competitors may have lower leverage and/ or access to cheaper sources of funding. Larger competitors may also use their resources, which may be greater than ours, against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel producers and our business, results of operations, financial condition and prospects could be materially and adversely affected.

20. ***Failure to comply with environmental laws and regulations by us could lead to unforeseen environmental litigation which could impact our business and our future net earnings.***

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to further invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

21. ***In the past, we have not been able to obtain trading approval for a specific allotment of Equity Shares made to a third-party allottee, which is still currently pending. Therefore, there is no guarantee that the Equity Shares will be listed and traded on BSE, NSE and MSEI, in a timely manner or at all, which may have an impact on the successful completion of the Issue.***

In the past, our Company allotted 58,97,110 Equity Shares to certain allottees on February 28, 2024 pursuant to the conversion of warrants issued on a preferential basis and the issuance of bonus shares reserved for the outstanding convertible warrants. However, our Company was unable to get trading approval for a specific allotment of Equity Shares made to a third-party allottee, which is still currently pending as on date of this Preliminary Placement Document ("**Pending Trading Approval**"), since the allottee's depository account was frozen due to certain regulatory actions initiated against it in an individual capacity. While our Company was ultimately successful in obtaining a partial trading approval for the remainder of the Equity Shares allotted on February 28, 2024 and has hitherto also been successful in obtaining trading approvals for subsequent allotments made so far, we cannot assure you that the Pending Trading Approval, or any other inadvertent incident or regulatory development, will not potentially impact our ability to obtain the listing and trading approvals from the Stock Exchanges for the Equity Shares allotted pursuant to the Issue in a timely manner or at all.

In accordance with Indian law and practice, permission for listing of the Equity Shares issued pursuant to the Issue will not be granted until after those Equity Shares have been issued and allotted. While we have received in-principle approvals from BSE, NSE and MSEI on July 18, 2024, respectively, the final listing and trading approval requires all relevant documents authorizing the issue of Equity Shares and other requisite confirmations to be submitted in a timely manner to BSE, NSE and MSEI. Any failure or delay in the submission of required documents to BSE, NSE and MESI or any other inadvertent regulatory incident as detailed above, including the Pending Trading Approval, could lead to a subsequent delay or failure in the subsequent listing of the Equity Shares, which would have an impact on the successful completion of the Issue.

22. *We are dependent on our Senior Management Personnel, Key Managerial Personnel and our employees, and the loss of, or our inability to hire, retain, train, and motivate qualified personnel could adversely affect our business, results of operations, cash flows and financial condition*

We are led by our individual Promoters, Madan Mohan and Mithan Lal Singla, who have several decades of experience in the industry and have been instrumental in the growth of our Company. We are dependent on our Directors, Key Managerial Personnel, Senior Management Personnel and other key personnel with technical expertise for setting our strategic business direction and managing our business. Our Directors, Key Managerial Personnel, Senior Management Personnel have extensive experience in the steel industry in India. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Due to the current limited pool of skilled personnel, competition for senior management, commercial and finance professionals in our industry is intense. The loss of the services of our Directors, Key Managerial Personnel, Senior Management Personnel or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects.

The attrition rate of our employees for the three-month period ended June 30, 2024 and June 30, 2023, and the last three fiscals is given in the table below:

Particulars	For the three-month period ended		For the financial year ended		
	June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Attrition (%)	3%	4%	16%	20.00%	14.86%

As our manufacturing facilities are situated in industrial spaces within Tier 2-3 cities, employees keep searching for appropriate job opportunities for career progression and higher economic growth. Further, some of the employees left since they were not deemed to be culturally fit with the environment of our organization. Another reason behind the majority of attritions at the plant operations level is the lack of technical know-how and expertise of the plant and machinery.

If we continue to have a high attrition rate it may reduce productivity levels and a long period of time will be required to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations, financial condition and our cash flows.

23. *Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

As of June 30, 2024, we had a workforce of 1,060 personnel which comprised 735 permanent employees and approximately 325 contractual employees. While we have not experienced any work stoppages due to labour disputes or cessation of work in the recent past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Further, our employees are not unionised into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are improbable for us to forecast or control and any such event could adversely affect our business, results of operations and financial condition.

24. *If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.*

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our internal controls will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. As we continue to grow, there can be no assurance that there will be no other instances, which may adversely affect our business and reputation.

25. *Product liability claims could adversely affect our operations.*

We sell our products such as hot dipped galvanised steel tubes, solar module mounting structures, and large diameter steel tubes to major manufacturers who are engaged to sell a wide range of end products across agriculture, water distribution, solar projects, energy and engineering, heavy vehicles, construction & building material and other core infrastructure applications. If the quality of our products do not meet the specifications of the order or the requirements of the application, there may be significant disruptions to the customer's production lines. There could be, as a result of such quality failure, significant consequential damages resulting from the use of such products. We do not currently carry any product liability insurance coverage, and a major claim for damages related to products sold could leave us uninsured against a portion or the entire award and, as a result, materially harm our business, financial condition and results of operations.

26. *Our manufacturing facilities are subject to various operating risks including shortage or non-availability of essential utilities such as electricity*

Our operations are inherently risky and requires individuals to work under potentially high-risk circumstances. For example, if improperly handled, molten metal can cause personal injury or loss of life of employees or other persons, and cause damage to our properties and the properties of others and the imposition of civil or criminal liabilities. We could also face claims and litigation filed on behalf of persons alleging injury as a result of occupational exposure to hazards at our facilities. Although we have not encountered any instances of material claims in the last three fiscals and three month period ended June 30, 2024, we cannot assure you that we will not experience such claims in the future.

Further, our business operations are heavily dependent on continuous supply of electricity which are critical to our manufacturing operations. While our power requirements are met and we also have generators allowing for back-up in the case of power cuts or outages, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Any shortage or non-availability of electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage.

27. *Our business operations are being conducted on owned and leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial conditions*

As on the date of this Preliminary Placement Document, our manufacturing facility located in Raigad, Maharashtra and our Registered and Corporate Office, are being conducted on premises which are leased, and maybe encumbered.

Given that some of our business operations are conducted on leased premises, any adverse impact on, or deficiency in, the title, ownership rights or development rights of the owners from whose premises we operate, breach of the contractual terms of any lease or leave and license agreements, or any inability to renew such agreements on acceptable terms or at all may materially affect our business operations.

Lease agreements are also required to be duly registered and adequately stamped under Indian law. Failure to stamp a document does not affect the validity of the underlying transaction but renders the document inadmissible as evidence in court in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

Further, we may require additional amount of land for the purposes of operating our manufacturing facilities and future expansion plans. However, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition, or at all. The cost of acquiring land on a freehold or leasehold basis for our manufacturing facilities may be higher than we estimated and is subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our manufacturing facilities from local communities, tribes, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our manufacturing facilities or the necessary approvals from government agencies, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

28. ***We face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect our revenue from exports.***

Protectionist measures, including anti-dumping laws, countervailing duties and tariffs and government subsidization adopted or currently contemplated by governments in some of our export markets could adversely affect our sales from exports. For instance, United States is one of the biggest markets for steel tubes and pipes, however, due to the anti-dumping duty on standard steel pipes imported from India, it is not a viable market for India.

While there have been no sanctions / penalties imposed by any foreign country which have had a material impact on our Company in the last three financial years, in the event any antidumping duty proceedings or any resulting penalties or any other form of import restrictions are imposed upon us, it may limit our access to export markets for our products, and in the future additional markets could be closed to us as a result of similar proceedings, thereby adversely impacting our sales from exports or limiting our opportunities for growth.

Tariffs are often driven by local political pressure in a particular country and therefore there can be no assurance that quotas or tariffs will not be imposed on us in the future. In the event that such protective trade restrictions are imposed on us, our exports could decline. Further, a decrease in exports from India or an increase in steel imports to India as a result of protective trade restrictions could have a negative impact on our business, financial condition and results of operations.

29. ***Competition from other materials or changes in the products or manufacturing processes of customers that use our steel products, could reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.***

In many applications, steel competes with other materials that may be used as substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Government regulatory initiatives mandating or creating incentives for the use of such materials in lieu of steel, whether for environmental or other reasons, as well as the development of other new substitutes for steel products, could significantly reduce market prices and demand for steel products and thereby reduce our cash flow and profitability.

In addition, the steel market is characterized by evolving technology standards that require improved quality, changing customer specifications and wide fluctuations in product supply and demand. The products or manufacturing processes of the customers that use our steel products may change from time to time due to improved technologies or product enhancements. These changes may require us to develop new products and enhancements for our existing products to keep pace with evolving industry standards and changing customer requirements. If we cannot keep pace with market changes and produce steel products that meet our customers’ specifications and quality standards in a timely and cost-effective manner, our business, results of operations, financial condition and prospects could be materially adversely affected.

30. *Insurance coverage obtained by us may not adequately protect us against unforeseen losses.*

We maintain insurance coverage in accordance with industry standards that we believe is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We have obtained standard fire and special perils policies, burglary policies, vehicle insurances and policies insuring our plant, machinery and building. There can however be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. A successful enforcement of one or more claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cash flows and results of operations. Set forth below are details of our insurance coverage, as of the corresponding dates:

(in ₹ lakhs, unless otherwise indicated)

Particulars	For the three month period ended		For the financial year ended		
	June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Insurance Coverage	3,728.22	1525.94	6,713.73	2,794.91	2,204.72
Percentage of our total assets (%)	24.63%	22.75%	47.17%	30.78%	30.25%

31. *We are subject to certain restrictive covenants in our financing arrangements which may limit operational and financial flexibility, and failure to comply with these covenants may have a material adverse effect on our future results of operations and financial condition.*

We have availed short-term working capital facilities in the ordinary course of business. As of March 31, 2024, our total borrowings amounted to ₹ 2,000.53 lakhs. Certain of our financing arrangements include covenants to maintain certain debt to equity ratios, debt coverage ratios and certain other liquidity and profitability ratios. There can be no assurance that maintaining, or adhering to, such covenants will not hinder business development and growth.

In the event that we breach any covenants under our financing arrangements or requisite consents/waivers cannot be obtained, the outstanding amounts due under such financing agreements could become due and payable immediately. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such financing agreements becoming due and payable immediately. Defaults under one or more of our financing agreements could have a material adverse effect on our business, results of operations, financial condition and prospects.

Some of our financing agreements and debt arrangements set limits on or require us to obtain lender consents before, among other things, undertaking new projects, effecting any change in the capital structure, availing additional funding, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. In addition, certain covenants may limit our ability to raise incremental debt or to provide collateral. While we have in the past been able to obtain required lender consents for undertaking such activities (including in relation to the Issue), there can be no assurance that we will be able to obtain such consents in the future in a timely manner or at all. If our financial or growth plans require such consents, and such consents are not obtained or other condition or covenant under our financing agreements is not waived by the lender, we may be forced to forgo or alter our plans, which could adversely affect our results of operations, financial condition and prospects.

32. *There are outstanding legal proceedings against our Company, Directors and Promoters which may adversely affect our business, financial condition and results of operations.*

There are outstanding legal proceedings against our Company, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts and enquiry officers. Such proceedings could divert management time and attention and consume financial resources in their defence. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations.

A summary of the outstanding proceedings as disclosed in this Preliminary Placement Document, to the extent quantifiable, have been set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigation	Aggregate amount involved (₹ in lakhs)*
Company					
By the Company	Nil	Nil	Nil	2	2,532.00
Against the Company	2**	15	Nil*	Nil	409.52
Directors (other than Promoters)					
By the Directors	Nil	Nil	Nil	Nil	Nil
Against the Directors	2**	Nil	Nil*	Nil	Nil
Promoters					
By the Promoters	Nil	Nil	Nil	Nil	Nil
Against the Promoters (including the individuals Promoters)	3**	2	Nil*	Nil	825.89
Subsidiary					
By the Subsidiary	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	Nil	Nil	Nil	Nil

** The cases under criminal litigation against the Company, its Promoters and Directors other than promoters are in the nature of statutory criminal litigations and hence are shown under criminal proceedings with a cross reference to statutory or legal proceedings*
***Amount not quantifiable.*

For further details of the outstanding litigation proceedings involving the Company, Directors, Promoters and Subsidiary, please see the section entitled "*Legal Proceedings*" beginning on page 252. Further, except certain past penalties that have been imposed by the Ministry of Corporate Affairs, Government of India against Madan Mohan, one of Directors and Promoter in 2005, there are no other there are no other penalties or fines imposed on our Company or Subsidiary under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the date of this Preliminary Placement Document.

We cannot provide assurance that these legal proceedings will be decided in our favour. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

33. ***The success and wide acceptability of our products is largely dependent upon certain quality accreditations which are valid for a limited time period and to maintain an effective quality control system. An inability to ensure the renewal of these quality accreditations in a timely manner or at all may adversely affect our business prospects and financial performance.***

Our business requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our manufacturing facilities at Raigad, Maharashtra and Derabassi, Punjab have been certified with ISO 9001:2015 for the manufacturing, export and supply of ERW black pipes, galvanised pipes and hollow steel sections. For further information, see section entitled "*Our Business*" beginning on page 185. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

The quality of our products is critical to the success of our business, and quality depends on the effectiveness of our quality control system, which, in turn, depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

34. ***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.***

We believe that going forward, our profitability and competitiveness will depend in large part on our ability to maintain 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, financial condition and results of operations may be adversely affected. In addition, our Company regularly follows process improvements as part of our manufacturing process to achieve optimum production and to improve productivity from our existing facilities.

35. ***Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition.***

Our operations are subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including various environmental approvals, factories licenses, labour related and tax related approvals. For instance, we are required to obtain consent from the relevant state pollution control board to establish and operate our manufacturing facilities under the Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"). We are also required to adhere to the permissible production capacity limits prescribed in the relevant approvals. As on date of this Preliminary Placement Document, we have exceeded the permissible production capacity limits for our manufacturing facilities in Derabassi, Raigad and Raipur for the financial year ended March 31, 2024. Our Company has applied to the Punjab Pollution Control for increasing the production capacity limit. However, there can be no assurance that the Punjab Pollution Control Board will issue or rectify such permits or approvals in time or at all. Further, the relevant authorities may initiate penal action against us, restrain our operations, close our factories, impose fines/ penalties or initiate legal proceedings for our inability to renew/ obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability.

Additionally, if there is any other failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, or suffer disruption in our activities, any of which could adversely affect our business.

36. ***Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition, and results of operations may be adversely affected.***

We intend to use the Net Proceeds for the purposes described in section entitled "*Use of Proceeds*" beginning on page 82. The Objects of the Issue have not been appraised by any bank or financial institution. Whilst a Monitoring Agency has been appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, internal management estimates based on the terms of our current financing documents and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Use of Proceeds, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds.

37. ***Technology failures could disrupt our operations and adversely affect our business operations and financial performance.***

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, production scheduling and raw material ordering, invoicing, customer relationship management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Our IT systems, and the systems of our third party IT service providers may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, telecommunications failures, computer viruses, hackers and other security issues. IT interruptions and system failures could have a material and adverse effect on our ability to realise the anticipated improvements in productivity and efficiency.

A fault in or disruption to our information technology systems could cause disruption to our business. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete. Failure to keep up to date with such changes could result in our competitors having an advantage over us, which could impact negatively upon both our financial performance and our reputation. Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could affect our results of operations and financial condition.

38. ***Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

Due to unavailability of suitable updated reports in relation to all the segments/ value chain of the industry in which we operate, we have availed the services of an independent third party research agency, CARE Analytics and Advisory Private Limited, to prepare an industry report titled "*Industry Research Report on Steel Products*" for purposes of inclusion of such information in this Preliminary Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from this industry report. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, the BRLM or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

39. ***We have in this Preliminary Placement Document included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of players in the Indian financial services industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such non-GAAP financial measures may be different from financial measures and statistical information disclosed or followed by other NBFCs or MFIs. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of Audited Consolidated Financial Statements as reported under applicable accounting standards disclosed elsewhere in this Preliminary Placement Document. These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further details, see "*Presentation of Financial and Other Information - Non-GAAP Financial Measures*" on page 13.

40. ***Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

The Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in this Preliminary Placement Document have been prepared and presented in conformity with Ind AS, which differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

41. ***The unexpected loss, shutdown or slowdown of operations at any of our manufacturing facilities could have a material adverse effect on our results of operations and financial condition.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing facilities. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could affect our operations by causing production at one or more manufacturing facility to shut down or slowdown. For instance, in the past, due to the supply disruptions caused by COVID-19 and certain natural disasters, the capacity utilization at certain of our manufacturing facilities was lower than 50%. There is no assurance that one or more of the factors mentioned above will not occur in the future, which could have a material adverse effect on our results of operations and financial condition.

In addition, some of our key equipment may, on occasion, be out of service as a result of routine servicing or unanticipated failures, which could require us to close part or all of the relevant manufacturing facility or cause production reductions on one or more of our manufacturing facilities. Our manufacturing facility and such key equipment would be difficult and expensive to replace on a timely basis.

Any interruption in production may require significant and unanticipated capital expenditure to affect repairs or increase the cost of power, which could have a negative effect on profitability and cash flows. A sustained disruption to our business could also result in a loss of customers or imposition of penalties by our customers for failure to adhere to timelines. Any or all of these occurrences could result in the temporary or long-term closure of our manufacturing facilities, severely disrupt our business operations and materially adversely affect our business, results of operations, financial condition and prospects.

42. ***We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

43. ***India has stringent labour legislations that protect the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

44. ***Currency exchange rate fluctuations may have an adverse effect on our results of operations and value of the Equity Shares.***

Our financial information is presented in Indian Rupees. However, we generate a portion of our sales internationally through export and sales outside of India. We also import certain raw materials and capital goods for our operations. These imports and exports are denominated in foreign currencies, primarily in U.S. dollars. Although we follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations.

Further, due to the time gap between the accounting of sales and actual payments, the foreign exchange rate at which the sale is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of Indian Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations, may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline.

The exchange rate between the Indian Rupee and the USD, Euro and other foreign currencies has changed considerably in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the Indian Rupee and other currencies may affect the value of a non-resident investor's investment in the Equity Shares.

A non-resident investor may not be able to convert Rupee proceeds into USD, Euro or any other currency or the rate at which any such conversion may occur could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Rupee, if United States or other non-resident investors analyze our value based on the USD or Euro equivalent of our financial condition and results of operations. For historical exchange rate fluctuations, see section entitled "*Exchange Rates Information*" beginning on page 19.

45. ***Some of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. Further, some of our Directors also hold one equity share each in our Subsidiary, as a nominee for and on behalf of our Company. We cannot assure you that our Directors will exercise their rights as shareholders to the benefit and best interest of our Company.

Please see below the shareholding of our Directors in our Company as on the date of this Preliminary Placement Document:

S. No.	Names of Directors	Number of Equity Shares held	% of shareholding
1.	Dhruv Singla	45,45,000	2.56
2.	Madan Mohan	2,61,08,934	14.73
3.	Mithan Lal Singla	43,96,714	2.48
4.	Pranav Singla	21,94,034	1.24
5.	Rakesh Garg	1,31,39,336	7.41
6.	Sanjeev Gupta	2	Negligible

For details on the interest of the Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see section entitled "*Board of Directors and Senior Management*" beginning on page 204.

46. ***Information relating to our installed capacities and capacity utilization of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity utilization may vary.***

Information relating to the installed manufacturing capacity, capacity utilization of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity and capacity utilization of our manufacturing facilities. These assumptions and estimates relating to the installed manufacturing capacity include the standard capacity calculation practice of steel industry after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the manufacturing facilities.

Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilization rates. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our manufacturing facilities. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing manufacturing facilities included in this Preliminary Placement Document. For further information, see sections entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 185 and 94, respectively.

47. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders. Further, our Promoters will continue to retain a majority shareholding in us after the Issue, which will allow them to exercise significant influence over us.***

We have entered into related party transactions in the three months ended June 30, 2024 and the three preceding fiscals, each of which have been undertaken on an arms' length basis and have been approved by our Audit Committee, Board, Shareholders, or as required by law.

We may also, from time to time, enter into related party transactions in the future. To the extent we may extend loans or advances to related parties, enter into contracts envisaging delivery of services, we may face risks in relation to default by such related parties or potential non-recovery or non-performance of contractual obligations. Set forth below are details of our related party transactions in the corresponding periods:

Particulars	For the three-month period ended June 30		For the year ended March 31					
	2024		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income	Amount (₹ lakhs)	Percentage of Total Income
Related party transactions	223.37	0.43%	8,053.27	3.93%	8,290.62	5.33%	273.79	0.20%

The quantum of such related party transactions may vary across periods. For instance, we have entered into certain transactions for sale and purchase of goods and services with Jagan Industries Limited, a member of the promoter group, which is reflected in our related party transactions. Further, we had received an unsecured loan of ₹ 321.30 lakhs from our directors, which is reflected in our related party transactions. We have also entered into lease agreements with our Promoter and members of our Promoter Group for using the land on which our Raigad manufacturing facility and Registered and Corporate Office are located.

Further, after the completion of the Issue, our Promoters will continue to hold approximately [●] % of our issued and paid-up equity share capital. Accordingly, our Promoters will continue to have significant influence over our business and all matters requiring Shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of the Promoters. Further, the Promoters' shareholding may limit the ability of a third party to acquire control of our Company. Additionally, our Promoters hold minority stake of the equity shares in some of our Subsidiary. We cannot assure you that the interest of our Promoters in our Subsidiary will be similar to ours or that we will be able to suitably resolve any conflict of interest without an adverse effect on our business or operations.

48. *We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.*

As of March 31, 2024, our contingent liabilities were as follows:

Sr.No	Particulars	Amount (in ₹ lakhs)
Contingent liabilities		
A.	**Claims against the Group not acknowledged as debts**	
a)	Disputed excise duty, custom duty, GST and service tax cenvat credit	69.23
b)	Income tax demands against which group has preferred appeals	369.28
c)	Civil cases	61.00
B.	**Guarantees**	
a)	Letters of credits	3,444.63
b)	Unexpired bank guarantees	3,895.34

For further details of contingent liability, see the section titled "*Financial Statements*" on page 260 of this Preliminary Placement Document. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

49. *Our ability to pay dividends depends on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the

Companies Act, 2013. Our Board approved a formal dividend policy of our Company, at its meeting dated August 18, 2021, which includes parameters to be considered by our Board for declaration of dividend, with an objective of rewarding the shareholders of our Company. Our Company has declared and paid dividends on the Equity Shares in Fiscals 2022 and 2023. For details, please see the section entitled "*Dividends*" beginning on page 93.

We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. For details of dividend paid by our Company in the past, see section entitled "*Dividends*" beginning on page 93.

50. *Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.*

The following table sets forth certain information relating to our cash flows basis for the periods indicated:

Particulars	**For the year ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
	(₹ lakhs)		
Net cash flow from / (used in) operating activities	(2,212.59)	396.96	1,708.59
Net cash flow from/ (used in) investing activities	(9,558.89)	(1,992.84)	(3,433.10)
Net cash flows from/ (used) in financing activities	16,885.81	6,578.54	1,704.12

We may in the future experience negative operating cash flows. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 94.

51. *If we are not able to successfully identify and integrate any future acquisitions, it could have a material adverse effect on our growth strategy, business, financial condition, results of operations and prospects.*

While we are presently focused on organic growth strategies, we intend to explore the possibility of growing inorganically by acquiring distressed steel plants in order to increase our revenues and profitability. The completion of acquisitions and, if completed, the successful integration of such newly acquired steel plants into our operations may be difficult for a variety of reasons, including differing culture or management styles, poor records or internal controls and difficulty in establishing immediate control over cash flows. As a result, potential future acquisitions pose significant risks to our existing operations, including:

- additional demands placed on our senior management, who are also responsible for managing our existing operations;
- increased overall operating complexity of our business, requiring greater personnel and other resources;
- additional cash expenditures to integrate acquisitions;
- incurrence of additional debt to finance acquisitions and higher debt service costs related thereto; and
- the need to attract and retain sufficient numbers of qualified management and other personnel.

Moreover, when making acquisitions it may not be possible for us to conduct a detailed investigation of the nature of the assets being acquired due to, for example, time constraints in making acquisition decisions and other factors. We may also become responsible for additional liabilities or obligations not foreseen at the time of an acquisition. Moreover, even if we are successful in integrating newly acquired assets and acquiring additional assets, expected synergies and cost savings may not materialise, resulting in lower than expected benefits from such acquisitions.

52. ***Our Statutory Auditors and Previous Statutory Auditors have included a matter of emphasis in their audit reports on financial statements as at and for the years ended March 31, 2024 and March 31, 2023***

Our Statutory Auditors, N. Kumar Chhabra & Co., Chartered Accountants and Previous Statutory Auditors, Suresh K. Aggarwal & Co., Chartered Accountants have included certain matter of emphasis in their audit reports on our Audited Consolidated Financial Statements as at and for Financial Years ended 2024 and 2023 respectively.

Financial Year	Details of reservation, qualification, emphasis of matter or adverse remarks	Details of impact on financial statements and financial position of the company, and corrective steps taken by the company, if any	Corrective steps taken and/or proposed to be taken by the Company
Audited Consolidated Financial Statements for the financial year ended March 31, 2024	*Adverse Remarks:* The Statutory Auditors have stated, "*Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of accounts which has a features of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled at the database level and certain master fields (Asset Master, Customer Master and Vendor Master) for users with certain privileged access rights as it related to the accounting software. Further, during the course of our Audit we did not come across any instance of the Audit Trail feature being tampered with. (Refer note 50 to the financial statements*)."	The Registrar of Companies may take cognizance and initiate proceedings against the Company. The financial impact cannot be ascertained as of now.	The Company has taken it up with the service provider and the auditors expect a timeline September 30, 2024 by which the feature will be enabled.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024	*Emphasis of Matter:* "*We draw attention to Note 51 of the accompanying statement which states that "The Company has carried out exercise of balances confirmation of trade receivable, trade payable, advances given, and other financial and non-financial assets and liabilities and has received confirmations in most of the cases. In few cases, such balances are subject to confirmation/ reconciliation and their balances are stated as per books of accounts. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact*."	The impact cannot be ascertained	The Company believes adequate systems are in place and the process of reconciliation ensures reasonable assurance.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024	*CARO Qualification:* *Qualification in Clause i: "The auditor has mentioned the details of the immovable properties whose title deals are not held in the name of the Company."*	The Company has secured the assets by way of executing a long-term lease of such assets.	N.A.

Financial Year	Details of reservation, qualification, emphasis of matter or adverse remarks	Details of impact on financial statements and financial position of the company, and corrective steps taken by the company, if any	Corrective steps taken and/or proposed to be taken by the Company
	Qualification in Clause v: "The auditor has stated that the Company has accepted a sum of ₹ 21.61 lakhs as advance for supply of goods which are outstanding for more than 365 days from the date of acceptance of such advance. The same is in violation of section 73 to 76 and the Rules framed thereunder"	The Registrar of Companies may take cognizance and initiate proceedings against the Company. The financial impact cannot be ascertained as of now.	The Company will be reaching out to the respective customers for execution of the order/repayment or write back.
	Qualification in clause vii: The statutory dues referred to in sub-clause (a) and (b) of clause (vii) as at March, 2024, which are undisputed and remaining outstanding for a period of more than six months from the date they became due and the ones which have not been deposited on account of a dispute, are mentioned in CARO section of the independent auditor's report.	The undisputed liability may entail some interest payment by the Company, which shall not be material. The disputed liability has already been stated as a contingent liability in the financial statements.	The Company has already paid off the undisputed liability.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023	*Emphasis of Matter:* "*Amalgamation of Chetan Industries Limited with JTL Industries Limited which has been sanctioned by Hon'ble NCLT, Chandigarh vide its order dated 30.03.2023. The Scheme had become effective from 31.03.2023. The appointed date for said Scheme of Merger is 1st April,2021. As per the requirement of appendix C to IND AS 103 "Business Combination", the standalone annual financial statements have been prepared incorporating the impact of merger using the "Pooling of interest method" accordingly*.	Due to such merger, the financial statements include the financial numbers of the merged entity.	N.A.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023	*CARO Qualification:* *"Qualification in Clause vii – The particulars of statutory dues referred to in sub-clause (a) of clause (vii) as at March 31, 2023 which have not been deposited on account of a dispute, are mentioned in CARO section of the independent auditor's report."*	The same has already been stated as a contingent liability in the financial statements.	N.A.

Our Statutory Auditors' report and Previous Statutory Auditor's report for the financial year ended March 31, 2024 and March 31, 2023, respectively, was not modified in respect of these matters. For further details, please see- "*Financial Statements*" on page 260. There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

53. ***Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.***

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. The European Union, Switzerland, Japan, Korea, Australia and the United Nations along with other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

EXTERNAL RISK FACTORS

Risks Relating to India

54. ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India and globally.***

Our Company and Subsidiary are incorporated in India, and our manufacturing operations are located in India. Further, we have a customer base in India and globally. Our business and results of operations have been and continue to be affected by international, national and regional economic conditions. Unfavourable economic conditions in India or any of our key markets could have a material adverse effect on our business, results of operations, financial condition and prospects. As a result, we are highly dependent on prevailing economic conditions in India and the other key markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy in such countries, and hence our results of operations and cash flows, may include:

- any adverse change in the growth rate of the global economy;
- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies, including import restrictions;
- political instability, terrorism or military conflict in the region or globally, including in various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting the relevant country.

In particular, rates of economic growth have significant impacts on our consumers of steel and intermediate products, such as the automotive, infrastructure and the construction industries and declines in steel consumption caused by poor or unfavorable economic conditions in one or more of our major markets or by the deterioration of the financial condition of our key customers would have a material adverse effect on demand for our products and hence on our business and results of operations.

55. ***A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

56. ***Our business is affected by global economic conditions, especially in the geographies we cater to, which may have an adverse effect on our business, financial condition, results of operations and prospects.***

Our business also depends on global economic conditions. For details of our revenue generated from exports, please see "*Risk Factors- We derive a portion of our revenues from exports to a limited number of markets such as Germany, Belgium, Greece, West Indies and UAE and any adverse developments in these markets or inability to enter into new markets could adversely affect our business"* on page 50. A significant number of our customers and the majority of the end users of our products are located and primarily operating in Europe, North and South America, and Asia and some of them were adversely impacted by the economic downturn in these economies, disruption in banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, financial condition and results of operations.

In February 2022, hostilities between Russia and the Ukraine commenced, which has led stock, commodities and foreign exchange markets worldwide to fluctuate. In addition, the market price of oil has risen sharply since the commencement of hostilities in the Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, financial condition, results of operations and prospects may be adversely affected.

57. *Changing regulations in India could lead to new compliance requirements that are uncertain.*

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

For instance, the GoI has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, financial condition, results of operations and prospects.

58. *Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the Indian economy and our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, financial condition and results of operations.*

India has experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect our business, and may damage or destroy our manufacturing and R&D facilities or other assets which are concentrated in one location. Any of these natural calamities could adversely affect our business, financial condition and results of operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

Our operations including our manufacturing facilities and research and development activities may be damaged or disrupted as a result of natural calamities. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Any of the above factors may adversely affect our business, financial condition and results of operations.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Recently there have been ongoing mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, financial condition and results of operations. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. In April 2019, skirmishes along India's border with Pakistan and the downing of an Indian military jet fighter plane significantly escalated tensions between the two countries. India has also experienced terrorist attacks in some parts of the country. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

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

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, financial condition and results of operations.

60. *Any adverse change in India's sovereign credit rating by international rating agencies could adversely affect our business, financial condition, results of operations and cash flows.*

Our customers' and our borrowing costs and access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing, if any. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could adversely affect our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

61. *The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our business, financial condition and results of operations.*

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

62. *Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. Additionally, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see section entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 236 and 237 respectively.

In terms of the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

63. ***It may not be possible for investors to enforce any judgment obtained outside India against us, the Book Running Lead Manager or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a limited liability company incorporated under the laws of India. Our Board of Directors comprises members all of whom are Indian citizens. All of our Key Managerial Personnel are residents of India and majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes, among others, the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

64. ***Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.***

The Competition Act seeks to prevent business practices that have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011.These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, including agreements between vertical trading partners i.e., entities at different stages or levels of the production chain in different markets, which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. We may also be subject to queries from the CCI pursuant to complaints by consumers or any third persons, which could be made without any or adequate basis given our market presence. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

Risks relating to our Equity Shares and the Issue

65. ***An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.***

The Equity Shares are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the Issue of the Equity Shares, QIBs subscribing to the Equity Shares may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

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

A future issuance of Equity Shares by us may dilute your shareholding in the Issuer. There are no restrictions on our ability to issue further Equity Shares, including allotment of any securities to the Promoters, other than as stipulated under applicable laws. The issue and allotment of Equity Shares by us to third parties would result in a dilution of your shareholding and rights in the Issuer.

Moreover, any significant disposal of Equity Shares by any of our significant shareholders, or the perception that such sales will occur, may affect the trading price of our Equity Shares. As a publicly traded company, there is no restriction on our shareholders to dispose of a part or the entirety of their shareholding in the Issuer, which could lead to a negative sentiment in the market regarding the Issuer that could in turn impact the value of the Equity Shares.

67. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favour of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction the Investor is in does not permit them to exercise their pre-emptive rights without us filing a Preliminary Placement Document or registration statement with the applicable authority in the jurisdiction they are in, they will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, you may not be able to exercise your pre-emptive rights in relation to such an offering. To the extent that Investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

68. ***The price of the Equity Shares may be volatile.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, results of operations and financial condition. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

69. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

70. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations and financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in this Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

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

72. ***Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupees and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Indian Rupees proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

MARKET PRICE INFORMATION

The Equity Shares of our Company have been listed on BSE, NSE and MSE since July 31, 2012, June 12, 2023 and December 4, 2017, respectively. As on the date of this Preliminary Placement Document, 17,72,10,830 Equity Shares have been issued, subscribed and paid up. No transactions in Equity Shares of our Company have taken place on the MSE.

As of July 16, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 226.60 and ₹ 226.86 per Equity Share, respectively. Since Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately. The shares of the Company are not traded on MSE in the last 3 financial years and current year till date.

Our Company undertook bonus issues of Equity Shares on September 07, 2023 (ex-date), stock split from face value of ₹ 10.00 each to ₹ 2.00 each on October 13, 2021 (ex-date) and accordingly, the market price and other information for the periods prior to and post the said corporate actions have been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2024, 2023, and 2022

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high (₹in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low**	**Average price for the year (₹)**
2024	436.00	06-Sep-23	25203	107.54	300.50	12-May-23	19038	58.32	351.66
	276.60	28-Feb-24	210734	567.91	167.10	12-Mar-24	587789	1,073.89	230.94
2023	372.70	18-Jan-23	2,03,366	738.49	164.75	24-Jun-22	21,721	37.65	263.06
2022	280.00	04-Feb-22	79802	205.90	185.80	13-Oct-21	256739	489.40	230.59
	949.90	12-Oct-21	1,06,141	992.08	435.85	02-Jun-21	10,487	46.12	619.86

(Source: www.bseindia.com)

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *The Company undertook bonus of Equity Shares on September 07, 2023 (ex-date) and stock split from face value of INR 10.00 each to INR 2.00 each on October 13, 2021 (ex-date). To reflect the impact of bonus issue and split, periods above have been divided between pre-bonus and post bonus and pre-split post-split.*
4. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total volume of Equity Shares traded on date of high** (₹in lakhs)	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total volume of Equity Shares traded on date of low** (₹in lakhs)	**Average price for the year (₹)**

2024	436.90	06-Sep-23	8,56,421	3,661.62	303.35	16-May-23	16,97,367	5,225.80	351.29
	278.00	28-Feb-24	47,53,240	12,765.88	166.90	12-Mar-24	1,36,31,294	24,758.14	230.63
2023	372.80	18-Jan-23	39,89,477	14,465.42	166	24-Jun-22	1,57,132	284.93	263.27
2022	271.00	04-Feb-22	2,20,880	565.84	200.20	24-Feb-22	1,02,129	220.11	234.81

(Source: www.nseindia.com)

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *The Company undertook bonus of Equity Shares on September 07, 2023 (ex-date) and stock split from face value of INR 10.00 each to INR 2.00 each on October 13, 2021(ex-date). To reflect the impact of bonus issue and split, periods above have been divided between pre-bonus and post bonus and pre-split post-split.*
4. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

**The Company's equity shares got listed on June 12, 2023 therefore the price information for FY 2022 is not available.*

(ii) The following tables set forth the reported high, low and average closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high (₹in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low (₹in lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover**
Jun-24	233.90	03-06-2024	95,746	214.32	200.75	04-06-2024	72,472	154.02	218.39	43,12,305	92,46,37,435
May-24	243.40	06-05-2024	35,408	83.58	203.15	31-05-2024	36,369	75.00	221.26	29,63,546	65,18,87,513
Apr-24	233.95	30-04-2024	1,76,348	405.78	184.00	01-04-2024	1,96,111	388.20	212.84	26,52,890	56,43,52,725
Mar-24	270.95	04-03-2024	78,136	204.13	167.10	12-03-2024	5,87,789	1,073.89	207.83	35,22,983	69,98,23,572
Feb-24	276.6	28-02-2024	2,10,734	567.91	241.2	13-02-2024	96,173	237.86	259.94	19,22,267	50,49,02,158.00
Jan-24	272.90	31-01-2024	1,07,329	285.62	234.20	18-01-2024	1,75,923	423.81	250.68	33,44,044	84,02,20,801.00

(Source: www.bseindia.com)

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total volume of Equity Shares traded on date of high (₹in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total volume of Equity Shares traded on date of low (₹in lakhs)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹in lakhs)**
Jun-24	234.00	03-06-2024	44,06,180	9,962.46	201	04-06-2024	16,47,087	3,500.18	219.00	2,65,17,471	58,086.68
May-24	242.00	03-05-2024	9,82,763	2,343.39	203.30	31-05-2024	6,80,755	1,406.67	221.29	2,55,35,254	56,929.16
Apr-24	234.00	30-04-2024	25,89,003	5,954.84	186.25	01-04-2024	17,75,670	3,510.14	212.93	6,07,29,602	1,30,259.73
Mar-24	270.80	04-03-2024	18,12,872	4,713.39	166.90	12-03-2024	1,36,31,294	24,758.14	207.91	4,92,50,739	97,530.76
Feb-24	278	28-02-2024	47,53,240	12,765.88	241.4	13-02-2024	10,04,537	2,489.84	260.04	2,72,84,106	71,769.44
Jan-24	273.00	31-01-2024	34,46,265	9,172.12	234.30	18-01-2024	20,90,651	5,039.27	250.78	5,37,26,293	1,35,659.32

(Source: www.nseindia.com)

Notes:

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

(iii) The following tables set forth the market price on the Stock Exchanges on December 19, 2023, the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹in lakhs)**
251.35	252.75	245.35	248.60	9,37,567	2,342.46

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Turnover (₹in lakhs)**
247.90	252.70	245.00	248.50	91,40,207	22,791.83

(Source: www.nseindia.com)

In the event the high or low or closing price of the Equity shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

USE OF PROCEEDS

The gross proceeds from the Issue will aggregate up to ₹ [●] lakhs ("**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs ("**Net Proceeds**").

Objects of the Issue

Subject to compliance with applicable laws, our Company proposes to utilize the Net Proceeds towards following objects:

1. Part financing the cost towards capacity expansion of our existing manufacturing facility by setting up a new unit at Raigad, Maharashtra;
2. Funding working capital requirements of our Company; and
3. General corporate purposes.

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

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Utilisation of Net Proceeds

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

(In ₹ lakhs)

Particulars	Amount which will be financed from Net Proceeds
Part financing the cost towards capacity expansion of our existing manufacturing facility by setting up a new unit at Raigad, Maharashtra	8,750.00
Funding working capital requirements of our Company	17,500.00
General corporate purposes(1)	[●]
Total	**[●]**

(1) To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(*₹ in lakhs*)

S. No.	Particulars	Total estimated cost	Amount to be funded from Net Proceeds	Estimated deployment of the Net Proceeds
				Fiscal 2025
1.	Part financing the cost towards capacity expansion of our existing manufacturing facility by setting up a new unit at Raigad, Maharashtra	90,000.00	8,750.00	8,750.00
2.	Funding working capital requirements of our Company	18,963.00	17,500.00	17,500.00
3.	General corporate purposes(1)	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**

(1) To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The fund requirement, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, the project reports issued by independent consultants, current circumstances of our business, prevailing market conditions and other commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, delay in procuring and operationalizing assets, delay in procuring necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. Accordingly, this may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. For details, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition, and results of operations may be adversely affected*" on page 62.

Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements or by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue (except towards general corporate purposes), subject to compliance with applicable laws.

Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management, subject to compliance with applicable law. Further, our Company may also utilise any portion of the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects of the Net Proceeds

1. **Part financing the cost towards capacity expansion of our existing manufacturing facility by setting up a new unit at Raigad, Maharashtra**

Our Company intends to strengthen its market position in India as manufacturer of structural steel tubes and pipes, and achieve better economies of scale by expanding our existing manufacturing capacities. Towards this, we are undertaking capacity expansion of our existing manufacturing facility by setting up a new unit at Raigad, Maharashtra ("**Megaproject**"). The total cost of this Megaproject is estimated to be ₹ 1,31,000.00 lakhs, out of which ₹ 90,000 lakhs is the capital expenditure proposed to be incurred by our Company, as per the detailed project report dated July 17, 2024 issued by Vivek Consultants and Preeti Malhotra & Associates, Chartered Accountant ("***Detailed Project Report***" or "***DPR***"). Our Company proposes to utilise a portion of the Net Proceeds, not exceeding ₹ 8,750.00 lakhs, towards part financing the cost of this Megaproject for purchasing certain plant and machinery. For further information, see "*Our Business*" on page 185.

The total estimated cost for the capital expenditure to be incurred for the Megaproject is ₹ 90,000.00 lakhs and is proposed to be funded in the following manner:

Expense category / Source of Funds		Estimated Cost (*in ₹ lakhs*)
Total estimated cost towards the capital expenditure for the Megaproject (A)		90,000.00[(1)]
Amount deployed as of July 17, 2024 (B)		2,983.12[(2)]
Balance estimated cost to be funded as follows [(C) = (A) – (B)]:		
(i)	Net Proceeds from this Issue towards part financing the cost of this Megaproject	8,750.00
(ii)	Proceeds to be received from the preferential allotment of 250 lakhs fully convertible warrants	37,500.00[(3)]
(iii)	Internal accruals	40,766.88

[(1)] *Total estimated cost as per the detailed project report dated July 17, 2024 issued by Vivek Consultants and Preeti Malhotra & Associates, Chartered Accountant*.

[(2)] *The amount already deployed as on July 17, 2024 was funded from the internal accruals of our Company and part consideration i.e. 25% of the warrant issue price received from the allottees pursuant to the preferential allotment of 250 lakhs fully convertible warrants undertaken by our Company*.

[(3)] *Our Company shall receive the balance consideration, i.e., 75% of the warrant issue price from the allottees towards allotment of fully convertible warrants within 18 months of allotment, i.e., on or before August 2025. For details, see "Capital Structure - Other confirmations" on page 92.*

Basis the management assessment, quotations obtained by our Company and the Detailed Project Report, we intend to utilise ₹ 8,750.00 lakhs from the Net Proceeds towards the purchase of the following plant and machinery for the Megaproject:

S. No.	Particulars	Estimated cost (*in ₹ lakhs*)	Date of Quotation	Validity of Quotation
1.	Pickling Line 1500 mm	2,500.00	November 15, 2023	December 31, 2024
2.	Color Coating Line 1500 mm	8,256.00	November 15, 2023	December 31, 2024
3.	Cold Rolling Mill 500 mm – 4 Hi, Work Roll Driven	2,000.00	November 15, 2023	December 31, 2024
Total		**12,756.00***		

**Excluding applicable taxes and installation charges*.

In case the actual utilisation towards the above mentioned Objects is not sufficient or in case of a shortfall in raising requisite capital from the above mentioned funds, business considerations may require our Company to explore a range of options, including utilising their internal accruals and seeking additional debt from their existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Land

The Megaproject is being set up on a plot located at Village Koste Budruk, Post Nijampur, Taluka Mangaon, Distt. Raigad – 402120, Maharashtra with a total area of 18.60 Acre ("**Premises**"), which was originally purchased by Vijay Mithan Lal Singla, a member of the Promoter Group, pursuant to a sale deed executed on January 1, 2018 for a total consideration of ₹ 154.25 lakhs. The Premises has thereafter been leased by Vijay Mithan Lal Singla to the Company pursuant to a lease deed dated December 13, 2019 for a period of 10 years, on certain terms and conditions contained therein. Subsequently, pursuant an agreement dated February 20, 2024, these parties have also agreed to extend the term of the current lease deed for another 50 years with effect from December 12, 2029, on the same terms and conditions of the original lease deed. No part of the Net Proceeds will be paid towards the cost of obtaining the Premises. For further details, see "*Risk Factors – Our business operations are being conducted on owned and leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial conditions"* on page 58.

Government and other approvals

We require certain approvals for undertaking the Megaproject, which includes licenses, certificates, registrations and/or consents under various pollution control legislations, safety regulations, labour laws and other applicable laws. Such approvals are required at different stages of capacity expansion of a manufacturing facility and shall be applied for in the ordinary course of Company's business. As on the date of this Preliminary Placement Document, we have obtained and/or are in the process of obtaining the material licences and other government approvals in relation to the Megaproject, which are valid. For further details, see "*Risk Factors – Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition*" on page 62.

Other confirmations

Except as mentioned above, no orders for purchase have been placed nor other payments have been made towards any of the aforementioned costs The identification of plant/ machinery and other costs is based on the Detailed Project Report, quotations obtained from third party vendors and present estimates of our management. Further, no second-hand or used or refurbished plant or machinery are proposed to be bought by our Company. For further details, see "*Risk Factors – We intend to utilise a portion of the Net Proceeds for part funding our capital expenditure requirements. This includes part financing the cost towards capacity expansion of our manufacturing facility at Raigad, Maharashtra which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties*" on page 51.

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these categories pursuant to any cost escalation, taxes, levies payable and/or installing cost, if any, on such items and accordingly, the actual costs may differ from the current estimates. Further, we have not entered into definitive agreements with any of the aforesaid vendors and there can be no assurance that the same vendors would be engaged to eventually supply the items or at the same costs. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. Based on various commercial considerations including, *among others*, prevailing market price, availability of adequate manpower and equipment in timely manner, competition, business strategy and technological advancements, our Company shall have the flexibility to replace any existing equipment than as proposed, depending on the internal estimates of our management and business requirements.

Schedule of implementation

The expected schedule of implementation for the proposed Megaproject is currently estimated to be distributed in the following manner:

Sequence No.	Particulars	Estimated month and year of commencement/ completion
1.	Land and site development	Premises available on lease since December 2019
2.	Placing of orders for the plant/ machinery	February 2024*
3.	Beginning of construction	March 2024
4.	Completion of construction	August 2025
5.	Receipt of the plant/ machinery	August 2024 to December 2025 (in instalments)
6.	Installation of plant/ machinery	Up to March 2026 (in instalments)
7.	Completion of the fittings	March 2026
8.	Commencement of operation of the manufacturing facility	April 2026

** Our Company has placed initial orders with certain vendors for which some advance amount has also been paid, as indicated above. We are yet to place all orders for undertaking such supply of plant and machinery in relation to the Megaproject.*

2. Funding working capital requirements of our Company

Our Company proposes to utilise ₹ 17,500.00 lakhs from the Net Proceeds towards funding its working capital requirements in the ordinary course of business. We have significant working capital requirements and in the ordinary course of business we fund our working capital needs through internal accruals and availing financing facilities from various banks and financial institutions.

Our Company requires additional working capital in order to support its incremental business requirements including procurement at competitive prices, avail early payment benefits and maintain inventory for smooth supply, amongst others.

Basis for estimation of working capital requirement

The details of Company's working capital, on the basis of its audited standalone financial statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, as certified by Preeti Malhotra & Associates, Chartered Accountant, through their certificate dated July 18, 2024 are provided in the table below:

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(A)	**Current Assets**			
	Inventories			
	Raw Material	8,825.10	10,077.50	5,907.94
	Finished Goods, Scrape & Wastage	5,647.12	6,071.69	5,519.17
	Consumable	570.92	624.61	499.87
	Trade Receivables	19,266.12	13,946.01	10,956.83
	Cash and Cash Equivalents	10,661.80	5,003.36	20.85
	Bank Balances other than Cash and Cash Equivalents	477.77	305.59	154.66
	others Financial Assets	-	-	-
	Other current assets	21,006.72	9,801.55	2,742.96
	Total Current Assets (A)	**66,455.55**	**45,830.31**	**25,802.28**
(B)	**Current Liabilities**			
	Trade Payables	2,449.86	2,853.51	2,569.76
	Other Financial Liabilities	265.36	211.64	301.23
	Other current liabilities and Provisions	1,301.57	5,813.23	1,351.88
	Provisions	31.23	98.76	145.82
	Income Tax Liabilities	419.72	804.03	290.36
	Total Current Liabilities (B)	**4,467.74**	**9,781.17**	**4,659.05**
	Net working capital requirements (A-B)	**61,987.81**	**36,049.14**	**21,143.23**
(D)	**Existing funding pattern**			
	Borrowings from banks, financial institutions and non-banking financial companies (including bill discounting)	2,000.53	4,167.57	8,094.51
	Preferential Issue	16,375.00	-	-
	Internal accruals / equity	43,612.28	31,881.57	13,048.72
	Total means of finance	**61,987.81**	**36,049.14**	**21,143.23**

Note: Pursuant to the certificate dated July 18, 2024, issued by Preeti Malhotra & Associates, Chartered Accountant.

Assumptions for our estimated working capital requirements

Provided below are details of the holding levels (days) for Fiscal 2024, Fiscal 2023 and Fiscal 2022, which have been computed from the financial statements of our Company:

Sr. No.	Particulars	Number of days for the Fiscal/period ended		
		March 31, 2024	March 31, 2023	March 31, 2022
1.	Raw Material	19	21	14
2.	Finished Goods, Scrape & Wastage	12	16	11
3.	Consumable	1	2	1
4.	Trade Receivables	30	29	28
5.	Cash and Cash Equivalents	14	6	0
6.	Bank Balances other	1	1	1

Sr. No.	Particulars	Number of days for the Fiscal/period ended		
		March 31, 2024	March 31, 2023	March 31, 2022
	than Cash and Cash Equivalents			
7.	others Financial Assets	-	-	0
8.	Other current assets	28	15	7
9.	Trade Payables	5	7	9
10.	Other Financial Liabilities	0	1	0
11.	Other current liabilities and Provisions	7	9	3
12.	Provisions	0	0	0
13.	Income Tax Liabilities	1	1	1

Notes:

1. *The details of holding levels have been certified by Preeti Malhotra & Associates, Chartered Accountant, by way of their certificate dated July 18, 2024.*
2. *The holding period has been computed over 365 days for each fiscal year.*

On the basis of existing working capital requirement of our Company, the historical holding levels and the assumptions for our estimated working capital requirements, our Fund Raising Committee pursuant to its resolution dated July 18, 2024 has approved the projected working capital requirements for Fiscal 2025 as ₹ 80,950.49 lakhs. Accordingly, our Company proposes to utilize ₹ 17,500.00 lakhs from the Net Proceeds in Fiscal 2025 towards our estimated working capital requirements. The balance portion of our working capital requirement, if any, shall be met from internal accruals.

3. General corporate purpose

Our Company proposes to deploy the balance Gross Proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, meeting contingencies, undertaking brand building and expenses incurred in the ordinary course of business, towards any exigencies or other similar purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000 lakhs. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net

Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above.

Other Confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

CAPITALISATION STATEMENT

The table below sets forth our Company's capitalisation on a consolidated basis, as at March 31, 2024, which has been derived from the Audited Consolidated Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue and the application thereof.

You should read this table together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 94 and the Financial Statements included in "*Financial Statements*" on page 260.

(₹ in lakhs)

S. No.	Particulars	Pre-Issue	Post-Issue
		As at March 31, 2024	As adjusted for the Issue(1)(2)
I	**Borrowings:**		
	Current borrowings (I)	2,000.53	[●]
	Non-current borrowings (II)	-	[●]
	Current Maturities of Non Current Borrowings (III)	-	[●]
	Total debt (IV=I+II+III)	**2,000.53**	**[●]**
II	**Equity**		
	Equity Share capital(2) (V)	3,540.22	[●]
	Other equity (VI)	73,935.59	[●]
	Total equity (2) (VII=V+VI)	**77,475.81**	**[●]**
III	**Ratio (in times): Non Current Borrowings (Including Current Maturities) /Total Equity VIII = (II + III)/VII**	**-**	**[●]**
IV	**Ratio (in times): Total Borrowings/Total Equity (IX = IV/VII)**	**0.03**	**[●]**

Notes:

1. *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).*
2. *'As adjusted for the Issue' column in the above table will be adjusted for the number of equity shares issued pursuant to the issue and the proceeds from the issue thereon. It will reflect changes in Equity only on account of proceeds from the fresh issue of [●] equity shares of face value of ₹ [●] each aggregating to ₹ [●] in Equity Share Capital, at an issue price of ₹ [●] per equity share, including securities premium of ₹ [●] per equity share aggregating to ₹ [●] in Other Equity. The adjustments will not include any adjustment for issue related expenses and for any other transactions or movement subsequent to March 31, 2024. The corresponding post-Issue capitalization data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Issue and will be updated in the Placement Document.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(Except share data and unless otherwise provided, in ₹)

		Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	27,50,00,000 Equity Shares	55,00,00,000.00
B	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	17,72,10,830 Equity Shares^	35,44,21,660.00
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**(1)	
	Up to [●] Equity Shares aggregating up to [●] lakhs (1)	[●]
D	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares (2)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on date of this Preliminary Placement Document)	170,13,72,893
	After the Issue (2)	[●]

** Subject to allotment of Equity Shares pursuant to the Issue.*

(1) *The Issue has been approved by the Board of Directors on December 18, 2023. Subsequently, the resolution of our Shareholders accorded by way of postal ballot concluded on January 18, 2024, approved the Issue.*

(2) *To be determined upon finalization of the Issue Price. The securities premium account after the Issue is calculated on the basis of Gross Proceeds of the Issue, not adjusted for the Issue related expenses, which shall be updated in the Placement Document.*

^ 3,35,45,027 fully convertible warrants issued by the Company which would convert into 4,20,90,054 Equity Shares on allotment.

Equity share capital history of our Company

The history of the equity share capital of our Company is set forth below:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
July 29, 1991	40	10	10	Cash	40	400
November 12, 1991	54,660	10	10	Cash	54,700	5,47,000
March 28, 1992	71,500	10	10	Cash	1,26,200	12,62,000
March 28, 1992	20,000	10	10	Cash	1,46,200	14,62,000
March 28, 1993	63,810	10	10	Cash	2,10,010	21,00,100
March 31, 1994	1,90,600	10	10	Cash	4,00,610	40,06,100
November 30, 1994	1,07,100	10	10	Cash	5,07,710	50,77,100
December 31, 1994	1,48,500	10	10	Cash	6,56,210	65,62,100
February 28, 1995	2,00,000	10	10	Cash	8,56,210	85,62,100
October, 1995	13,59,600	10	20	Cash	22,15,810	2,21,58,100
Pursuant to the board resolution passed dated March 25, 2004, Company has forfeited 7,70,600 equity shares of face value of ₹ 10 each.						
Pursuant to the shareholders' resolution dated February 27, 2006, Company has re-issued 7,70,600 forfeited equity shares of face value of ₹ 10 each						
March 24, 2008	44,31,620	10	N.A.	N.A.	66,47,430	6,64,74,300
March 31, 2008	33,60,000	10	10	Cash	1,00,07,430	10,00,74,300
January 1, 2020	6,00,000	10	172	Cash	1,06,07,430	10,60,74,300
Pursuant to the Shareholders' resolution dated September 22, 2021, each full paid-up equity share of our Company of face value of ₹10 was sub-divided into five Equity Shares of our Company of face value of ₹2 each. Therefore, 1,06,07,430 equity shares of our Company of face value of ₹10 each were sub-divided into 5,30,37,150 Equity Shares of our Company of face value of ₹2 each.						
October 12, 2021	61,50,000	2	36	Cash	5,91,87,150	11,83,74,300
May 5, 2022	13,50,000	2	36	Cash	6,05,37,150	12,10,74,300
September 13, 2022	50,00,000	2	36	Cash	6,55,37,150	13,10,74,300
March 31, 2023	1,88,04,942	2	N.A.	Other than cash	8,43,42,092	16,86,84,184

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
May 1, 2023	1,00,000	2	300	Cash	8,44,42,092	16,88,84,184
July 14, 2023	15,000	2	300	Cash	8,44,57,092	16,89,14,184
August 16, 2023	3,95,000	2	300	Cash	8,48,52,092	16,97,04,184
September 11, 2023	8,48,52,092	2	N.A.	N.A.	16,97,04,184	33,94,08,368
September 19, 2023	2,25,000	2	300	Cash	16,99,29,184	33,98,58,368
September 19, 2023	2,25,000	2	N.A.	N.A.	17,01,54,184	34,03,08,368
October 24, 2023	76,700	2	300	Cash	17,02,30,884	34,04,61,768
October 24, 2023	76,700	2	N.A.	N.A.	17,03,07,584	34,06,15,168
November 11, 2023	1,62,768	2	300	Cash	17,04,70,352	34,09,40,704
November 11, 2023	1,62,768	2	N.A.	N.A.	17,06,33,120	34,12,66,240
December 20, 2023	2,40,300	2	300	Cash	17,08,73,420	34,17,46,840
December 20, 2023	2,40,300	2	N.A.	N.A.	17,11,13,720	34,22,27,440
February 28, 2024	29,48,555	2	300	Cash	17,40,62,275	34,81,24,550
February 28, 2024	29,48,555	2	N.A.	N.A.	17,70,10,830	35,40,21,660
June 11, 2024	100,000	2	300	Cash	17,71,10,830	35,42,21,660
June 11, 2024	100,000	2	N.A.	N.A.	17,72,10,830	35,44,21,660

Note

1. *Certain corporate records and regulatory filings in relation to certain allotments and forfeiture of equity shares of our Company from its incorporation on July 29, 1991 up to 2006 are not traceable. For details, see "Risk Factors – Our Company was incorporated in 1991 and we are unable to trace some of our corporate records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records, which may impact our financial condition and reputation." on page 54.*

Preference shares

As on the date of this Preliminary Placement Document, our Company has no outstanding preference shares. Further, our Company has not issued preference shares since incorporation.

Employee stock option plan

As on the date of this Preliminary Placement Document, our Company does not have any active employee stock option plan.

Pre-Issue and post-Issue shareholding pattern of the Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on July 12, 2024, is set forth below:

S. No.	Category	Pre-Issue (as of July 12, 2024)		Post-Issue[(1)(2)]	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
A. Promoters' holding [(3)]					
1.	Indian				
	- Individuals	9,61,18,918	54.24	[●]	[●]
	- Body Corporates	-	-	[●]	[●]
	Sub-total	**9,61,18,918**	**54.24**	[●]	[●]
2.	Foreign Promoters			[●]	[●]
	- Others (Body Corporates)	-	-		
	Sub-total	-	-		
	Sub-total (A)	**9,61,18,918**	**54.24**	**[●]**	**[●]**
B. Non-Promoter Holding					
1.	Institutional Investors (Domestic)				
	- Mutual Funds	4,09,767	0.23	[●]	[●]
	- Alternate Investment Funds	-	-	[●]	[●]
	Sub-total	4,09,767	0.23	[●]	[●]
2.	Institutional Investors (Foreign)	**96,82,183**	**5.46**	[●]	[●]
3.	Non-Institutional Investors				
	- Corporate Bodies	1,22,40,115	6.91	[●]	[●]

S. No.	Category	Pre-Issue (as of July 12, 2024)		Post-Issue[(1)(2)]	
		No. of Equity Shares held	% of share holding	No. of Equity Shares held	% of share holding
	- Directors and relatives (excluding independent Directors)	-	-	[●]	[●]
	- Key Managerial Personnel[(4)]	417	0.00	[●]	[●]
	- Indian public	5,32,36,264	30.04	[●]	[●]
	- Others including Non-resident Indians (NRIs)	55,23,166	3.12	[●]	[●]
	Sub-total	**8,10,91,912**	**45.76**	[●]	[●]
4.	Non Promoter Non-Public	-	-		
	Sub-total (B)	**8,10,91,912**	**45.76**	**[●]**	**[●]**
	Grand Total (A+B)	**17,72,10,830**	**100.00**	**[●]**	**[●]**

(1) *The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of July 12, 2024.*

(2) *The post-Issue shareholding pattern has intentionally been left blank and will be filled-in before filing of the Placement Document with the Stock Exchanges.*

(3) *Includes the shareholding of the members forming part of Promoter Group.*

(4) *Includes Equity Shares held by Key Managerial Personnel and Senior Management Personnel.*

Other confirmations

Other than 3,35,45,027 fully convertible warrants (which will convert into 4,20,90,054 Equity Shares), there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document. Each of the fully convertible warrant, so allotted, is convertible into or exchangeable for one fully paid-up equity share having a face value of ₹ 2 of the Company in accordance with the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, on payment of the balance consideration i.e. 75% of the warrant issue price from the allottees within 18 months from the date of allotment of these warrants.

No change in control in our Company will occur consequent to the Issue.

Except as disclosed below and in *"– Equity share capital history of our Company"* on page 90, our Company has not made any allotment of securities in the year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue:

- Allotment of 250,00,000 fully convertible warrants, which may be exercised in one or more tranches, and to persons belonging to "promoter/promoter group" and "non-promoter/public" categories pursuant to the resolution passed by our Board on December 18, 2023, our Shareholders on January 18, 2024 and Securities Issue and Allotment Committee on February 02, 2024.

Our Equity Shares have been listed on a stock exchange having nationwide trading terminals for a period of at least one year prior to the date of issuance of the notice to the Shareholders dated December 18, 2023, for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

Proposed Allottees in the Issue

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 423.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. In addition, declaration and payment of dividends would be subject to our Company's dividend policy, adopted by our Board on August 18, 2021 ("**Dividend Policy**"). The dividend, if any, will depend on a number of factors, including but not limited to the profits earned during the year, present and future capital requirements, expansion of business, acquisitions, state of the economy and capital markets, statutory restrictions and any other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business. For details in relation to risks involved in this regard, see "*Risk Factors – Our ability to pay dividends depends on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 67.

Except as disclosed below, our Company has not declared any dividends in the three Fiscals immediately preceding the filing of this Preliminary Placement Document:

Particulars	From July 1, 2024 till the date of the filing of the PPD	Three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of equity shares at year/period ended	17,72,10,830	17,72,10,830	17,70,10,830	8,43,42,092	5,91,87,150
Number of equity shares at time of declaration of dividend	N.A.	N.A.	N.A.	8,44,57,092	N.A.
Face value per equity share (in ₹)	2	2	2	2	2
Dividend per equity share (in ₹)	NIL	NIL	0.25$	0.20^	NIL
Dividend paid (in ₹ crores)	NIL	NIL	NIL	1,68,91,418	NIL
Rate of dividend (%)	NIL	NIL	12.50%	10%	NIL
Mode of payment	NIL	NIL	NIL	Online/DD	NIL

^ Paid in Fiscal 2024

$ The Board of Directors at its meeting held on May 10, 2024, recommended an equity dividend of ₹ 0.25/- per share of face value of ₹ 2/- each i.e. @ 12.50% for the financial year ended March 31, 2024, on equity shares, which shall be subject to declaration of the same by the members at the 33rd AGM of the Company.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted. For further information, please see the section entitled "*Description of the Equity Shares*" on page 242.

For a summary of certain Indian tax consequences of dividend distributions to the shareholders, please see "*Taxation*" on page 246.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. There is no assurance that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders. For details, see "*Risk Factors – Our ability to pay dividends depends on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 67.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 45, 260 and 94, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. The financial statements for Fiscal 2023 included as comparatives in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, has been regrouped to give a fair presentation in line with schedule III of the Companies Act, 2013. Further, the financial statements for Fiscal 2022 were restated consequent to the Scheme of Amalgamation, hence any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024 is derived from the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and the financial information for Fiscals 2023 and 2022 included herein is derived from the comparatives included in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023, respectively. Further, all financial information for the three months ended June 30, 2024, and June 30, 2023 included in this Preliminary Placement Document is from the Unaudited Consolidated Financial Results for the three months ended June 30, 2024. For further information, see "Financial Statements" on page 260.

Our Audited Consolidated Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Consolidated Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

Further, unless otherwise indicated or the context otherwise requires, all information for the three months ended June 30, 2024, and June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2024 is on a consolidated basis. For further information, see "Financial Statements" on page 260.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to JTL Industries Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to JTL Industries Limited and its Subsidiary on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Industry Research Report on Steel Products" dated July 16, 2024 (the "**CARE Report**") prepared and released by CARE Analytics and Advisory Private Limited (CareEdge Research).*

Overview

We are a manufacturer of structural steel tubes and pipes, with more than 33 years of experience in the steel tubes and pipes segment. Initially, our business was primarily focused on the production of ERW steel pipes, which has now been expanded to include value-added products such as galvanized steel tubes and pipes, metal beam crash barriers and solar mounting structures. Our products are applied in various sectors, including irrigation and agriculture, construction, energy, infrastructure, real estate and railways (*Source: CARE Report*).

Our Company was incorporated in the year 1991. It got listed on the Over-The-Counter Exchange of India (OTCEI) in November 1995 and the Delhi Stock Exchange on August 9, 2010. It delisted from OTCEI and the Delhi Stock Exchange on October 3, 2012 and April 28, 2014, respectively. As of the date of this Preliminary Placement Document, the equity shares of our Company are listed on NSE, BSE and MSE with effect from June 12, 2023, July 31, 2012 and December 4, 2017, respectively. Our Company currently has one wholly owned subsidiary, JTL Tubes Limited, which was incorporated in 2022 and has not yet completely commenced its operations.

As part of our growth strategy, we have also recently acquired a controlling stake of 67% in M/s Nabha Steels and Metals. The newly acquired partnership firm is engaged in the manufacturing of a wide portfolio of steel products such as HR coils and long steel products like billets and has a plant situated in Mandi Gobindgarh with an aggregate installed capacity of 2,10,000 MTPA, as of June 30, 2024 ("**Nabha Plant**").

As on date of this Preliminary Placement Document, our Company currently operates five manufacturing facilities, including the Nabha Plant, with a combined installed metal capacity of 7,96,000 MTPA as of June 30, 2024. Our manufacturing facilities are strategically located in Punjab (Derabassi & Mandi Gobindgarh) as well as in Raigad, Maharashtra and Raipur, Chattisgarh near the major mineral belts of India, primary raw material sources, and ports, enabling cost effective production and logistics management.

Our Raipur plant was acquired pursuant to an amalgamation with Chetan Industries Limited, a promoter-held company, pursuant to which we gained a manufacturing capacity of 1,00,000 MTPA**.** The Raipur plant has undergone backward integration which has helped us achieve cost efficiencies due to improved proximity to raw materials. Similarly, our Nabha Plant is also backward integrated. The acquisition of Nabha Steels and Metals has enabled us to enhance our total backward integration capacity to 2,50,000 MTPA of HR coils, and thereby support the captive requirements of our existing manufacturing facilities, specifically our original plant located in Mandi Gobindgarh.

Our products are sold under the JTL brand. As of June 30, 2024, we have a product range of 978 SKUs. We maintain stringent quality standards and place a strong emphasis on the quality of our products. Our manufacturing facilities at Raigad, Maharashtra and Derabassi, Punjab have been certified in accordance with ISO 9001:2015, the international standard of quality management system, for the manufacturing, export and supply of ERW black pipes, galvanised pipes and hollow steel sections.

We also have an extensive distribution network of 820 dealers and distributors with a pan-India presence across 25 states and 3 union territories, as of June 30, 2024, enabling us to reach a wide geographical area and a larger number of customers and thereby increasing our market coverage.

We have an experienced leadership team. Our management team is led by our Promoters Madan Mohan, Mithan Lal Singla and Rakesh Garg who have several decades of experience in the steel industry and have been instrumental in the growth of our Company. Our Board of Directors and senior management team comprises professionals who come from diverse backgrounds with expertise in various fields such as finance, banking, production management, strategic planning, cost management, trade and commercial operations, industrial projects, engineering, and management affairs. Our Whole-time Directors Dhruv Singla, with a masters' degree in international management from Kings College, London; as well as Pranav Singla, with a a master's degree in project management, finance and risk from City College, University London, have played an instrumental role in the formulation and implementation of our growth and expansion strategies. We also have several professionals leading key aspects of our business including Narender Singh and Sonam KG, our plant heads, who oversee the operations of our manufacturing facilities, Atul Garg, our Chief Financial Officer and Amrender Kumar Yadav (Company Secretary and Compliance Officer), who heads our secretarial functions and is also the compliance officer of our Company appointed in terms of the SEBI Listing Regulations.

We believe that the vision and leadership of our management team has contributed to our consistent and positive performance in the past and will drive our strategic direction in the future.

We have demonstrated sound operational and financial performance in the past three fiscals. Amongst the top five companies in the steel tubes and pipes segment in terms of various financial parameters such as revenue, EBITDA margin, PAT, PAT Margin ("**Peer Group**"), our Company is the fastest-growing company, in terms of revenue in FY22-24, with a CAGR of 23% (*Source: CARE Report*). Other companies in the Peer Group had a CAGR in the range of 16% to 20% during the same period (*Source: CARE Report*). Further, in Fiscal 2024, our Company had a PAT growth of 25.4% on a year-on-year basis and in terms of CAGR it grew by 36% (*Source: CARE Report*). In contrast, the Peer Group's CAGR averaged around 17.3% over the same period (*Source: CARE Report*). In Fiscal 2024, our Company also demonstrated healthy growth in its EBITDA, with year-on-year and three-year CAGR of about 21% and 31% respectively surpassing its peer group whose CAGR averaged around 18% over the same period (*Source: CARE Report*).

The following table sets out certain key financial and operational parameters in the relevant periods:

(in ₹ lakhs, unless otherwise indicated)

Particulars	As of/for the three month period ended June 30,		Fiscal		
	2024*	2023*	2024	2023	2022
Revenue from Operations	51,537.88	50,480.20	2,04,022.89	1,54,991.88	1,35,531.74
EBITDA (1)	3,968.57	3,553.08	15,219.04	12,936.50	8,941.92
EBITDA Margin (%) (2)	7.70	7.04	7.46	8.35	6.60
EBITDA/Tonne (3)	4,632.18	4,593.99	4,447.61	5,383.11	4,125.45
Revenue/Tonne (4)	60,155.80	65,268.81	59,623.64	64,494.86	62,528.97
PAT	3,070.10	2,536.99	11,301.14	9,012.78	6,106.27
PAT Margin (%)(5)	5.96	5.03	5.54	5.81	4.51
Return on Assets (%) (6)	3.07	4.85	13.40	16.00	18.00
Return on Capital Employed (%)(7)	4.65	7.67	18.83	29.64	40.76
Return on Equity (%)(8)	3.79	5.83	14.59	22.14	30.89
Basic EPS (in ₹)**	1.73	1.50	6.63	5.35	3.91
Diluted EPS (in ₹)**	1.65	1.31	6.52	4.64	3.62
Installed capacity (in MTPA)	7,96,000.00#	5,86,000.00	586,000.00	5,86,000.00	4,00,000.00
Actual Sales (in MT)	85,674.00	77,342.00	3,42,184.58	2,40,316.65	2,16,750.33
Domestic Sales (in MT)	79,757.35	72,839.00	324,986.96	2,21,399.58	2,01,864.52
Export Sales (in MT)	5,916.65	4,503.00	17,197.62	18,917.07	14,885.81

** Not annualised, except installed capacity (in MTPA).*

***The Company has issued equity shares of ₹ 2/- each as fully paid bonus shares on 07-09-2023 in the ratio of one equity share of ₹ 2/- each for every equity share held. This has been considered for calculating weighted average number of equity shares for all comparative periods presented as per Ind AS 33. In line with the above. EPS (basic and diluted) have been adjusted for all periods presented.*

 # The aggregate installed capacity is inclusive of the installed capacity of 2,10,000 MTPA of our Nabha Plant, which was recently acquired by our Company on April 9, 2024

Notes:

1. *EBITDA is calculated as the sum of (i) profit before tax, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income and exceptional items*
2. *EBIDTA Margin is calculated as EBITDA divided by Revenue from Operations*
3. *EBITDA/Tonne is calculated as EBITDA divided by the total volume of sales*
4. *Revenue/Tonne is calculated by dividing Revenue from Operations from the total volume of sales*
5. *PAT Margin is calculated as PAT divided by Revenue from Operations*
6. *Return on Assets is calculated as PAT divided by Total Assets*
7. *Return on Capital Employed is calculated as Earnings Before Interests and Tax divided by Total Assets (excluding current liabilities)*
8. *Return on Equity is calculated as PAT divided by total shareholder' fund*

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Cost of raw materials consumed

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. Our major raw materials include HR Coil, Billets and Zinc. The table below provides details of our cost of raw materials consumed as a percentage of our total expenses for the three-month period ended June 30, 2024 and June 30, 2023 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses	Amount (₹ lakhs)	Percentage of Total Expenses
Cost of raw materials Consumed	44122.75	92.15	42,770.04	90.68	169489.56	89.27	1,34,564.87	94.03	123723.2	96.9

We depend on external suppliers for our raw materials and components required and purchase raw materials on a purchase order basis and place such orders with them in advance on the basis of our anticipated requirements. As a result, the success of our business is significantly dependent on maintaining good relationships with our raw materials' suppliers. Any reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner

Our supply contracts are also prone to price volatility caused by various factors such as market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic as well as international government policies, and regulatory and trade sanctions. If we cannot fully offset increases in material prices with increases in the prices for our final products, we will experience lower margins.

Stable and reliable logistics and transportation infrastructure

Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations. We depend primarily on railways to transport the raw materials for such manufacturing units. We also utilize third party transportation services by road for transport of raw materials and our products from/ to our suppliers and customers. Further, we rely on the freight ships for the export of our products. Transportation by rail, road or ship, as the case may be, involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, allotment of rakes, allotment of berths for cargo ships for our imports and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID-19 pandemic. Any delay or disruption caused to the transportation of raw materials or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials and this may also resultantly increase our cost.

Demand and pricing in the steel industry

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

In Calendar Year 2024 the steel demand is estimated to grow by 7.7% (*Source: CARE Report*). Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write-downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

Competition

The markets wherein we operate are competitive, rapidly evolving and are characterized by frequent introductions of new and improved solutions, applications and technologies. Many of our competitors may have significant competitive advantages, including greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater specialization than us. Additionally, some of our competitors may be able to dedicate significantly larger resources towards developing and manufacturing technologically superior equipment than us and their brands may gain greater visibility within those product verticals. Our competitors may further enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. To remain competitive, we must continue to invest significant resources in modernisation, research and development, manufacturing, sales and marketing and customer support. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations.

Unexpected loss, shutdown, or slowdown of operations at any of our manufacturing facilities

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing facilities. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production at one or more manufacturing facilities to shut down or slowdown.

Exchange rate fluctuations

Our income from export sales, are impacted by exchange rate fluctuations. For the three month period ended June 30, 2024 and June 30, 2023, and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, we generated profit on foreign currency transaction and translation of ₹ 139.65 lakhs, ₹ Nil lakhs, ₹ 171.92 lakhs, ₹ 375.99 lakhs and ₹ 137.08 lakhs which represented 0.27%, 0.00%, 0.08 %, 0.24% and 0.10%, respectively, of our total income in such periods. The exchange rate between the Indian Rupee and foreign currencies, primarily the US Dollar, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For instance, the Indian Rupee may be affected by the rising inflation rates and depreciation against the US Dollar, and we may be required to make provisions for foreign exchange differences in accordance with accounting standards. Our ability to predict future foreign currency fluctuations is limited and due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made. We enter into foreign currency hedging transactions to manage the impact of exchange rate fluctuations and mitigate exchange rate exposures.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of preparation and management

a) Basis of preparation:

These financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the '**Ind AS**') under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("**The Act**") and guidelines issued by the Securities and Exchange Board of India (**SEB**I). the Ind AS are prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (i.e. the "**functional currency**"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company as well.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.2 Key accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property and plant and equipment, provisions, valuation of deferred tax liabilities, contingent liabilities and fair value measurements of financial instruments as discussed below.

Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Continuous evaluation is done on the estimation. Actual results may differ from these estimates.

1.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months; and
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current and non- current classification of assets and liabilities.

1.4 Significant accounting policies

a) Property, plant and equipment (PPE)

-**Property, plant and equipment**

Free hold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service TAX, value added TAX), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.
- the cost of a self-constructed item of Property, plant and equipment comprises the cost of materials and direct labour, any Other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain / loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.
Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

-**Capital work in progress**

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as “Capital work-in-progress”.

-**Capital Advances**

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under “Other Non-Current Assets”.

b) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part ‘C’ of Schedule II of the Act, read with notification dated August 29, 2014, of the Ministry of Corporate Affairs.

The useful life is as follows:

S.No.	Nature of Asset	Useful Life (in years)
1.	Buildings	30
2.	Plant & machinery	15
3.	Other equipment	3 to 5
4.	Vehicles	8
5.	Furniture/fittings	10

The residual value for all the above assets are retained at 5% of the cost.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

c) Intangibles

Intangible assets purchased and cost incurred thereon are initially measured at cost.

-**Amortisation**

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. The estimated useful lives of intangible assets are assessed as 10 years.

d) De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

e) Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Company has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Equity instruments through other comprehensive income’ under the head ‘Other Equity’

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages

together and has a recent actual pattern of short-term profit taking.

Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

f) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in statement of profit and loss.

g) Inventories

Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs and applicable manufacturing overheads incurred in bringing them to their present location and condition.

Raw materials

Raw materials are valued at cost of purchase net of duties and includes all expenses incurred in bringing such materials to the location of its use.

Work-in-progress and finished goods

Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials.

Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

h) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- Initial Recognition and measurement

All financial assets are recognised at fair value.

- Cash and cash equivalents

- Cash and cash equivalent comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These balances with banks are unrestricted for withdrawal and usage.
- Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage

- Recoverability of trade receivable

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the worth of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

- Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as forwards contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

- Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Financial Liabilities

- Initial recognition and measurement

All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

- Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

- Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expire.

i) Impairment of non-financial assets

At each balance sheet date, the carrying amount of fixed assets is reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (recoverable amount is the higher of an asset's net selling price or value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the assets and from their disposal are discounted to their present value using a pre discounted rate that reflects the current market assessment of time value of money and risks specific to the asset.Reversal of impairment loss is recognised immediately as income in the Profit and Loss Account.

j) Valuation of deferred tax liabilities

The Company reviews the carrying amount of deferred tax liabilities at the end of each reporting period.

k) Provision and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

l) Revenue recognition

- **Sale of products**

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer and there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from operations is disclosed net of GST.

- **Government Grants**

Export incentive entitlements are recognised as income when there is reasonable assurance to receive that Company will comply with the conditions attached to them and it is established that incentive will be received.

Government grants relating to income are recognised in Profit & Loss Account on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which grants are intended to compensate.

- **Other Income**

Other income is accounted for on accrual basis as and when the right to receive arises.

m) Expenditure

Expenses are accounted on accrual basis.

n) Employee benefits

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The Company's retirement benefit obligation is subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

- **Short-term employee benefits**

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

- **Defined contribution plans**

Contributions to defined contribution schemes such as provident fund, employees state insurance, labour welfare fund, are charged as an expense in Profit and loss account, based on the amount of contribution required to be made as and when services are rendered by the employees. These are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

- **Retirement benefit obligations**

Retirement benefit obligations are classified into defined benefits plans and defined contribution plans as under:

Defined Gratuity Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

- **Re-measurement**

Benefit plans in respect of retirement benefits are charged to the Other Comprehensive Income.

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

o) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income. In which case, the tax is also recognised in other comprehensive income or equity.

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax liabilities / assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed

at the end of each reporting period.

p) Finance costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Interest free loan taken from promoters and others has been derived on basis of fair value based on market rate of interest prevailing when loan and derived to the total tenure of loan. The interest for the period is charged to the Statement of Profit and Loss.

q) Foreign currencies transactions and translation

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

r) Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Company. For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during the three month period ended June 30, 2024 and Fiscals 2024, 2023 and 2022.

NON-GAAP MEASURES

Certain measures including EBITDA, EBITDA Margin, EBIDTA/Tonne, Revenue/Tonne, PAT Margin, Return on Assets, Return on Capital Employed, Return on Equity Net Asset Value and Net Worth among others (together, "**Non-GAAP Measures**"), presented in this Preliminary Placement Document are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non- GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability, or cash flows generated by operating, investing, or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations

Revenue from operations comprises (i) revenue from sale of products, which primarily includes (a) sale of domestic products and exports; (ii) other operating revenue; and (iii) job work income.

Other Income

Other income includes (i) interest income which comprises of, amongst others, interest earned on fixed deposits with banks, interest on unsecured loans, interest on delayed customer's payments and interest on commercial papers, (ii) other non-operating income such as brokerage and commission, profit on foreign currency transaction and translation and dividend received.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods, stock-in-trade and work-in-progress; (iv) employee benefit expenses; (v) finance costs, (vi) depreciation and amortisation expenses and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed comprises costs incurred in connection with consumption of various kinds of raw materials required for producing various steel products, and includes all direct costs incurred in the course of such procurement, such as freight, power, fuel, etc., for the reporting period.

Changes in inventories of finished goods, stock-in-trade, and work-in-progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress represents the net increase or decrease in finished goods, work-in-progress and stock-in-trade at the beginning of the year and end of the year.

Employee benefit expenses

Employee benefit expenses refer to (i) salaries and wages; (ii) directors' remuneration; (ii) contribution to provident fund, ESI and other funds; (iii) staff welfare expenses; and (iv) bonus, gratuity and compensated absences.

Finance Costs

Finance cost refers to (i) interest which primarily comprises of interest on working capital loans, vehicle loans and unsecured loans; (ii) interest on late payment of statutory dues; (iii) bank charges; and (iv) other borrowing costs.

Depreciation and amortization expense

Depreciation and amortization expense primarily comprise the depreciation on property, plant and equipment.

Other expenses

Other expenses primarily comprise (i) manufacturing expenses; (ii) clearing, forwarding and freight expenses; (iii) discounts allowed; (iv) tour and travelling expenses; (v) rates, fee and taxes; (vi) CSR expenses; (vii) office expenses; (viii) expenses incurred on repair and maintenance; (ix) professional and legal expenses; (x) rent expenses and (xi) tour and travelling expenses.

Tax expenses

Taxe expenses mainly comprise of current tax expenses, income tax of earlier years and deferred tax expenses.

AMALGAMATION OF CHETAN INDUSTRIES LIMITED INTO AND WITH OUR COMPANY

Pursuant to the scheme of amalgamation and arrangement, approved vide orders of the National Company Law Tribunal, Chandigarh Bench dated March 30, 2023, effective March 31, 2023, erstwhile Chetan Industries Limited was amalgamated into and with our Company with the appointed date for the said scheme being April 1, 2021. On account of the amalgamation, financials for the Fiscal 2023 was prepared factoring in the impact of amalgamation and it included restated financials of Fiscal 2022 as comparative.

OUR RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

The following table sets forth certain information with respect to our results of operations on a consolidated basis for the three months ended June 30, 2024, and June 30, 2023:

S. No.	Particulars	Three months ended			
		June 30, 2024		June 30, 2023	
		(₹ lakhs unless otherwise stated)	% of total income	(₹ lakhs unless otherwise stated)	% of total income
1.	**Income**				
	a) Revenue from operations	51,537.88	99.20%	50,480.20	99.85%
	b) Other Income	417.90	0.80%	76.76	0.15%
	Total Income	51,955.78	100.00%	50,556.97	100.00%
2.	**Expenses**				0.00%
	a) Cost of materials consumed	44,122.75	84.92%	42,770.04	84.60%
	b) Purchase of stock-in-trade	1,032.80	1.99%		0.00%
	c) Changes in inventory of finished goods, stock-in-trade, work-in-progress and intermediates	(86.47)	-0.17%	2,476.71	4.90%
	d) Employee benefits expense	618.03	1.19%	529.59	1.05%
	e) Finance costs	125.68	0.24%	124.28	0.25%
	f) Depreciation and amortization expense	188.64	0.36%	115.24	0.23%
	g) Other expenses	1,882.21	3.62%	1,150.77	2.28%
	Total Expenses	47,883.63	92.16%	47,166.63	93.29%
3.	**Profit before Exceptional Items and Tax (1-2)**	4,072.15	7.84%	3,390.33	6.71%
4.	**Exceptional items**	0.00	0.00%		0.00%
5.	**Profit before Tax (3 +/- 4)**	4,072.15	7.84%	3,390.33	6.71%
6.	**Tax Expense**				0.00%
	a) Current Tax	995.17	1.92%	853.35	1.69%
	b) Deferred Tax	6.88	0.01%		0.00%
	c) Previous period Tax	0.00	0.00		0.00%
	Total Tax Expenses	1,002.05	1.93%	853.35	1.69%
7.	**Profit for the year / Period (5-6)**	3,070.10	5.91%	2,536.99	5.02%
8.	**Other comprehensive income**				0.00%
	A (i) Items that will not be reclassified to profit or loss	(102.00)	-0.20%	-	0.00%
	(ii) Income tax relating to items that will not be reclassified to Profit & loss	25.67	0.05%	-	0.00%
	B. (i) Items that will be reclassified to profit or loss	2.52	0.00%	-	0.00%
	(ii) Income tax relating to items that will be reclassified to Profit & loss	(0.64)	0.00%	-	0.00%
	Total Other Comprehensive Income	(74.44)	-0.14%	-	0.00%
9.	**Total Comprehensive Income (7 +/- 8)**	**2,995.66**	5.77%	2,536.99	5.02%
10	**Profit for the Year/ Period attributable to**				0.00%
	Owners of the Parent	3,070.10	5.91%	2,536.99	5.02%
	Non-controlling interests	0.00	0.00		0.00%
	Other Comprehensive Income Attributable to				0.00%
	i) Owner of the Company	(74.44)	-0.14%	-	0.00%
	ii) Non-controlling interest	0.00	0.00	-	0.00%
11	**Total Comprehensive Income for the Year/ Period attributable to**				0.00%
	Owners of the Parent	**2,995.66**	5.77%	2,536.99	5.02%
	Non-controlling interest	0.00	0.00	-	0.00%
12	**Paid-up equity share capital (Face value Rs 2 each)**	3,544.22	6.82%	1,688.84	3.34%
13	Other Equity	77,443.64	149.06%	41,825.56	82.73%

S. No.	Particulars	Three months ended			
		June 30, 2024		June 30, 2023	
		(₹ lakhs unless otherwise stated)	% of total income	(₹ lakhs unless otherwise stated)	% of total income
14	Net Worth	**80,987.85**	155.88%	**43,512.40**	86.07%
15	Earnings per Share (not annualised)				
	a) Basic (Rs)	1.73	0.00%	1.50	0.00%
	b) Diluted (Rs)	1.65	0.00%	1.31	0.00%

THREE MONTHS ENDED JUNE 30, 2024 COMPARED TO THREE MONTHS ENDED JUNE 30, 2023

Total Income

Total income increased by 2.77% from ₹50,556.97 lakhs in the three months ended June 30, 2023 to ₹51,955.78 lakhs in the three months ended June 30, 2024, primarily attributable to the following:

Revenue from operations

Revenue from operations increased by 2.10% from ₹50,480.20 lakhs in the three months ended June 30, 2023 to ₹51,537.88 lakhs in the three months ended June 30, 2024 primarily on account of increase in domestic sales by 0.95% and increase in export sales by 17.68% .

Other Income

Other income increased by 444.42 % from 76.76 lakhs in the three months ended June 30, 2023 to ₹417.90 lakhs in the three months ended June 30, 2024. This was primarily due to

- an increase in income earned on fixed deposits with banks by 245 % from ₹9.41 lakhs in the three months ended June 30, 2023 to ₹ 32.50 lakhs in the three months ended June 30, 2024.
- Increase in other interest income by 1227.68% from ₹ 2.33 lakhs in the three months ended June 30, 2023 to ₹29.60 lakhs in the three months ended June 30, 2024 on account of increase in interest received on delayed payments made by customers.
- Increase in interest from unsecured loan income by 22.62% from 65.12 lakhs in the three months ended June 30, 2023 to ₹79.85 lakhs in the three months ended June 30, 2024.
- Increase in dividend income from 0.00 lakhs in the three months ended June 30, 2023 to ₹94.40 lakhs in the three months ended June 30, 2024.
- Increase in profit share from Nabha Steels & Metals income from 0.00 lakhs in the three months ended June 30, 2023 to ₹41.90 lakhs in the three months ended June 30, 2024.
- Increase in Profit on foreign currency transaction and translation income by 100% from 0.00 lakhs in the three months ended June 30, 2023 to ₹139.65 lakhs in the three months ended June 30, 2024

Total Expenses

Total expenses increased by 1.52% from ₹ 47,166.63 lakhs in the three months ended June 30, 2023 to ₹47,883.63 lakhs in the three months ended June 30, 2024. This was primarily due to the increase in purchases of stock-in-trade, other expenses, depreciation and amortization expense, finance costs and employee benefit expenses. This was partially offset by a decrease in cost of material changes in inventories of finished goods, stock in trade and work in progress and intermediates.

Cost of Materials Consumed

Cost of materials consumed Increased by 3.16% from ₹42,770.04 lakhs in the three months ended June 30, 2023 to ₹ 44,172.75 lakhs in the three months ended June 30, 2024 and the increase is primarily attributable to increase in revenue from operations by 2.10 % from ₹50,480.20 lakhs in the three months ended June 30, 2023 to ₹51,537.88 lakhs in the three months ended June 30,2024 primarily on account of increase by 0.95% in domestic sales & increase by 17.68% in export sales.

Purchases of stock-in-trade

Purchases of stock in trade increased from ₹ nil in in the three months ended June 30, 2023 to ₹1,032.80 lakhs in the three months ended June 30, 2024 and the increase is primarily attributable to the participation by Company in trading & high seas sales business.

Changes in inventory of finished goods, stock-in-trade, work-in-progress and intermediates

Changes in inventories of finished goods, stock-in-trade, work-in-progress changed by (103.49)% from ₹ 2,476.71 lakhs in the three months ended June 30, 2023 to ₹(86.47) lakhs in the three months ended June 30, 2024. This was primarily attributable to an increase in manufacturing of products by the company and increase in FG/RM/WIP inventory.

Employee benefits expense

Employee benefit expenses increased by 16.70 % from ₹529.59 lakhs in the three months ended June 30, 2023 to ₹618.03 lakhs in the three months ended June 30, 2024, primarily due to an increase in the increment paid to employees and directors during this period.

Depreciation and amortization expense

Depreciation and amortization expense increased by 63.70 % from ₹115.24 lakhs in the three months ended June 30, 2023 to ₹188.64 lakhs in the three months ended June 30, 2024, primarily due to an increase in gross fixed assets from ₹ 9,637.40 lakhs in the three months ended June 30, 2023 to ₹ 15134.70 lakhs in the three months ended June 30, 2024

Finance Costs

Finance costs increased by 1.13 % from ₹ 124.28 lakhs in the three months ended June 30, 2023 to ₹125.68 lakhs in the three months ended June 30, 2024. This decrease is primarily attributable to increase in bank charges.

Other Expenses

Other expenses increased by 63.56 % from ₹1,150.77 lakhs in in the three months ended June 30, 2023 to ₹1,882.21 lakhs in the three months ended June 30, 2024. This was primarily due to an increase in manufacturing expenses, selling and distribution expenses and establishment expenses.

Profit before Exceptional Items and Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 4,072.15 lakhs in the three months ended June 30, 2024, as compared to ₹3,390.33 lakhs in the three months ended June 30, 2023.

Profit before tax

For the various reasons discussed above, we recorded a profit before tax for the three months ended June 30, 2024 of ₹ 4,072.15 lakhs, as compared to ₹ 3,390.33 lakhs in the three months ended June 30, 2023.

Tax expense

Current tax was ₹ 995.17 lakhs in the three months ended June 30, 2024, as compared to ₹ 853.35 lakhs in the three months ended June 30, 2023. Deferred tax amounted to ₹ 6.88 lakhs in the three months ended June 30, 2024, as compared to ₹nil in the three months ended June 30, 2023. Total tax expense amounted to ₹ 1,002.05 lakhs in the three months ended June 30, 2024, as compared to ₹ 853.35 lakhs in the three months ended June 30, 2023.

Profit after tax for the period

For the various reasons discussed above, we recorded a profit after tax for the three months ended June 30, 2024 of ₹3,070.10 lakhs, as compared to ₹2,536.99 lakhs in the three months ended June 30, 2023.

Total Comprehensive Income

Total comprehensive income for the period was ₹2,995.66 lakhs in the three months ended June 30, 2024, as compared to ₹2,536.99 lakhs in the three months ended June 30, 2023.

OUR RESULTS OF OPERATIONS FOR FISCALS 2024, 2023 AND 2022

The following table sets forth certain information with respect to our result of operations for Fiscals 2024, 2023 and 2022.

S. No.	Particulars	Fiscal					
		2024		2023		2022*	
		(₹ lakhs unless otherwise stated)	% of total income	(₹ lakhs unless otherwise stated)	% of total income	(₹ lakhs unless otherwise stated)	% of total income
1.	**Income**						
	a) Revenue from operations	2,04,022.89	99.58	1,54,991.88	99.68	1,35,531.74	99.72
	b) Other Income	866.90	0.42	493.75	0.32	379.02	0.28
	Total Income	**2,04,889.79**	**100.00**	**1,55,485.63**	**100.00**	**1,35,910.76**	**100.00**
2.	**Expenses**		0.00				
	a) Cost of materials consumed	1,69,489.56	82.72	1,34,564.87	86.54	1,23,723.20	91.03
	b) Purchase of stock-in-trade	9,912.82	4.84	-	0.00	-	0.00
	c) Changes in inventory of finished goods, stock-in-trade, work-in-progress and intermediates	424.57	0.21	(552.53)	(0.36)	(3,415.91)	2.51
	d) Employee benefits expense	2,116.94	1.03	1,981.72	1.27	1,759.84	(1.29)
	e) Finance costs	509.38	0.25	634.93	0.41	771.85	(0.57)
	f) Depreciation and amortization expense	555.75	0.27	425.50	0.27	315.06	(0.23)
	g) Other expenses	6,859.95	3.35	6,061.31	3.90	4,522.70	(3.33)
	Total Expenses	**1,89,868.98**	**92.67**	**1,43,115.81**	**92.04**	**1,27,676.73**	**(93.94)**
3.	**Profit before Exceptional Items and Tax (1-2)**	**15,020.81**	**7.33**	**12,369.82**	**7.96**	**8,234.03**	**(6.06)**
4.	**Exceptional items**	**-**	**0.00**	**(108.21)**	**(0.07)**	**-**	**(0.00)**
5.	**Profit/ (Loss) Before Tax**	**15,020.81**	**7.33**	**12,261.61**	**(7.89)**	**8,234.03**	**(6.06)**
6.	**Tax Expense/(Benefits):**						
	a) Current Tax	3,710.50	1.81	3,051.00	(1.96)	2,051.36	(1.51)
	b) Income Tax of earlier years	75.94	(0.03)	70.46	(0.05)	72.46	(0.05)
	c) Deferred Tax	(66.77)	0.04	127.38	(0.08)	3.94	(0.00)
	Total Tax Expense	**3,719.67**	**1.82**	**3,248.84**	**(2.09)**	**2,127.76**	**(1.57)**
7.	Profit/ (loss) for the years	11,301.14	5.52	9,012.78	5.80	6,106.27	4.49
8.	**Other comprehensive income**						
	Items that will be reclassified to Profit and Loss						
	Re-measurement gains/ (losses) on defined benefit obligations	10.10	0.00	3.78	0.00	12.74	0.01
	Income tax relating to items that will be reclassified to Profit & loss	(2.54)	0.00	(0.95)	(0.00)	(3.21)	0.00
	Items that will not be reclassified to Profit and Loss						
	Fair valuation of financial instruments through OCI	(782.56)	(0.38)	397.53	0.25	50.76	(0.04)
	Income tax relating to items that will not be reclassified to Profit & loss	166.36	0.08	(100.06)	(0.06)	(15.98)	(0.01)
	Total Other Comprehensive Income	**(608.65)**	**(0.30)**	**300.30**	**0.19**	**44.31**	**0.03**
9.	**Total Comprehensive**	**10,692.50**	**5.22**	**9,313.08**	**5.99**	**6,150.58**	**4.53**

S. No.	Particulars	Fiscal					
		2024		2023		2022*	
		(₹ lakhs unless otherwise stated)	% of total income	(₹ lakhs unless otherwise stated)	% of total income	(₹ lakhs unless otherwise stated)	% of total income
	Income						
15	Earnings per Share						
	c) Basic (Rs)	6.63	0.00	5.34	0.00	8.45	0.00
	d) Diluted (Rs)	6.52	0.00	4.64	0.00	7.63	0.00

**includes restatement pursuant to the amalgamation of Chetan Industries Limited*

FISCAL 2024 COMPARED TO FISCAL 2023

Total Income

Total income increased by 31.77 % from ₹155485.63 lakhs in Fiscal 2023 to ₹204889.79 lakhs in Fiscal 2024, primarily attributable to the following:

Revenue from operations

Revenue from operations increased by 31.63 % from ₹1,54,991.88 lakhs in Fiscal 2023 to ₹2,04,022.89 lakhs in Fiscal 2023 primarily on account of:

- Domestic sale of products increased by 37.19 % from ₹1,39,480.26 lakhs in Fiscal 2023 to ₹1,91,354.74 lakhs in Fiscal 2024 primarily on account of increased demand from domestic market.

- Other operating revenue increased from nil in Fiscal 2023 to Rs.12.96 lakhs in Fiscal 2024 on account of export incentives duty drawback and remission of duties and taxes on export products (RODTEP).

This was partially offset by a decrease in export sale of products by 18.41 % from ₹ 15,511.62 lakhs in Fiscal 2023 to ₹12,655.19 lakhs in Fiscal 2024 primarily on account of decreased demand from international market.

Other Income

Other income increased by 75.57 % from ₹ 493.75 lakhs in Fiscal 2023 to ₹ 866.90 lakhs in Fiscal 2024. This was primarily due to:

- an increase in income earned on fixed deposits with banks by 137.85 % from ₹9.91 lakhs in Fiscal 2023 to ₹23.57 lakhs in Fiscal 2024.
- Increase in other interest income by 1,858.37% from ₹ 10.33 lakhs in Fiscal 2023 to ₹202.30 lakhs in Fiscal 2024 on account of increase in interest received on delayed payments made by customers from ₹ 10.33 lakhs in fiscal 2023 to ₹51.92 lakhs in fiscal 2024 and interest received on Commercial paper ₹ nil in fiscal 2023 to ₹150.38 in fiscal 2024.
- gain on sale of short term investments from ₹ nil in Fiscal 2023 to ₹182.41 lakhs in Fiscal 2024.

This was partially offset by amongst others decrease in profit on foreign currency transaction and translation by 54.28 % from ₹375.99 lakhs in Fiscal 2023 to Rs. 171.92 lakhs in Fiscal 2023 on account of decrease in export sales.

Total Expenses

Total expenses increased by 32.67% from ₹ 1,43,115.81 lakhs in Fiscal 2023 to ₹1,89,868.98 lakhs in Fiscal 2024. This was primarily due to the increase in cost of materials consumed, increase in purchases of stock-in-trade, changes in inventories of finished goods, stock in trade and work in progress, employee benefit expenses, depreciation and amortization expense and other expenses. This was partially offset by a decrease in finance costs.

Cost of Materials Consumed

Cost of materials consumed increased by 25.95 % from ₹1,34,564.87l lakhs in Fiscal 2023 to ₹1,69,489.56 lakhs in Fiscal 2024 and the increase is primarily attributable to an increase in sale of products by 31.63 % from ₹

154,991.88 lakhs in Fiscal 2023 to ₹2,04,022.89 lakhs in Fiscal 2024.

Purchases of stock-in-trade

Purchases of stock in trade increased from ₹ nil in Fiscal 2023 to ₹9,912.82 lakhs in Fiscal 2024 and the increase is primarily attributable to the participation by our Company in trading & high seas sales.

Changes in inventory of finished goods, stock-in-trade, work-in-progress and intermediates

Changes in inventories of finished goods, stock-in-trade, work-in-progress changed by (176.84) % from ₹ (552.53) lakhs in Fiscal 2023 to ₹424.57 lakhs in Fiscal 2024. This was primarily attributable to a decrease in manufacturing of products by our Company and a decrease in our FG/WIP inventory.

Employee benefits expense

Employee benefit expenses increased by 6.82 % from ₹ 1,981.72 lakhs in Fiscal 2023 to ₹2,116.94lakhs in Fiscal 2024, primarily due to an increase in the increment paid to employees and directors during this period.

Depreciation and amortization expense

Depreciation and amortization expense increased by 30.61 % from ₹425.50 lakhs in Fiscal 2023 to ₹ 555.75 lakhs in Fiscal 2024, primarily due to an increase in gross fixed assets by 56.76% from ₹9,080.32 lakhs in Fiscal 2023 to ₹14,234.15 lakhs in Fiscal 2024

Finance Costs

Finance costs decreased by 19.77 % from ₹634.93 lakhs in Fiscal 2023 to ₹ 509.38 lakhs in Fiscal 2024. This decrease is primarily attributable to a decrease in working capital & term loans.

Other Expenses

Other expenses increased by 13.18% from ₹6,061.31 lakhs in Fiscal 2023 to ₹6,859.95 lakhs in Fiscal 2024`. This was primarily due to an increase in manufacturing expenses, selling and distribution expenses and establishment expenses.

Profit before Exceptional Items and Tax

For the reasons discussed above, profit before exceptional items and tax was ₹ 15,020.81 lakhs in Fiscal 2024, as compared to ₹12,369.82 lakhs in Fiscal 2023.

Exceptional Items

Exceptional items comprising loss on sale of investments amounted to ₹nil in Fiscal 2024, as compared to ₹(108.21) in Fiscal 2023.

Profit before tax

For the various reasons discussed above, we recorded a profit before tax for the year of ₹ 15,020.81 lakhs in Fiscal 2024, as compared to ₹ 12,261.61 lakhs in Fiscal 2023.

Tax expense

Current tax was ₹ 3,710.50 lakhs in Fiscal 2024, as compared to ₹ 3,051.00 lakhs in Fiscal 2023; income tax of earlier years was ₹ 75.94 lakhs in Fiscal 2024, as compared to ₹70.46 lakhs in Fiscal 2023. Deferred tax amounted to ₹ (66.77) lakhs in Fiscal 2024, as compared to ₹127.38 lakhs in Fiscal 2023. Total tax expense amounted to ₹ 3,719.67 lakhs in Fiscal 2024, as compared to ₹ 3,248.84 lakhs in Fiscal 2023.

Profit after tax for the year

For the various reasons discussed above, we recorded a profit after tax for the year of ₹11,301.14 lakhs in Fiscal

2024, as compared to ₹9,012.78 lakhs in Fiscal 2023.

Total Comprehensive Income

Total comprehensive income for the period was ₹10,692.50 lakhs in Fiscal 2024, as compared to ₹9,313.08 lakhs in Fiscal 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

Total Income

Total income increased by 14.40 % from ₹1,35,910.76 lakhs in Fiscal 2022 to ₹1,55,485.63 lakhs in Fiscal 2023, primarily attributable to the following:

Revenue from operations

Revenue from operations increased by 14.36 % from ₹1,35,531.74 lakhs in Fiscal 2022 to ₹1,54,991.88 lakhs in Fiscal 2023 primarily on account of:

- Domestic sale of products increased by 13.13 % from ₹ 1,23,423.94 lakhs in Fiscal 2022 to ₹1,39,480.26 lakhs in Fiscal 2023 primarily on account of healthy demand from domestic & international market and consolidation of Chetan Industries Limited ("**CIL**"). CIL has contributed 2.97% to the total growth and our Company has contributed 10.04%.

- Export sale of products increased by 28.11 % from ₹ 12,107.88 lakhs in Fiscal 2022 to ₹15,511.62 lakhs in Fiscal 2023 primarily on account of increased demand from international market. CIL has contributed nil% to the total growth and our Company has contributed 100%.

- Job work income decreased by 100.00% from ₹ 139.91 lakhs in Fiscal 2022 to nil in Fiscal 2023 primarily on account of achieving self-sufficiency in meeting the demand. We have discontinued the job work operations as the demand for self-generate business has grown significantly during this period.

Other Income

Other income increased by 30.27 % from ₹ 379.02 lakhs in Fiscal 2022 to ₹ 493.75 lakhs in Fiscal 2023. This was primarily due to:

- an increase in income from profit on foreign currency transaction and translation by 174.29% from ₹137.08 lakhs in Fiscal 2022 to ₹375.99 lakhs in Fiscal 2023 on account of strengthening of USD against Indian rupees.
- increase in interest income earned on others items such as interest received on unsecured loans, security deposit, interest charged from customers on late payment by 81.81% from ₹48.63 lakhs in Fiscal 2022 to ₹88.42 lakhs in Fiscal 2023.
- Increase in dividend income by 100.00 % from nil in Fiscal 2022 to ₹3.94 lakhs in Fiscal 2023.

This was partially offset by amongst others decrease in brokerage and commission by (100.00) % from ₹149.19 lakhs in Fiscal 2022 to nil in Fiscal 2023 on account of discount received from vendors and decrease in interest income earned on fixed deposits with banks by (37.98) % from ₹15.98 lakhs in Fiscal 2022 to ₹9.91 lakhs in Fiscal 2023.

Total Expenses

Total expenses increased by 12.09 % from ₹1,27,676.73 lakhs in Fiscal 2022 to ₹1,43,115.81 lakhs in Fiscal 2023. This was primarily due to the increase in cost of materials consumed, employee benefit expenses, depreciation and amortisation expense. This was partially offset by decrease in changes in inventories of finished goods, stock in trade, work-in progress and intermediates, finance costs and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 8.76 % from ₹1,23,723.20 lakhs in Fiscal 2022 to ₹1,34,564.87lakhs in

Fiscal 2023 and the increase is primarily attributable to an increase in sale of products by 14.36 % from ₹1,35,531.74 lakhs from Fiscal 2022 to ₹154,991.88 lakhs in Fiscal 2023.

Changes in inventory of finished goods, stock-in-trade, work-in-progress and intermediates

Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates changed by (83.82) % from ₹(3,415.91) lakhs in Fiscal 2022 to ₹(552.53) lakhs in Fiscal 2023. This was primarily attributable to an increase in manufacturing of products by our Company and our FG/WIP inventory increase.

Employee benefits expense

Employee benefit expenses increased by 12.61 % from ₹ 1,759.84 lakhs in Fiscal 2022 to ₹1,981.72 lakhs in Fiscal 2023. This was primarily due to an increase in the increment paid to employees and directors during this period.

Depreciation and amortization expense

Depreciation and amortization expense increased by 35.05 % from ₹315.06 lakhs in Fiscal 2022 to ₹ 425.50 lakhs in Fiscal 2023, primarily due to an increase in manufacturing capacity.

Finance Costs

Finance costs decreased by 17.74 % from ₹771.85 lakhs in Fiscal 2022 to ₹ 634.93 lakhs in Fiscal 2023. This decrease is primarily attributable to a decrease in interest on borrowing, which was due to reduction in short-term debt.

Other Expenses

Other expenses increased by 34.02 % from ₹4,522.70 lakhs in Fiscal 2022 to ₹6,061.31 lakhs in Fiscal 2023. This was primarily due to a decrease in manufacturing expenses by (8.24) % from ₹2,854.21 lakhs in Fiscal 2022 to ₹2,618.94 lakhs in Fiscal 2023 and decrease in selling and distribution expenses by (10.49) % from ₹1,217.40 lakhs in Fiscal 2022 to ₹1,089.72 lakhs in Fiscal 2023. Manufacturing expenses decreased due to decrease in consumption of spare parts (rolling mill motors/bearings etc.) in Fiscal 2023 as compared to Fiscal 2022, decrease in selling and distribution expenses was due to less commission and brokage paid in Fiscal 2023 as compared to Fiscal 2022.

Profit before Exceptional Items and Tax

For the reasons discussed above, profit before exceptional items and tax was ₹12,369.82 lakhs in Fiscal 2023, as compared to ₹8,234.03 lakhs in Fiscal 2022.

Exceptional Items

Exceptional items amounted to ₹(108.21) lakhs in Fiscal 2023, as compared to nil in Fiscal 2022.

Profit before tax

For the various reasons discussed above, we recorded a profit before tax for the year of ₹ 12261.61 lakhs in Fiscal 2023, as compared to ₹ 8234.03 lakhs in Fiscal 2022.

Tax expense

Current tax was ₹ 3,051.00 lakhs in Fiscal 2023, as compared to ₹ 2,051.36 lakhs in Fiscal 2022; income tax of earlier years was ₹ 70.46 lakhs in Fiscal 2023, as compared to ₹72.46 lakhs in Fiscal 2022. Deferred tax amounted to ₹127.38 lakhs in Fiscal 2023, as compared to ₹3.94 lakhs in Fiscal 2022. Total tax expense amounted to ₹ 3,248.84 lakhs in Fiscal 2023, as compared to ₹ 2,127.76 lakhs in Fiscal 2022

Profit after tax for the year

For the various reasons discussed above, we recorded a profit after tax for the year of ₹9,012.78 lakhs in Fiscal 2023, as compared to ₹6,106.27 lakhs in Fiscal 2022.

Total Comprehensive Income

Total comprehensive income for the period was ₹9,313.08 lakhs in Fiscal 2023, as compared to ₹6150.58 lakhs in Fiscal 2022.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years/period indicated:

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022 (Restated)
		(₹ lakhs)	
Net cash flow from / (used in) operating activities	(2,212.59)	396.96	1,708.59
Net cash flow from/ (used in) investing activities	(9,558.89)	(1,992.84)	(3,433.10)
Net cash flows from/ (used) in financing activities	16,885.81	6,578.54	1,704.12
Cash and cash equivalents at the end of the year/period	**10,122.87**	**5,008.51**	**25.85**

Operating Activities

Fiscal 2024

In Fiscal 2023, net cash flows used in operating activities was ₹ (2,212.59) lakhs. Profit before tax was ₹15,020.81 lakhs in Fiscal 2024. Primary adjustments consisted of depreciation and amortisation expense of ₹ 555.75 lakhs and finance costs of ₹ 509.38 lakhs. This was partially offset by interest income of ₹ (500.28) lakhs, proceeds from sale of current investments of ₹(182.41) lakhs and gain on sale of property, plant and equipment of ₹ (0.00) lakhs and net unrealized foreign exchange gain of ₹ (54.57) lakhs.

Operating profit before working capital changes was ₹15,348.67 lakhs in Fiscal 2024. The main working capital movements in Fiscal 2024, included decrease in inventories of ₹ 1,730.65 lakhs, increase in other liabilities and provisions of ₹ 944.08 lakhs. This was offset by increase in other financial assets and other assets of ₹ (10,572.27) lakhs, increase in trade receivables of ₹ (5,086.68) lakhs.

Cash generated from operations was ₹ 1,949.10 lakhs which is adjusted for direct tax paid of ₹ (4,161.69) lakhs.

Fiscal 2023

In Fiscal 2023, net cash flows from operating activities was ₹396.96 lakhs. Net profit before tax was ₹12,261.62 lakhs in Fiscal 2023. Primary adjustments consisted of depreciation and amortisation expense of ₹ 425.50 lakhs. This was partially offset by proceeds from sale of current investments of ₹ (98.33) lakhs and net unrealized foreign exchange gain of ₹ 13.96 lakhs.

Operating profit before working capital changes was ₹1 3,200.29 lakhs in Fiscal 2023. The main working capital adjustments in Fiscal 2023, included increase in other liabilities and provisions of ₹ 4,176.24 lakhs and increase in trade payables of ₹ 707.57 lakhs. This was partially offset by increase in other financial assets and other assets of ₹ (7,132.80) lakhs, increase in inventories of ₹ (4,846.82) lakhs and increase in trade receivables of ₹ (3,099.72) lakhs.

Cash generated from operations was ₹ 3 ,004.75 lakhs which is adjusted for direct tax paid of ₹ (2,607.80) lakhs.

Fiscal 2022

In Fiscal 2022, net cash flows from operating activities was ₹1,708.59 lakhs. Net profit before tax was ₹8,234.03 lakhs in Fiscal 2022. Primary adjustments consisted of interest expense of ₹ 760.20 lakhs and depreciation and amortisation expense of ₹ 315.06 lakhs. This was partially offset by interest income of ₹ (77.74) lakhs, net unrealised foreign exchange gain of ₹ (22.93) lakhs and gain on sale of property, plant and equipment of ₹ (0.19) lakhs.

Operating profit before working capital changes was ₹9,208.42 lakhs in Fiscal 2022. The main working capital adjustments in Fiscal 2022, included increase in other liabilities and provisions of ₹ 866.56 lakhs and decrease in other financial assets and other assets of ₹ 234.97 lakhs. This was partially offset by increase in inventories of ₹ (4,291.45) lakhs, decrease in trade payables of ₹ (1,418.89) lakhs and increase in trade receivables of ₹ (247.57) lakhs.

Cash generated from operations was ₹ 4,352.05 lakhs which is adjusted for direct tax paid of ₹ (2,643.46) lakhs.

Investing Activities

Fiscal 2024

Net cash flow used in investing activities was ₹ (9,558.89) lakhs in Fiscal 2024, primarily on account of purchase of property, plant and equipment including CWIP and capital advances of ₹ (10,324.38) lakhs, movement bank deposit not considered as cash & cash equivalent of ₹(172.19) lakhs. This was partially offset by movement in interest received of ₹ 500.47 lakhs, proceeds from sale of investments valued through profit and loss of ₹ 254.79 lakhs, proceeds from sale of current investments valued through other comprehensive income of ₹ 182.41 lakhs .

Fiscal 2023

Net cash flow used in investing activities was ₹ (1,992.84) lakhs in Fiscal 2023, primarily on account of purchase of property, plant and equipment including CWIP of ₹ (1,891.71) lakhs, proceeds from sale of investments valued through profit and loss of ₹ (389.38) lakhs and movement in bank deposit not considered as cash & cash equivalent of ₹(150.93) lakhs. This was partially offset by interest income received of ₹ 98.33 lakhs.

Fiscal 2022

Net cash flow used in investing activities was ₹ (3,433.10) lakhs in Fiscal 2022, primarily on account of purchase of property, plant and equipment including CWIP of ₹ (2,160.12) lakhs and movement in investments of ₹ (1,592.29) lakhs. This was partially offset by movement in bank deposit not considered as cash and cash equivalent of ₹ 241.46 lakhs, dividend received of ₹ 67.31 lakhs, interest received of ₹ 10.43 lakhs and proceeds from sale of property, plant and equipment of ₹ 0.10 lakhs.

Financing Activities

Fiscal 2024

Net cash flows from financing activities were ₹16,885.81 lakhs in Fiscal 2024, primarily on account of money received against share warrants of ₹13,750.98 lakhs, proceeds from securities premium received of ₹ 12,406.70 lakhs, equity share capital received of ₹83.27 lakhs. This was partially offset by repayment of short term borrowings of (₹ 7,552.64) lakhs, repayment of long-term borrowings of (₹ 1,124.21) lakhs, finance costs paid of (₹ 509.38) lakhs and dividend paid of (₹ 168.91) lakhs.

Fiscal 2023

Net cash flows from financing activities were ₹6,578.54 lakhs in Fiscal 2023, primarily on account of money received against share warrants of ₹9,033.28 lakhs, securities premium received of ₹ 2,159.00 lakhs and equity share capital received of ₹127.00 lakhs. This was partially offset by repayment of short term borrowings of (₹ 3,926.94) lakhs, interest paid of ₹(634.91) lakhs and repayment of long term borrowings of (₹ 189.52) lakhs.

Fiscal 2022

Net cash flows from financing activities were ₹ 1,704.12 lakhs in Fiscal 2022, primarily on account of proceeds received from short-term borrowings of ₹ 1,920.04 lakhs, money received against share warrants of ₹1,226.50 lakhs. This was partially offset by interest paid of ₹(760.20) lakhs, repayment of short term borrowings of ₹ (476.58) lakhs, and dividend paid of ₹ (212.15) lakhs.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by funding from bank borrowings and optimization of operating working capital. We have historically met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, primarily with funds generated from operations and optimization of operating working capital as well as external borrowings.

INDEBTEDNESS

Our Company has availed loans and other financing arrangements in the ordinary course of business primarily for onward lending to our borrowers and to meet its business requirements.

As of March 31, 2024, our total non-current borrowings were nil while our current borrowings were ₹ 2,000.53 lakhs, respectively. Our total debt to total equity ratio was 2.58% as of March 31, 2024.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2024:

Category of borrowing	Outstanding amount as of March 31, 2024 (amount in ₹ lakhs)
Non-Current Borrowings	
Vehicle loans from Banks and NBFCs (secured)	-
Term loan from NBFC (secured)	-
WCTL under GECL from Bank (secured)	-
Total Non-Current Borrowings (A)	**-**
Current Borrowings	
Working Capital Cash Credit from Banks (secured)	1,679.23
Loan from directors (Unsecured)	321.30
Total Current Borrowings (B)	**2,000.53**
Total Borrowings (C=A+B)	**2,000.53**

CONTINGENT LIABILITIES

The following is a summary table of our contingent liabilities as at March 31, 2024

Sr.No	Particulars	Amount (in ₹ lakhs)
Contingent liabilities		
A.	**Claims against the Group not acknowledged as debts**	
a)	Disputed excise duty, custom duty, GST and service tax cenvat credit	69.23
b)	Income tax demands against which group has preferred appeals	369.28
c)	Civil cases	61.00
B.	**Guarantees**	
a)	Letters of credits	3,444.63
b)	Unexpired bank guarantees	3,895.34

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that materially affect our financial condition or results of operations.

RELATED PARTY TRANSACTIONS

We have in the past entered into related party transactions and may continue to do so in future. Such transactions are for, among others, remuneration, loans from directors, sale and purchases of goods. For further information on our related party transactions, see "*Related Party Transactions*" on page 44.

INTEREST COVERAGE RATIO

The following table sets out interest coverage ratio for the three months period ended June 30, 2024 and Fiscals 2024, 2023 and 2022.

Three months period ended June 30, 2024

(₹ in lakhs, except ratio)

Particulars	For the three months period ended June 30, 2024*
(A) Profit before tax	4,072.15
(B) Provisions and write-off	-
(C) Finance Costs	125.68
(D) Adjusted Profit (A+B+C)	4,197.83
(E) Finance Cost	125.68
(F) Interest Coverage Ratio (times) (D/E)	33.40

**not annualised*

Fiscal 2024

(₹ in lakhs, except ratio)

Particulars	For the year ended March 31, 2024
(A) Profit before tax	15,020.81
(B) Provisions and write-off	-
(C) Finance Costs	509.38
(D) Adjusted Profit (A+B+C)	15,530.19
(E) Finance Cost	509.38
(F) Interest Coverage Ratio (times) (D/E)	30.49

Fiscal 2023

(₹ in lakhs, except ratio)

Particulars	For the year ended March 31, 2023
(A) Profit before tax	12,261.61
(B) Provisions and write-off	-
(C) Finance Costs	634.93
(D) Adjusted Profit (A+B+C)	12,896.55
(E) Finance Cost	634.93
(F) Interest Coverage Ratio (times) (D/E)	20.31

Fiscal 2022

(₹ in lakhs, except ratio)

Particulars	For the year ended March 31, 2022*
(A) Profit before tax	8,234.03
(B) Provisions and write-off	-
(C) Finance Costs	771.85
(D) Adjusted Profit (A+B+C)	9,005.88
(E) Finance Cost	771.85
(F) Interest Coverage Ratio (times) (D/E)	11.67

**Pursuant to the Scheme of Arrangement for amalgamation of Chetan Industries Limited, the figures for the year have been restated.*

AUDITOR'S OBSERVATIONS

Except as set out below, there have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company in the five Fiscals immediately preceding the year of this Preliminary Placement Document:

Financial Year	Details of reservation, qualification, emphasis of matter or adverse remarks	Details of impact on financial statements and financial position of the company, and corrective steps taken by the company, if any	Corrective steps taken and/or proposed to be taken by the Company
Audited Consolidated Financial Statements for the financial year ended March 31, 2024	*Adverse Remarks:* The Statutory Auditors have stated, "*Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of accounts which has a features of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled at the database level and certain master fields (Asset Master, Customer Master and Vendor Master) for users with certain privileged access rights as it related to the accounting software. Further, during the course of our Audit we did not come across any instance of the Audit Trail feature being tampered with. (Refer note 50 to the financial statements*)."	The Registrar of Companies may take cognizance and initiate proceedings against the Company. The financial impact cannot be ascertained as of now.	The Company has taken it up with the service provider and the auditors expect a timeline September 30, 2024 by which the feature will be enabled.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024	*Emphasis of Matter:* "*We draw attention to Note 51 of the accompanying statement which states that "The Company has carried out exercise of balances confirmation of trade receivable, trade payable, advances given, and other financial and non-financial assets and liabilities and has received confirmations in most of the cases. In few cases, such balances are subject to confirmation/ reconciliation and their balances are stated as per books of accounts. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact*."	The impact cannot be ascertained	The Company believes adequate systems are in place and the process of reconciliation ensures reasonable assurance.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024	*CARO Qualification:* *Qualification in Clause i: "The auditor has mentioned the details of the immovable properties whose title deals are not held in the name of the Company."* *Qualification in Clause v: "The auditor has stated that the Company has accepted a sum of ₹ 21.61 lakhs as advance for supply of goods which are outstanding for more than 365 days from the date of acceptance of such advance. The*	The Company has secured the assets by way of executing a long-term lease of such assets. The Registrar of Companies may take cognizance and initiate proceedings against the Company. The financial impact cannot be ascertained as of now.	N.A. The Company will be reaching out to the respective customers for execution of the order/repayment or write back.

	same is in violation of section 73 to 76 and the Rules framed thereunder" *Qualification in clause vii: The statutory dues referred to in sub-clause (a) and (b) of clause (vii) as at March, 2024, which are undisputed and remaining outstanding for a period of more than six months from the date they became due and the ones which have not been deposited on account of a dispute, are mentioned in CARO section of the independent auditor's report.*	The undisputed liability may entail some interest payment by the Company, which shall not be material. The disputed liability has already been stated as a contingent liability in the financial statements.	The Company has already paid off the undisputed liability.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023	*Emphasis of Matter:* "*Amalgamation of Chetan Industries Limited with JTL Industries Limited which has been sanctioned by Hon'ble NCLT, Chandigarh vide its order dated 30.03.2023. The Scheme had become effective from 31.03.2023. The appointed date for said Scheme of Merger is 1st April,2021. As per the requirement of appendix C to IND AS 103 "Business Combination", the standalone annual financial statements have been prepared incorporating the impact of merger using the "Pooling of interest method" accordingly*.	Due to such merger, the financial statements include the financial numbers of the merged entity.	N.A.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023	*CARO Qualification:* *"Qualification in Clause vii – The particulars of statutory dues referred to in sub-clause (a) of clause (vii) as at March 31, 2023 which have not been deposited on account of a dispute, are mentioned in CARO section of the independent auditor's report."*	The same has already been stated as a contingent liability in the financial statements.	N.A.
Audited Consolidated Financial Statements for the Financial Year ended March 31, 2022	*Nil*	NA	NA
Audited Standalone Financial Statements for the Financial Year ended March 31, 2021	*Nil*	NA	NA
Audited Standalone Financial Statements for the Financial Year ended March 31, 2020	*Nil*	NA	NA

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the course of ordinary business, we are exposed to market risk, liquidity risk and credit risk. Our Board and Audit Committee has overall responsibility for the oversight of our risk management framework. We manage the risk basis policies approved by the board of directors. Our Board provides principles for overall risk management.

i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade receivables and other financial assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts. An impairment analysis is performed at each reporting date on an individual basis for major customers. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, The Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances. In respect of Financial guarantees provided by The Company to banks & financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which The Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period. The Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. With regards to all other financial assets with contractual cash flows management believes these to be high quality assets with negligible credit risk. Thus, no provision for expected cash loss has been provided on these financial assets.

ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings, lease liabilities and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales and borrowings. There has been no significant impact in Company's financial position with change in exchange rates.

iii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company has mature liquidity risk management processes covering short-term, mid-term and long-term funding. Liquidity risk is controlled through maintaining sufficient reserves, adequate amount of committed credit facilities and loan funds.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent" that may impact our business operation or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Other than as described in "- *Significant factors affecting our results of operations and financial condition*" on page 96 to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "- *Significant factors affecting our results of operations and financial condition*" and the uncertainties described in the section "*Risk Factors*" on pages 96 and 45. To our knowledge, except as described or anticipated in this Preliminary Placement Document there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45, 185 and 94, respectively, to our knowledge there are no known factors that may adversely affect our business, prospects, results of operations, financial condition and cash flows.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new business segments.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

Changes in revenue in the last three Fiscals and the three months ended June 30, 2024, are as described in "*–Three months ended June 30, 2024 compared to three months ended June 30, 2023*", "*– Fiscal 2024 compared to Fiscal 2023*" above on pages 108 and 111, respectively.

SEGMENT REPORTING

Our Company operates in single reportable business segment i.e. manufacturing of iron/steel tubes, pipes and structures.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*", "*Risk Factors*" and "-*Significant factors affecting our Results of Operations and Financial Conditions- Competition*" on pages 185, 124, 45 and 96, respectively, for further details on competitive conditions that we face across our various business verticals.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Revenues from any particular customer may vary between financial reporting periods depending on the nature and term of ongoing contracts with such customer. The table below sets forth our revenue from our top 10 customers, top five customers and our largest customer, as a percentage of our revenue from operations for the year/period indicated:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Top 1 Customer	3,950.18	7.66%	6,567.32	13.01%	17,192.89	8.43%	15,265.25	9.86%	10,940.40	8.07%
Top 5 customers	12,519.57	24.29%	19,038.89	37.72%	64,423.80	31.58%	41,449.98	26.74%	34,678.97	25.59%
Top 10 customers	18,115.64	35.15%	25,086.22	49.70%	94,648.21	46.39%	55,836.40	36.03%	45,108.20	33.28%

SEASONALITY/ CYCLICALITY OF BUSINESS

Except as disclosed in this Preliminary Placement Document, our business is not subject to seasonality or cyclicality. For further information, see "*Industry Overview*" on page 124.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024, THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below, to our knowledge no circumstances have arisen since March 31, 2024, that could materially or adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. **Strategic Acquisition of Nabha Steels and Metals in Mandi Gobindgarh, Punjab:**
   Our Company has strategically acquired a controlling stake of 67% in Nabha Steels and Metals, situated in Mandi Gobindgarh, Punjab, which has a manufacturing capacity of 2,10,000 MTPA and focuses on producing steel products such as coils and long steel products. Pursuant to this acquisition, our Company has been granted ownership of a steel product manufacturing facility, which has increased its total backward integration capacity to 2,50,000 MTPA of HR coils, with backward integrated operations now spanning across Chhattisgarh and Punjab.

2. **Allotment of Equity Shares on conversion of Warrants and consequent Allotment of shares on Bonus issue.**
   The Securities Issue and Allotment Committee of the Company, in its meeting held on June 11, 2024 considered and approved the allotment of 1,00,000 fully paid equity shares of face value of Rs. 2 each, pursuant to conversion of warrants into said equal number of equity shares to the following Allottee belonging to Non-promoter /Public Category, upon receipt of balance 75% of the issue price from it:

Sr. No.	Name(s) of the Allottee	Category	Warrants allotted
1.	M/s Srestha Finvest Limited	Public Category/ Non-promoter	100000
	Total		100000

Post conversion of warrants, the allottee was also entitled to 1,00,000 bonus shares reserved for outstanding convertible warrants in the ratio of 1:1 and accordingly 1,00,000 bonus Equity Shares have also been allotted against 1,00,000 Equity Shares post conversion of warrants.

Consequently, with effect from June 11, 2024, the issued, subscribed and paid-up equity share capital of our Company increased to Rs. 35,44,21,660 consisting of 17,72,10,830 Equity Shares of Rs. 2 each. The aforementioned shares rank pari-passu with the existing Equity Shares of our Company.

INDUSTRY OVERVIEW

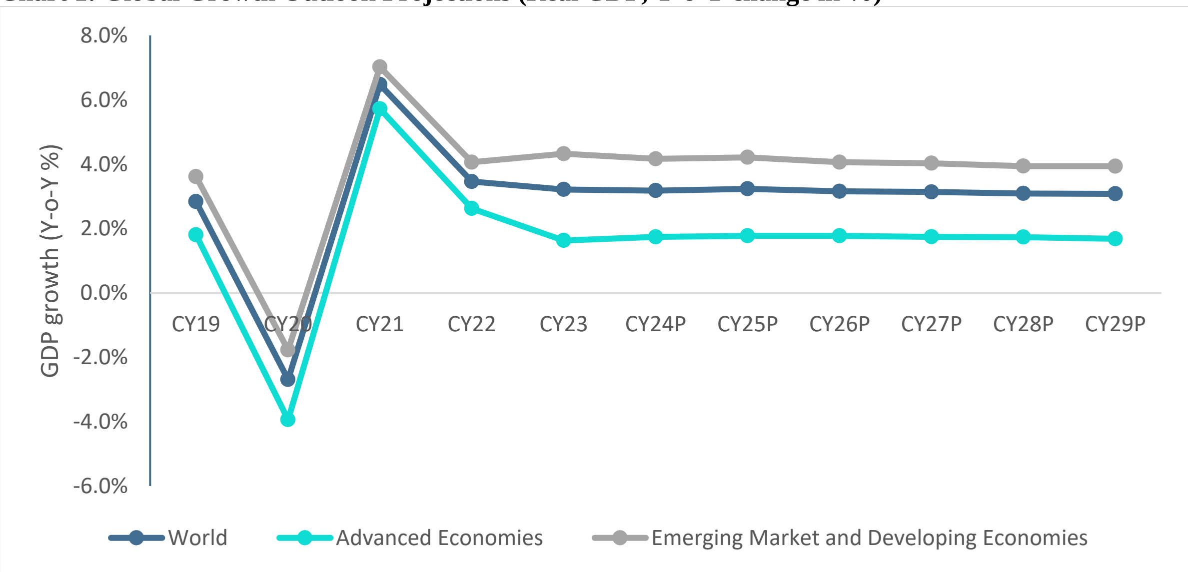
Unless stated otherwise, the industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "Industry Research Report on Steel Products" dated July 16, 2024 ("CARE Report"), which is a report exclusively commissioned and paid for by our Company and prepared by CARE Analytics and Advisory Private Limited (CareEdge Research), pursuant to an engagement letter dated January 12, 2024, in connection with the Issue. For further details, see "Industry and Market Data" and "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" on pages 14 and 63, respectively.

1. Economic Outlook

1.1 Global Economy

Global growth, which stood at 3.2% in CY23, is anticipated to maintain this rate throughout CY24 and CY25. The CY24 forecast has been adjusted upwards by 0.1 percentage point compared to the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point compared to the October 2023 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic and Russia's Ukraine invasion, Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, April 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	7.8	6.8	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	2.6	6.0	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.4	0.8	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (April 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, climbing from 1.6 % in CY23 to 1.7% in CY24 and further to 1.8% in CY25. The projection for CY24 has been adjusted upwards by 0.2 percentage points compared to the January CY24 WEO Update, while the forecast for CY25 remains unchanged. This adjustment primarily reflects a revision in US growth, compensating for a slight downward revision in the euro area for CY25.

The United States is expected to see growth rise to 2.7% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labor market softening, which dampen aggregate demand. The CY24 projection has been revised upward by 0.6 percentage points since the January CY24 WEO Update. This revision primarily reflects carryover effects from stronger-than-expected growth in the fourth quarter of CY23, with some of this momentum expected to continue into CY24.

The Euro Area's growth is anticipated to rebound from its sluggish rate of 0.4% in CY23, mainly influenced by significant exposure to the conflict in Ukraine. Projections indicate an increase to 0.8% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Despite a downward revision of 0.3 percentage points for Germany in both CY24 and CY25 due to persistent weak consumer sentiment, this adjustment is largely balanced by upgrades for several smaller economies, including Belgium and Portugal.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.2% in both CY24 and CY25. While there's a slowdown expected in emerging and developing Asia, this is counterbalanced by increasing growth in economies across the Middle East, Central Asia, and sub-Saharan Africa. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.0% in CY23 and climbing to 4.7% in CY24 and 5.2% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.6% in CY23 to 5.2% in CY24 and 4.9% in CY25. China's trajectory reflects a slowdown, transitioning from 5.2% in CY23 to 4.6% in CY24 and 4.1% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, India's growth remains robust, with anticipated rates of 6.8% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The Indonesian economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. In CY22, Saudi Arabia's growth slowed at -0.8% in CY23 attributed to lower oil production. CY24 is predicted to see a revamp in the growth rates to 2.6% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 6.0% and 4.0% in CY25 and CY26, respectively. On the other hand, Brazil's growth is projected to ease to 2.2% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been estimated to be at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy.

Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third-largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China [~18.7%] on the top followed by the United States [~15.6%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country.

Despite Covid-19's impact, high inflationary environment and interest rates globally, and the geopolitical tensions in Europe, India has been a major contributor to world economic growth. India is increasingly becoming an open economy as well through growing foreign trade. Despite the global inflation and uncertainties, Indian economy continues to show resilience. This resilience is mainly supported stable financial sector backed by well-capitalized banks and export of services in trade balance. With this, the growth of Indian economy is expected to fare better than other economies majorly on account of strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners.

1.2 Indian Economic Outlook

1.2.1 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. The GDP growth number improved for Q3FY24 at 8.6%.

India's GDP at constant prices surged to Rs. 47.24 trillion in Q4FY24 from Rs. 43.84 trillion in Q4FY23, marking a 7.8% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, utility services, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued.

Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (SAE) placed real GDP growth at 8.2% for FY24.

- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand. The eight core industries also show healthy growth. Moreover, services sector shows exhibit broad based buoyancy. The purchasing managers' index for both manufacturing and services continues to exhibit a sustained and healthy expansion.

- The outlook for agriculture and rural activity appears bright owing to good rabi wheat crop and expected improvements in kharif crop due to expected normal south-west monsoon. This combined with increasing rural demand on the back of improving farm activity, improvement in informal activity, improving employment condition, and alleviating inflationary pressures are expected to boost private investment. Additionally, consumption is expected to support economic growth in FY25 owing to strengthening rural demand.

- Investment activity is also expected to be further supported by sustained and robust government spending, strong financial positions of banks and corporations, increasing capacity utilization, and rising business confidence as indicated by surveys. Additionally, improving global economic growth and trade prospects are expected to boost external demand for goods and services.

Persistent geopolitical tensions and volatility in international commodity prices do pose risk to this outlook. Based on these considerations, the RBI, in its June 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P
7.2%	7.3%	7.2%	7.3%	7.2%

Note: P-Projected; Source: Reserve Bank of India

1.2.2 Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

• The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

• The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.7% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.7% in Q2FY24.Further, it experienced y-o-y growth of 0.4% in Q3 and 0.6% in Q4. leading to expectations of a modest 1.4% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Interim Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsaya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 23.7 trillion and mark 1.4% y-o-y growth for complete FY24.

• From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted the **industrial sector**. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities.

The industrial sector grew by 6.0% in Q1FY24, while Q2FY24 growth was up by 13.6% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter. The construction sector (13.6% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.5%. It further fell down to 8.4% in Q4FY24.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 9.5% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

• The **Services sector** was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y.

In Q1FY24, the services sector growth jumped to 10.7%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 6.0% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8.3% growth in H1FY24. In Q3FY24 growth increased to 7.1% compared to 7.2% last year in the same quarter. In Q4FY24, growth declined to 6.7% compared to 7.2% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall.

Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

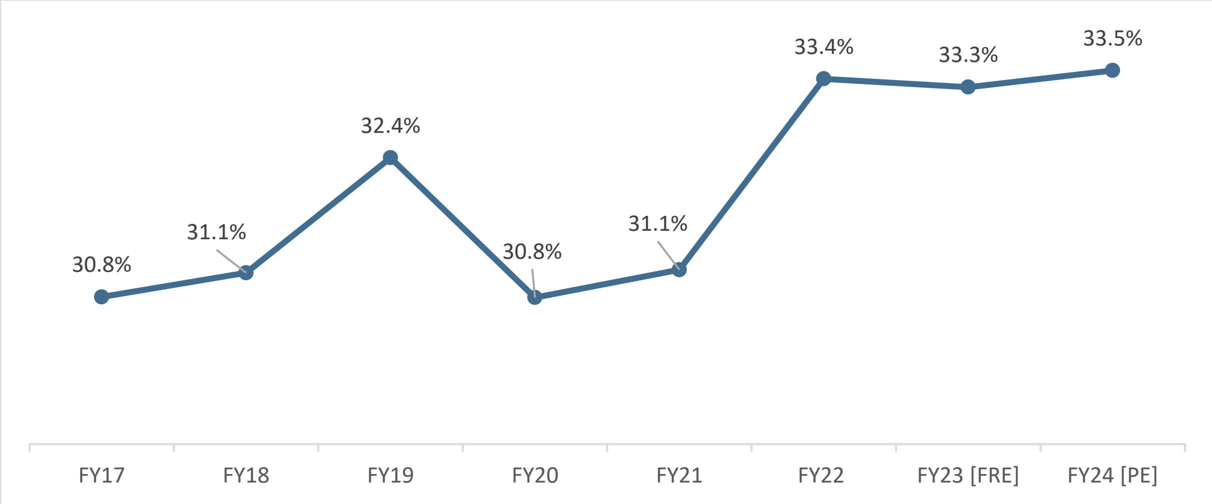
At constant Prices	FY19	FY20	FY21	FY22	FY23 (FRE)	FY24 (PE)
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.7**	**1.4**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**2.1**	**9.5**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5
Construction	6.5	1.6	-5.7	14.8	9.4	9.9
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**10.0**	**7.6**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**6.7**	**7.2**

Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

1.2.3 Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 33.4%, which is the highest level in 5 years (since FY17). In FY23, the ratio of investment (GFCF) to GDP remained flat at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24.

Chart 2: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.2.4 Industrial Growth

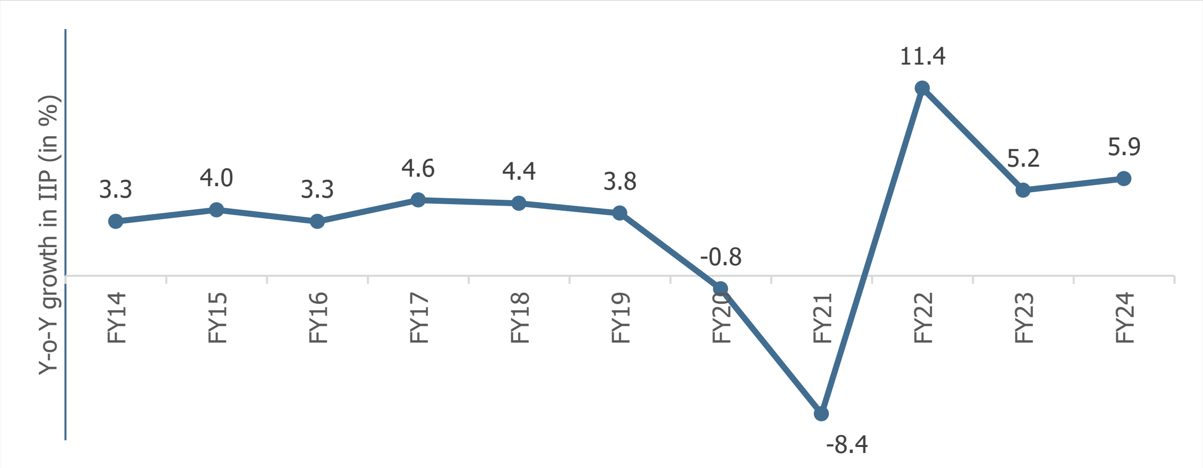
Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway.

During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favorable base and a rebound in economic activities. The period April 2023 – March 2024, industrial output grew by 5.9% compared to the 5.2% growth in the corresponding period last year. For the month of April 2024, the IIP growth increased to 5.0% compared to the last year's 4.6%, on account of growth in mining and electricity. The manufacturing sector grew modestly with the top three contributors being Manufacture of basic metals, Manufacture of coke and refined petroleum products, and Manufacture of motor vehicles, trailers and semi-trailers.

So far in the current fiscal, the government's spending on infrastructure has been strong, but private investment hasn't picked up significantly yet. Consumer durables production increased due to favorable conditions, while non-durables saw a slight decline. Urban demand is driving consumption, while rural demand is still recovering. Good monsoon forecasts are positive, but high unemployment and food inflation pose challenges. Infrastructure/construction output is growing well due to government spending. Private investment and manufacturing capacity utilization are increasing, supporting hopes for private sector growth. Good monsoon could boost rural demand, but food inflation remains a concern. Overall, sustained improvements in consumption and private investment are crucial for industrial performance.

Chart 3: Y-o-Y growth in IIP (in %)



Source: MOSPI

1.2.5 Consumer Price Index

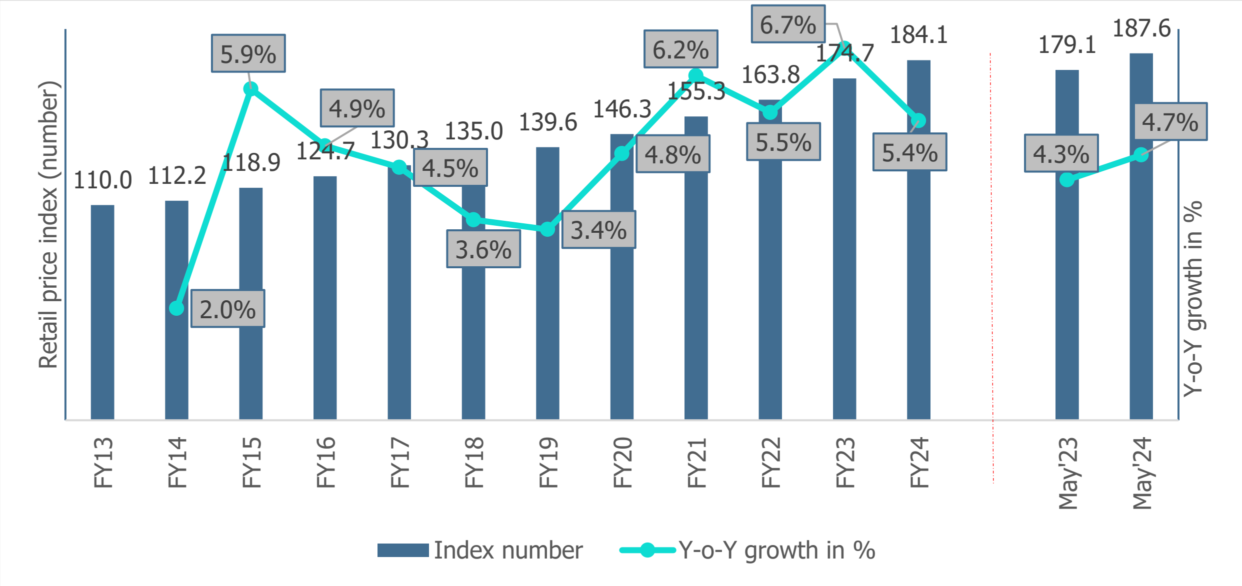
India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend revsered in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed furthur softning of prices registering 4.9% growth. For FY24 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

High inflation in specific food items poses inflation risk, even though normal monsoon forecasts are improving the food inflation outlook. This makes it crucial to monitor monsoon distribution. Government measures like the Open Market Sale Scheme (OMSS) and export restrictions aim to stabilize food prices. Additionally, recent move to cut LPG cylinder prices have sustained deflation in fuel and light category. While government initiatives are expected to mitigate upward price pressure, external risks from geopolitical tensions may affect supply chains and commodity prices. The numbers for May FY25 show an increase in inflation growth y-o-y to 4.7% as compared to inflation growth y-o-y of 4.3% in May FY24.

Chart 4: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

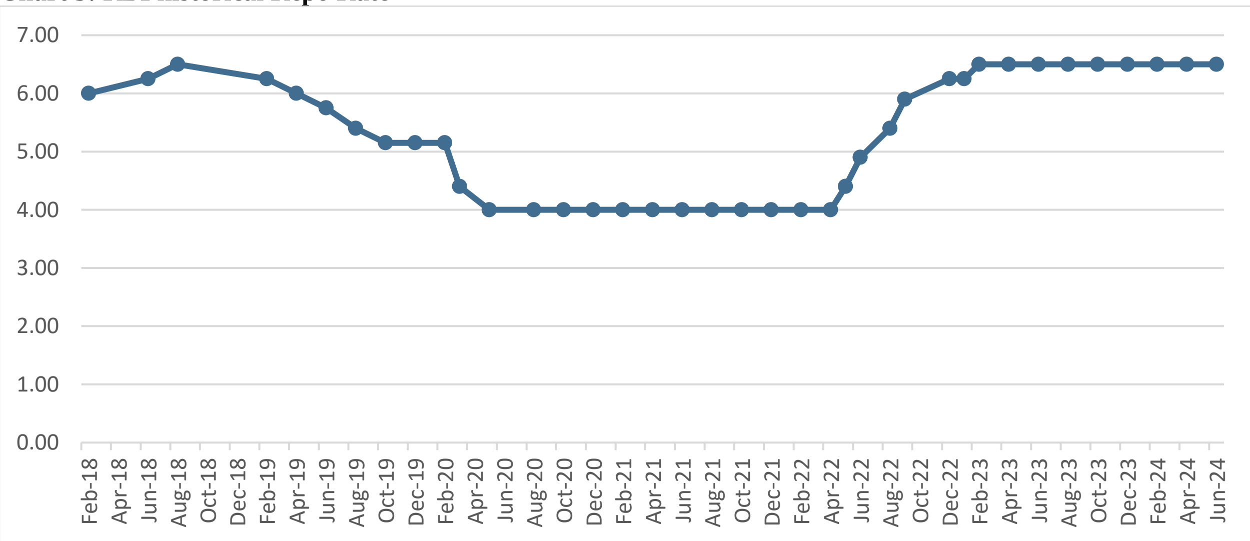


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in June 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q1FY25 at 4.9%, Q2FY25 at 3.8%, Q3FY25 at 4.6% and Q4FY25 at 4.5%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the June 2024 meeting of the Monetary Policy Committee.

Chart 5: RBI historical Repo Rate



Source: RBI

In a meeting held in June 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food proces due to adverse weather conditions pose a risk to the path of disinflation. Given the uncertainities in food prices that might derail the path to bring down inflation, the Central Bank has decided to be vigilant and maintain an active disinflationary stance to ensure complete transmission of past rate cuts and anchoring of inflation expectations until a better alignment of the headline CPI inflation with the target is achieved.

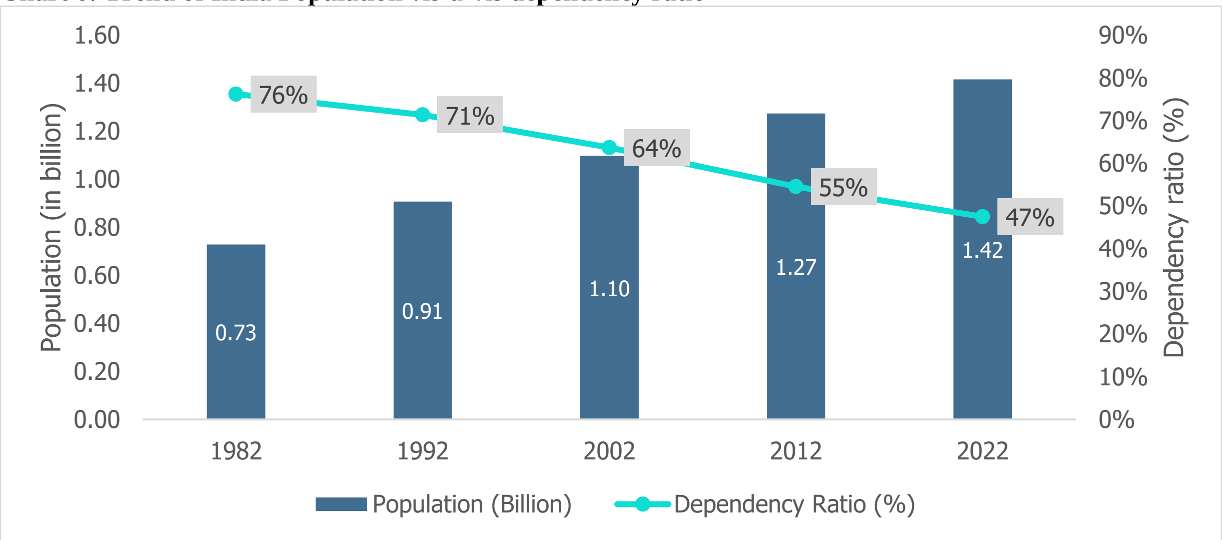
1.2.6 Overview on Key Demographic Parameters

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1982, which has reduced to 47% in 2022. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

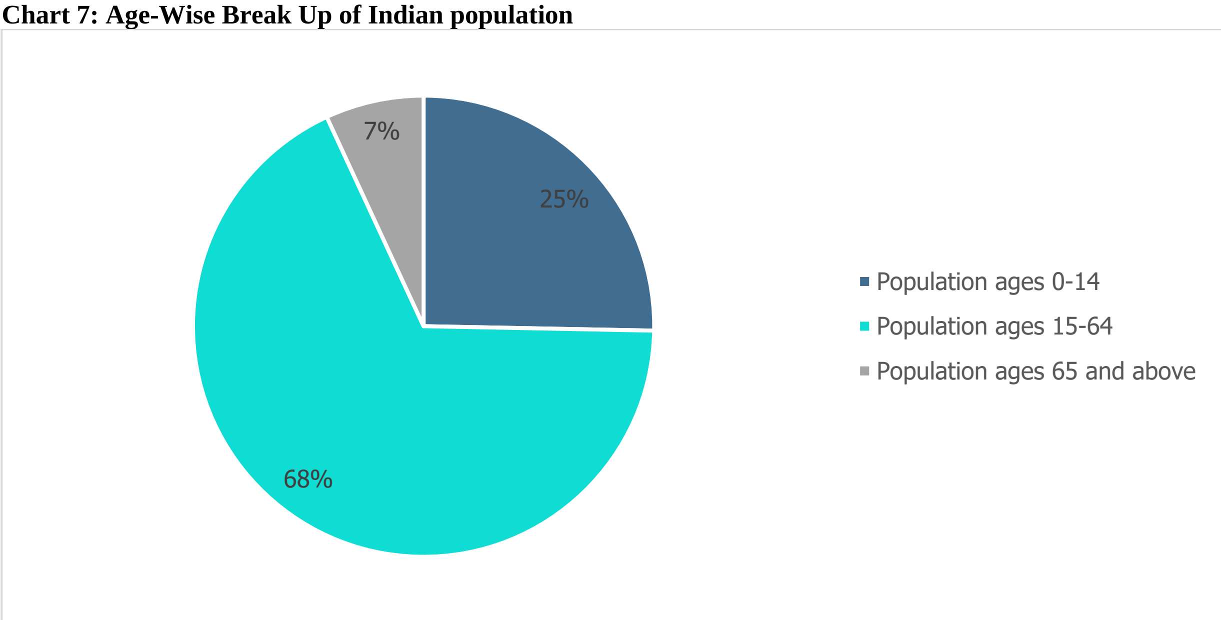
Chart 6: Trend of India Population vis-à-vis dependency ratio



Source: Source: World Bank Database

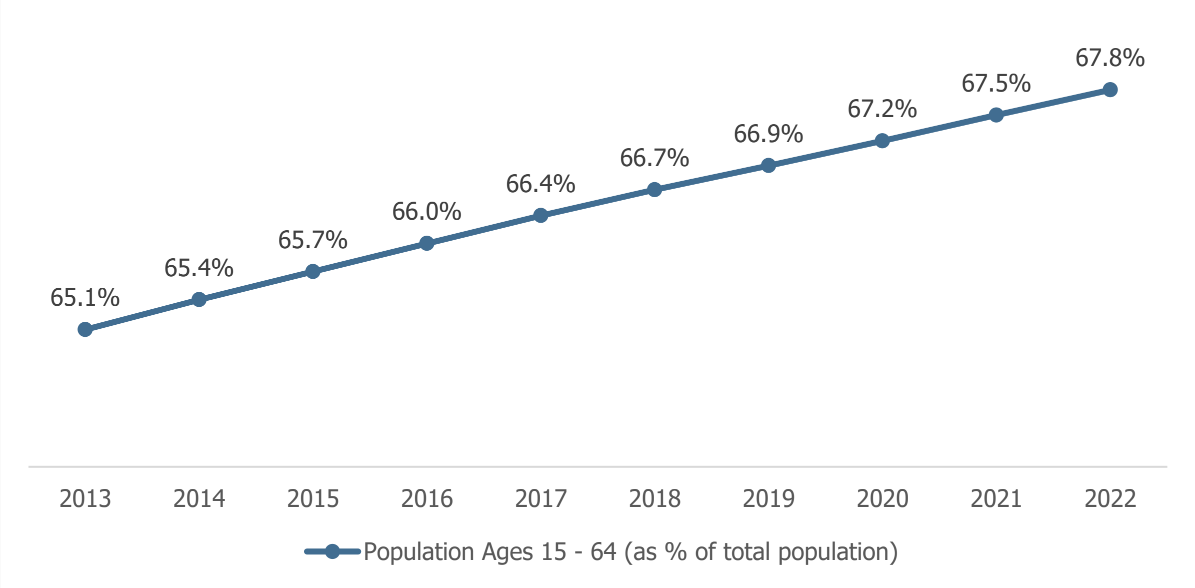
With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

Chart 7: Age-Wise Break Up of Indian population



Source: World Bank Database

Chart 8: Yearly Trend - Young Population as % of Total Population

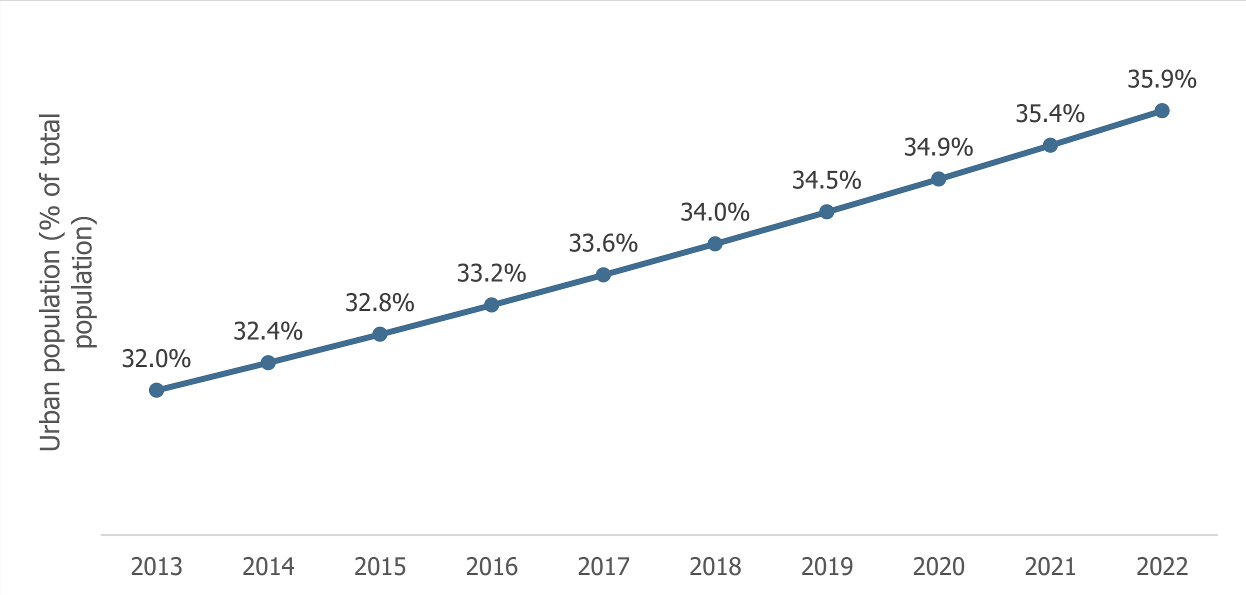


Source: World Bank database

- **Urbanization**

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in 2012 to 508 million (35.9% of total population) in the year 2022. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Chart 9: Urbanization Trend in India

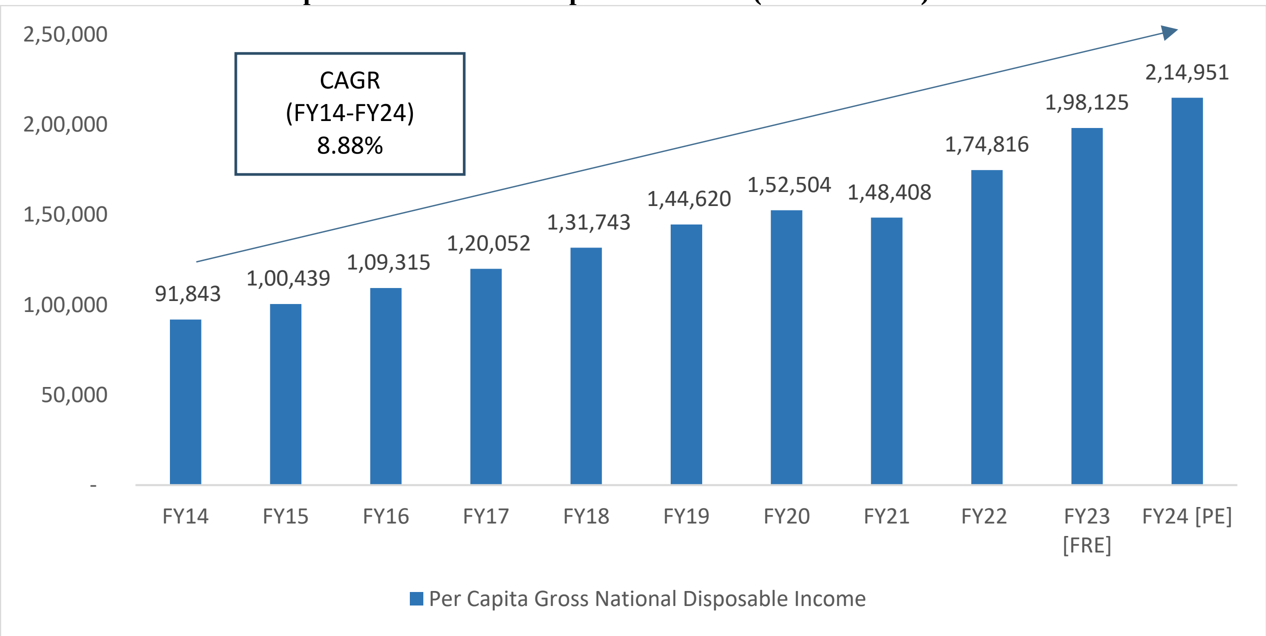


Source: World Bank Database

- **Increasing Per Capita Disposable Income**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.
The chart below depicts the trend of per capita GNDI in the past decade:

Chart 10: Trend of Per Capita Gross National Disposable Income (Current Price)

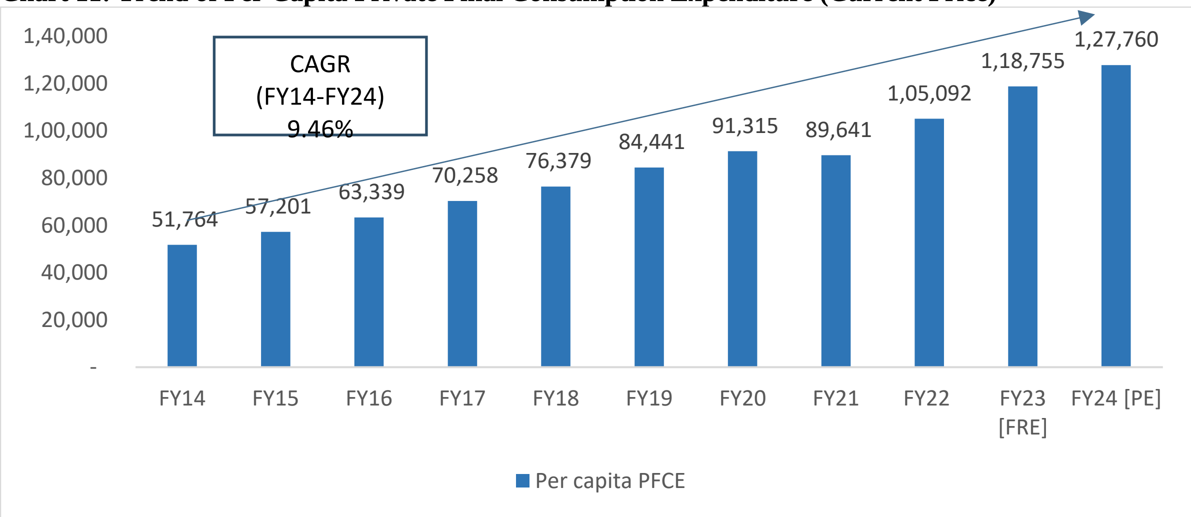


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

- **Increase in Consumer Spending**

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.46%. Following chart depicts the trend of per capita PFCE at current prices:

Chart 11: Trend of Per Capita Private Final Consumption Expenditure (Current Price)



Source: MOSPI

1.2.7 Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 6.8% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The weakening of El Nino to a neutral stage in the early monsoon season, followed by the likely development of La Nina conditions in the later part, adds to the positive outlook. El Nino typically leads to suppressed rainfall during the Indian monsoon, whereas La Nina tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to good rabi crop and an expected normal monsoon will aid the investment cycle in gaining further traction.

2. Global & Indian Steel Industry

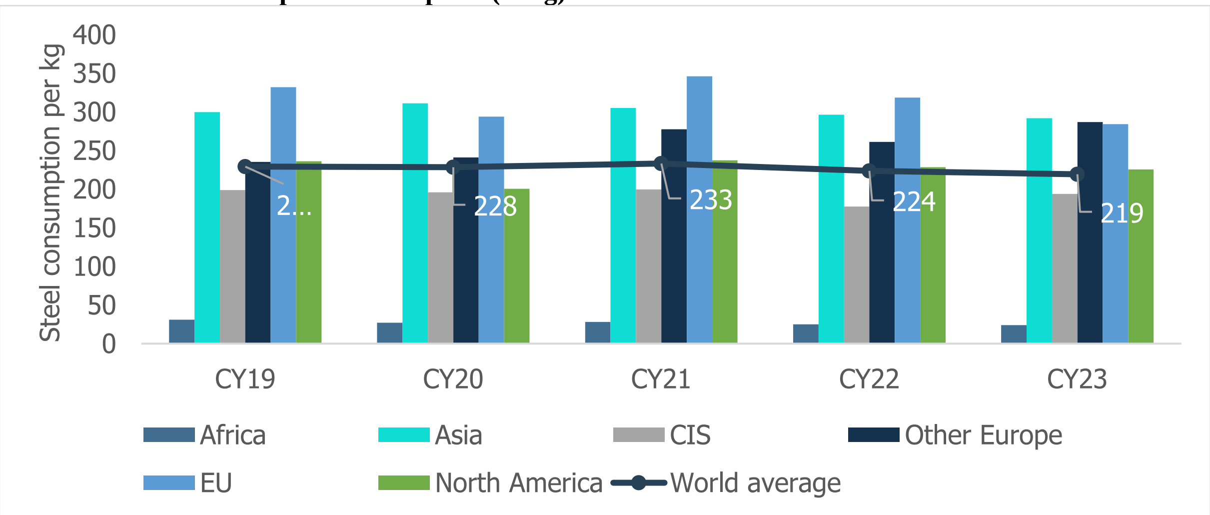
2.1 Global Steel Industry

2.1.1 Overview of the Global Steel Industry

Steel is a paramount material in the fields of construction and engineering. It has widespread applications in industries such as automotive, construction, consumer goods, infrastructure, capital goods, mechanical & medical equipment, packaging, and utensils, among others. Its popularity stems from its abundant availability, cost-effectiveness, exceptional strength and durability, ductility, and recyclability. According to the World Steel Association, there are over 3,500 different grades of steel produced worldwide, each possessing unique physical, chemical, and environmental properties to suit various applications.

Further, the global per capita consumption of steel has been on the rise. For instance, the consumption increased to 233 kg in CY21 from 229 kg in CY19. However, it decreased to 224 Kg in CY22 as the demand was affected by macroeconomic factors such as global slowdown and uncertainties due to the Russia-Ukraine war. It further fell down to 219 kg in CY23 due to ongoing geopolitical uncertainty, fluctuations in energy prices, persistent inflation, and bleak economic outlook. As of CY23, the per capita consumption of Asia was the highest at 292 kg in CY23, driven by high consumption in South Korea and China followed by Other Europe (287 kg) and EU (European Union) (284 kg).

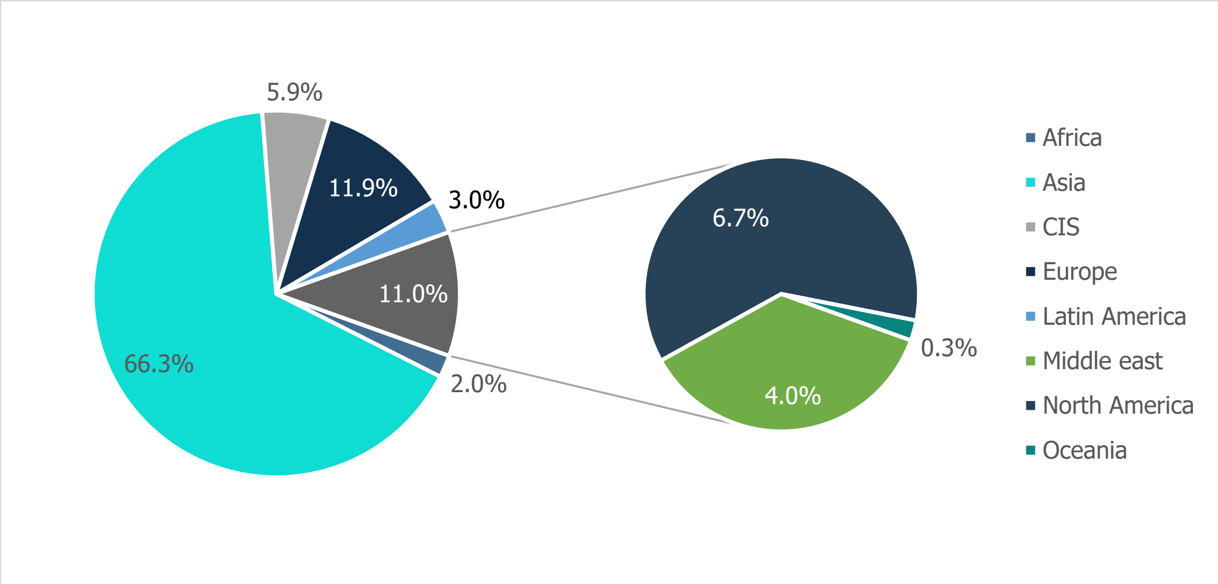
Chart 12: Global Per Capita Consumption (in kg)



Source: World Steel Association

Further, the global steel production capacity reached 2,459.1 million tonnes (MT) in CY22 with Asia accounting for the largest share of 66.3%. China holds a dominant position in steelmaking capacity, production, and consumption, boasting the highest steel production capacity globally, followed by India and Japan. Additionally, Europe, North America, CIS, Middle East, also contribute significantly to the global steel production capacity.

Chart 13: Region-wise Global Capacity in CY22 - 2,459.1 MT



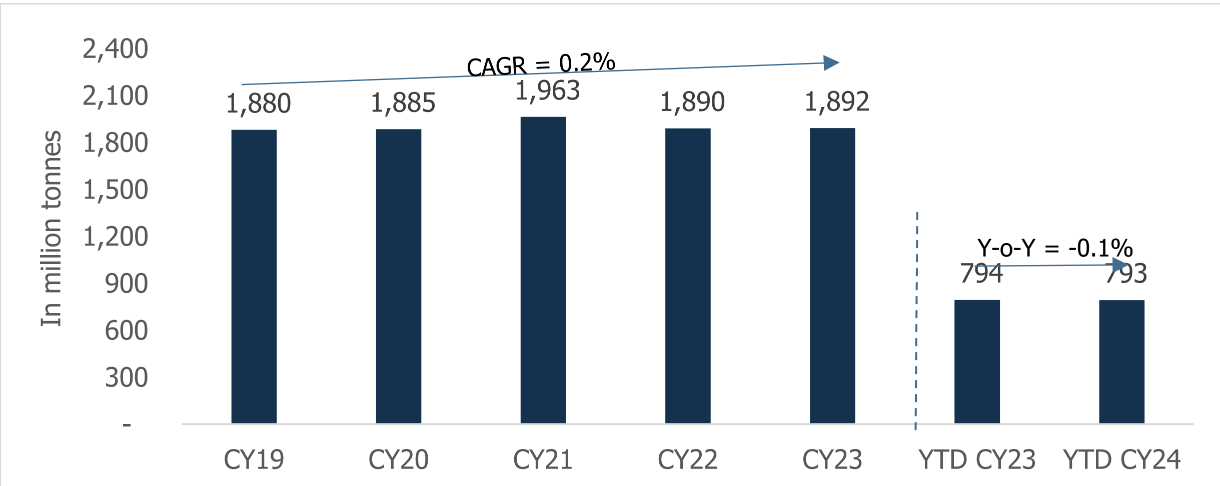
Source: Organisation for Economic Co-operation and Development (OECD)

2.1.2 Global Steel Production

The global crude steel production has grown at a 5-year CAGR of around 0.2% to 1,892 MT in CY23 from 1,880 MT in CY19. However, it declined by ~4% y-o-y in CY22 from 1,963 MT in CY21 due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures leading to increased input costs, and supply chain disruptions caused due to the Russia-Ukraine war. Global Crude Steel production remained flat in CY23. While for countries like India, Russia, South Korea, and the United States, production increased, production fell in Japan, Germany, Turkey, and Brazil. Moreover, the production remained flat for China and Iran.

During YTD CY24 (January 2024-May 2024), the production of global crude steel decreased marginally by 0.1% corresponding to the same period in CY23.

Chart 14: Global Crude Steel Production

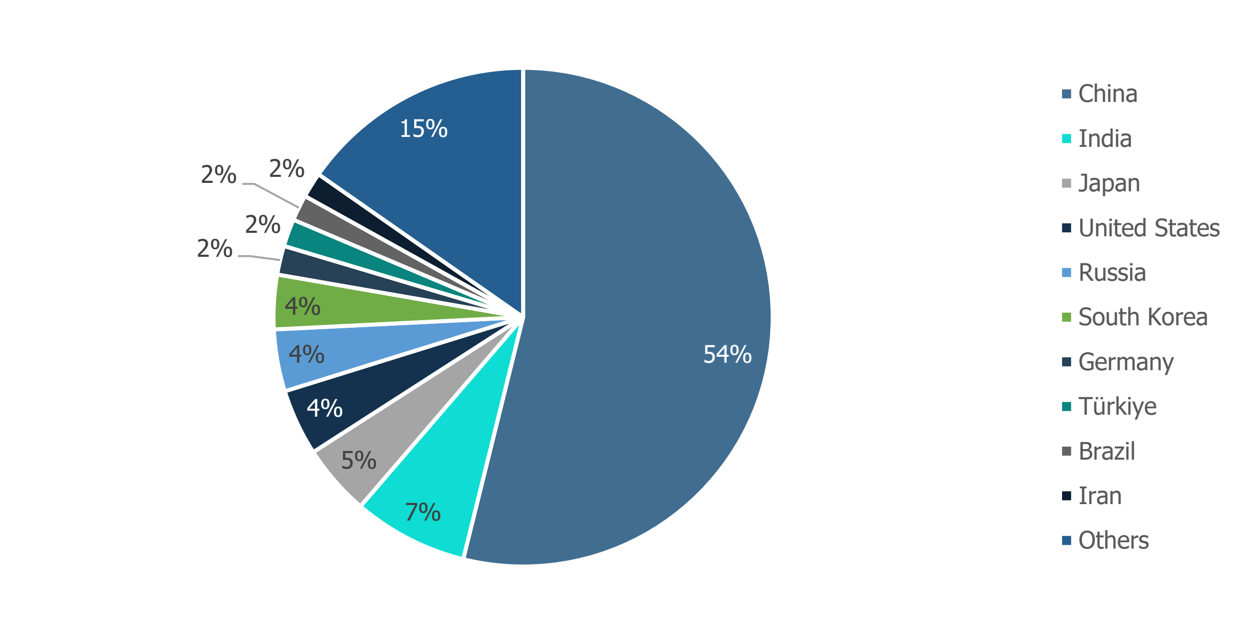


Source: World Steel Association
Note: YTD CY23 refers to the period from January 2023-May 2023
YTD CY24 refers to the period from January 2024- May 2024

Further, China continued to be the largest crude steel producer in CY23, accounting for 54% share. However, Chinese production remained flat in CY23 from CY22. This is due to the decline in steel consumption by the property sector and the slow progress of infrastructure projects.

India was the second-largest producer of crude steel in CY23 with a ~7% share, followed by Japan with a ~5% share. The USA, Russia, and South Korea accounted for around 4% share each in the total production during CY23.

Chart 15: Steel Production Geographical Region in CY23- 1,892.2 MT



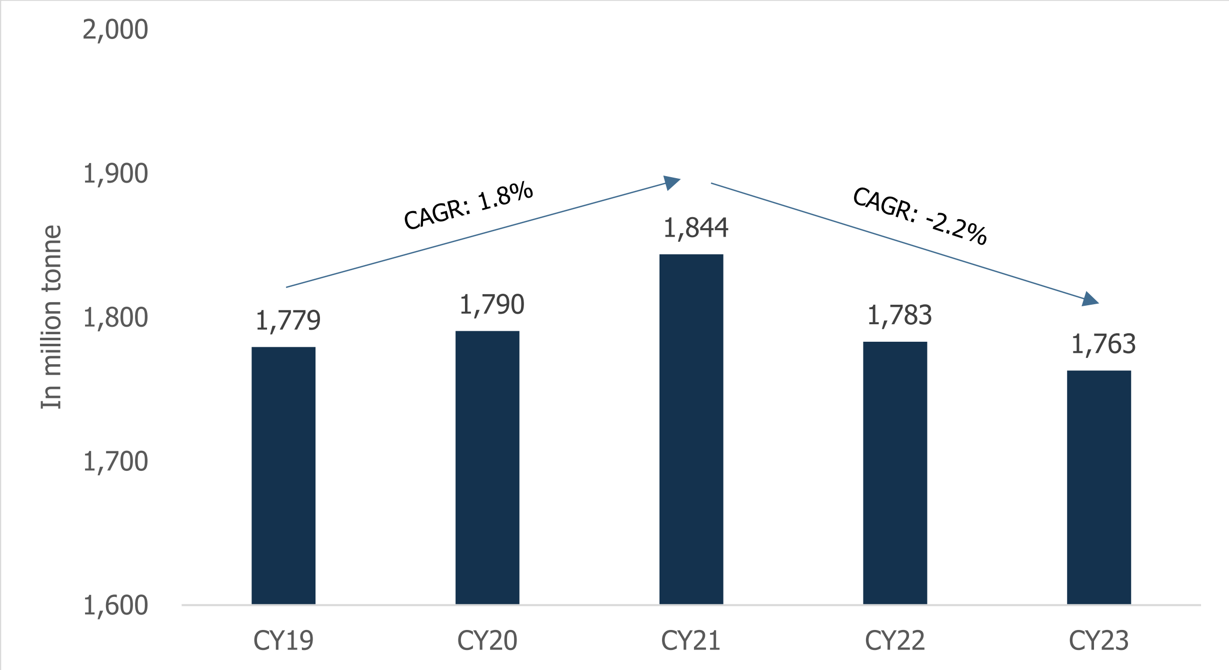
Source: World Steel Association

2.1.3 Global Steel Consumption

Steel is used in industries like energy, construction, automotive, transportation, infrastructure, packaging, and machinery. There was a strong recovery in finished steel consumption post-COVID-19. In developed economies like the USA, Europe, Japan, and South Korea, the demand was driven by the automotive and durable goods sectors. The global finished steel consumption has increased at a CAGR of 1.8% from 1,779 MT in CY19 to 1,844 MT in CY21. During the period CY21-CY23, it declined at a CAGR of 2.2% to 1,763 MT in CY23.
The global consumption of finished steel declined by 3.3% y-o-y in CY22, because global production was affected due to a slowdown in China, monetary tightening in the United States and Europe, inflationary pressures which raised input costs, and disruptions in the supply chain due to the Russia-Ukraine war.

Further, the finished steel consumption in China was reduced on account of movement restrictions and lockdowns brought on by COVID-19, environmental concerns, and the target to lower carbon emissions. However, government support is expected to aid in the recovery of demand with the resumption of construction and real estate activities.
Moreover, the consumption of finished steel in India has been robust given increased investments in infrastructure and policy support by the government. Despite the inflationary pressures and uncertainties around the global economy, India witnessed a healthy demand from auto, consumer durables, capital goods, and real estate sectors.
Further, the finished steel demand fell by 1.1% y-o-y in CY23 globally. While India showed resilience in terms of growth in steel demand, regions like the EU, the United States, and China faced a downturn in steel demand.

Chart 16: Global Steel Demand



Source: World Steel Association

2.1.4 Trend in Global Steel Prices

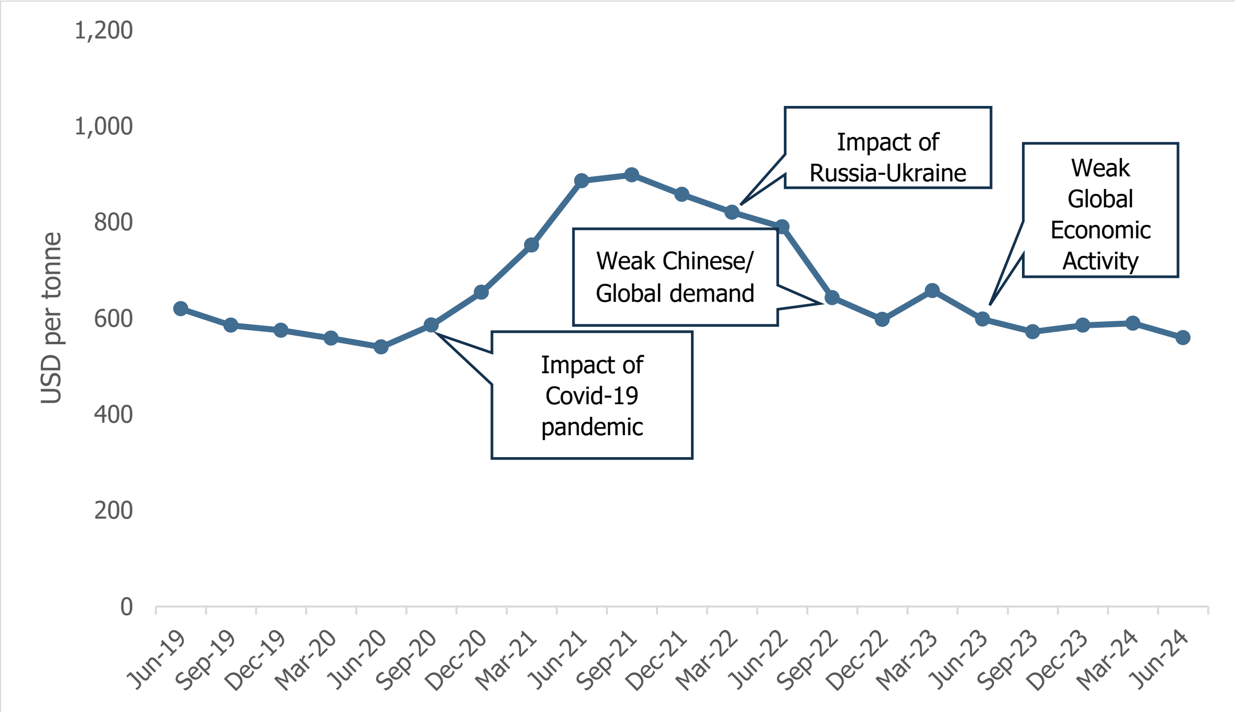
The international steel prices remained in the range of USD 605 to USD 654 per tonne from March 2019 to December 2020. The prices started rising in December 2020 on account of supply disruptions caused by the Covid-19 pandemic and high raw material prices. Escalated prices were further supported by the impact of the Russia-Ukraine war which commenced in February 2022. However, prices started declining gradually from June 2022 and fell to USD 597 per tonne during December 2022 given the weak demand from the largest consumer China due to lockdowns, COVID-19-related restrictions, and sluggish global demand. Additionally, a decline in iron ore and coking coal prices has also caused a fall in international steel prices.

Post-December 2022, iron ore and steel prices started to rise as COVID-19 restrictions relaxed in China on expectations of demand recovery and the steel prices increased by 10.1% q-o-q in March 2023 and stood at USD 657 per tonne. Overall, the global steel prices averaged at around USD 672 per tonne in FY23, a fall of 22.4% y-o-y.

During FY24, the demand in China remained subdued and led to a correction in the global steel prices during March-September 2023. China, which accounts for half of the world's production and consumption witnessed weak domestic steel demand on account of a decline in real estate investments which in turn, led to an increase in their exports in the global market putting further downward pressure on prices. Accordingly, the global steel prices declined by 11% y-o-y and stood at USD 572 per tonne during the quarter ended September 2023.

The prices increased marginally by 0.7% to USD 589 per tonne for the quarter ended March 2024 before decreasing by 5.1% to USD 560 per tonne for the quarter ended June 2024 on account of increased global supply by China amidst weak domestic demand and subpar economic activity in global steel-consuming hubs. As of FY24, the average global steel prices stood at USD 586 per tonne, a decline of about 12.8% on a y-o-y.

Chart 17: Trend in Global Steel Prices

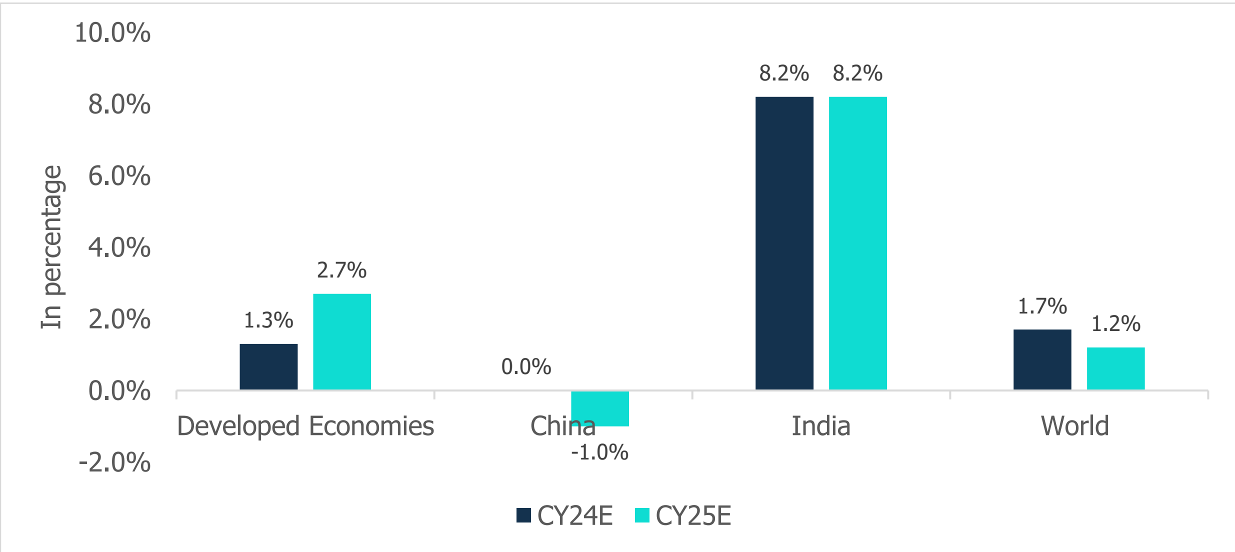


Source: CMIE

2.1.5 Outlook of Global Steel Consumption

The World Steel Association forecasts[1] the steel demand to increase by 1.7% y-o-y to 1,793.1 MT in CY24 and 1.2% y-o-y to 1815.2 MT in CY25 compared to a decline of 1.1% in CY23. The growth is expected to be led by the recovery in global manufacturing activity in 2024. Further, faster than expected disinflation and monetary policy easing could provide a boost to steel consuming sectors. Moreover, an increase in efforts towards strengthening public infrastructure against climate change risks is expected to augment global steel demand. Despite this **positive outlook** on global economy towards a gentle slowdown due to monetary tightening, the demand for steel worldwide is expected to stay low, as market instability is expected to persist due to delayed effects of monetary policy changes, increased costs, major economies being forced to cut spending due to high and increasing public debt levels, and geopolitical uncertainties.

Chart 18: Steel Demand Growth Estimates



- [1] Worldsteel Short Range Outlook April 2024 dated April 9, 2024

Source: World Steel Association

The steel demand in China, accounting for over half of the global consumption, is expected to remain flat in CY24 and decrease by 1% in CY25 largely due to decrease in real estate investments. However, steel demand in China is projected to be steady in CY24 on account of growth from infrastructure and manufacturing activities. The projected downward trend in CY25 is due to the expected view that China would reach its peak steel demand and will decline as the country might move away from a real estate and infrastructure dependent economic model.
After witnessing a growth rate of 14.8% in CY23, the steel demand in India is estimated to grow by 8.2% in both CY24 and% CY25. The growth momentum is expected to stay healthy on account of rising demand for steel as a raw material in all end-use sectors, especially infrastructure as the capex (capital expenditure) allocated toward this sector by the Indian Government is on rise and is expected to flourish the growth in steel sector. Besides, government initiatives such as the Production Linked Investment (PLI) Scheme and 10 years of infrastructure development roadmap will aid in the overall growth of the industry.
Moreover, developed economies including the European Union (27), the United States, Japan, and South Korea, witnessed a 4.2% decline in steel demand in 2023, with EU facing the major challenges, due to the geopolitical uncertainty, increased energy costs, high inflation, partial withdrawal of fiscal support, monetary tightening leading to rising interest rates and decline in housing market. The World Steel Association expects demand from developed economies to increase by 1.3% in CY24 and further increase by 2.7% in CY25 as steel demand is expected to see pick up in the EU and continued resilience in US, Japan, and Korea on account of expected recovery in residential construction. In contrast to EU, US has shown resilience in steel demand and is expected to grow further in CY24 and CY25 due to strong investment activity and initiatives like the Inflation Reduction Act in the country.

2.2 Domestic Steel Industry

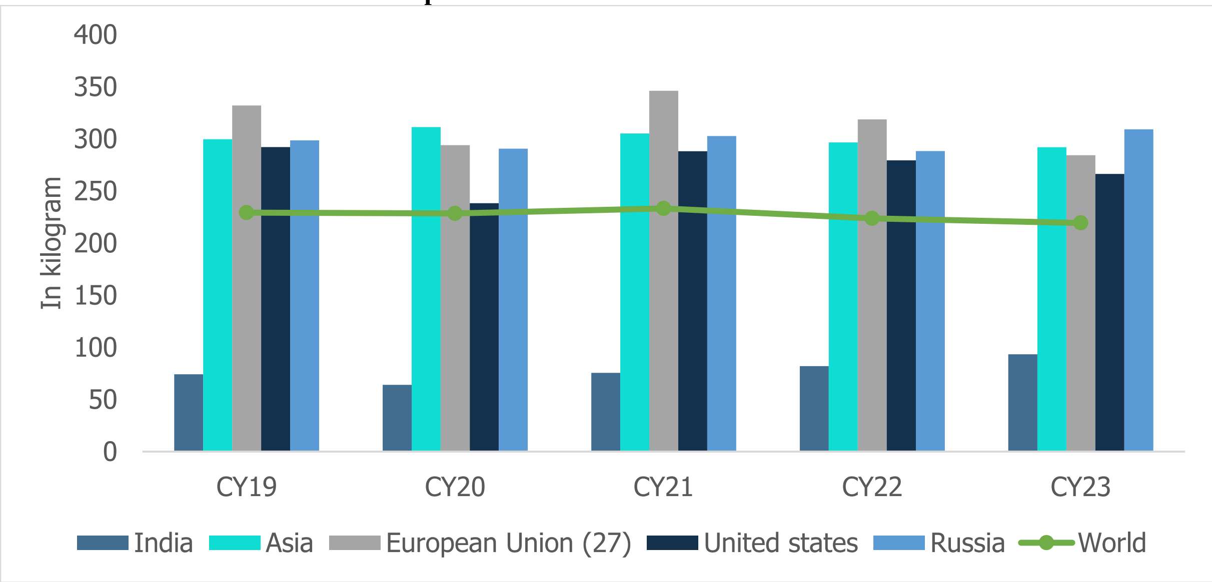
2.2.1 Overview of the Indian Steel Industry

India is the second-largest steel producer in the world with an installed capacity of 161.3 MT in FY23. It is also the second-largest consumer of finished steel[2] with a consumption of 120 MT in FY23. The Indian steel sector's growth over the years has been attributed to the domestic availability of raw materials such as iron ore and cost-effective labour. Also, the industry has benefitted from domestic demands in sectors such as construction, real estate, and automobiles. Whereas the vast coastline has enabled exports and imports, making India one of the leading countries in the global steel industry.

Further, the per capita finished steel consumption in India was 93.4 kg in CY23, significantly lower than the world average of 219.3 kg per capita. Aligned with the government’s vision of Atmanirbhar Bharat, The National Steel Policy 2017 aims to achieve 300 MT of steel-making capacity by 2030 by enhancing the per capita domestic steel consumption to 160 kg. In addition, steel has an output multiplier effect of 1.4x on GDP and an employment multiplier effect of 6.8x[3] in India. Thus, the steel industry has significant domestic potential and is expected to play a key role in the future economic growth of the country.

- [2] Finished steel includes both long, flat products and specialty steel
- [3] National Steel Policy 2017

Chart 19: Finished Steel Use Per Capita

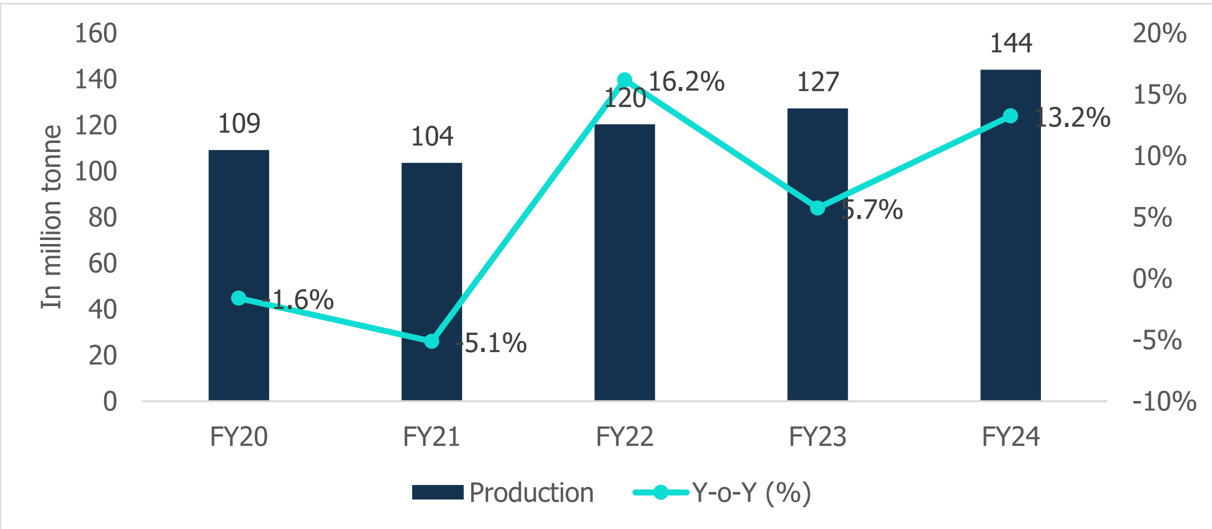


Source: World Steel Association

2.2.2 Domestic Crude Steel Production

The domestic crude steel production has grown at a CAGR of 7.2% in the past five years to reach 144 MT in FY24 from 109 MT in FY20. Large steel manufacturers' capacity utilization has been more than90% in FY24 and most players have announced the expansion of crude steel capacities. Additionally, improvements in the financial health of steel companies will also ensure that industry is comfortably leveraged to undertake capital expenditure for further capacity addition. The National Steel Policy 2017 envisages achieving 300 MT of production capacity from the current level of 161 MT to cater to the expected steel demand of 230 MT by FY31.

Chart 20: Domestic Crude Steel Production

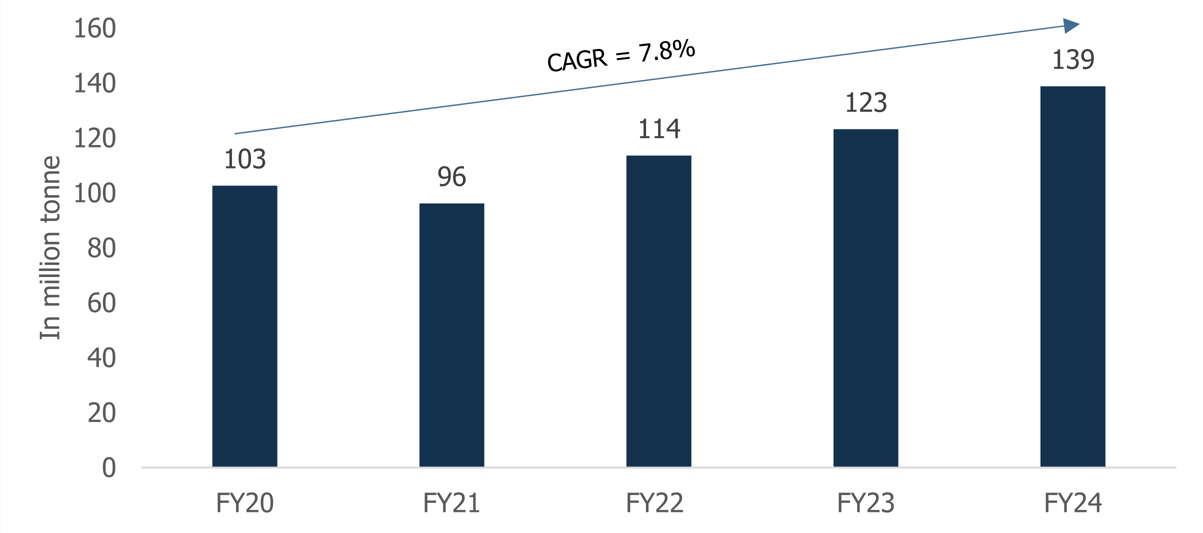


Source: CMIE

2.2.3 Domestic Finished Steel Production and Consumption

In the last 5 years, the finished steel production has grown at a CAGR of 7.8% to 139 MT in FY24 from 103 MT in FY20. The growth in production has been supported by the rising domestic steel consumption due to increasing economic activities in the country. This is further supplemented by increased infrastructure and construction spending by the government and a rise in automobile and consumer durable demand, among others.

Chart 21: India's Finished Steel Production

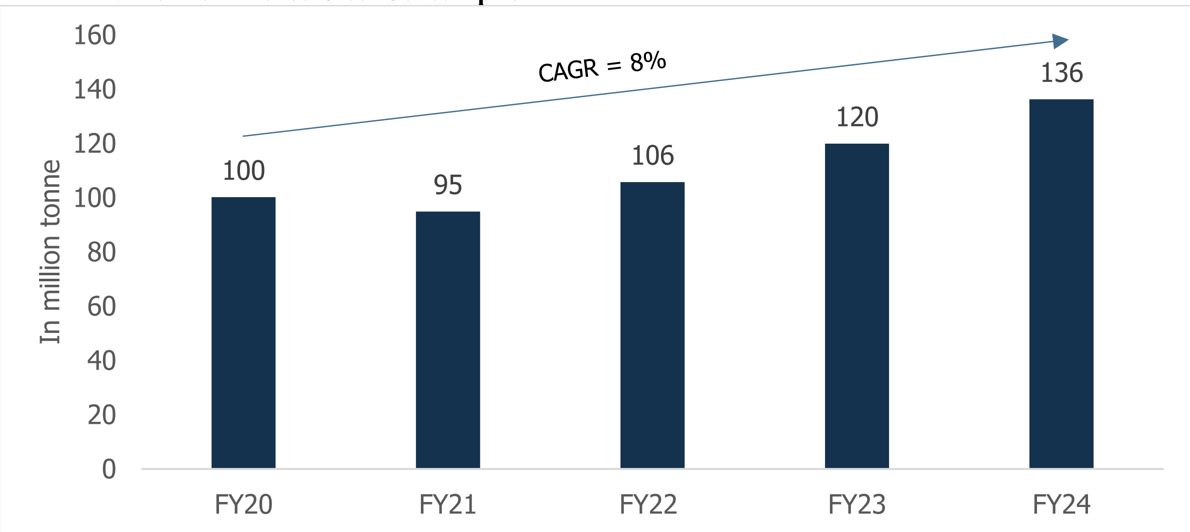


Source: CMIE

The domestic finished steel consumption has increased at a CAGR of 8% to 136 MT in FY24 from 100 MT in FY20. After a steady increase in steel production, India witnessed a de-growth of 6.3% y-o-y in FY21 due to the outbreak of COVID-19. The rebound in domestic demand from the impact of COVID-19 in the previous financial years, continuous investment in infrastructure, and policy support by the government, and pick-up in real estate construction during FY23 have led to an increase in consumption of finished steel to 120 MT, implying a y-o-y growth of 13.3%.

During FY24, the domestic steel demand continued to be robust on account of increased demand from automotive and infrastructure sectors. The auto sector witnessed an improvement in demand, driven by rapid focus towards the Electric Vehicles (EVs) which registered a growth of around 42% in sales volume, while the investments in infrastructure and construction sectors continued to rise and eventually led to strong demand for steel in the country.

Chart 22: India's Finished Steel Consumption



Source: CMIE

2.2.4 Price Trends

Trend in Average Finished Steel Prices

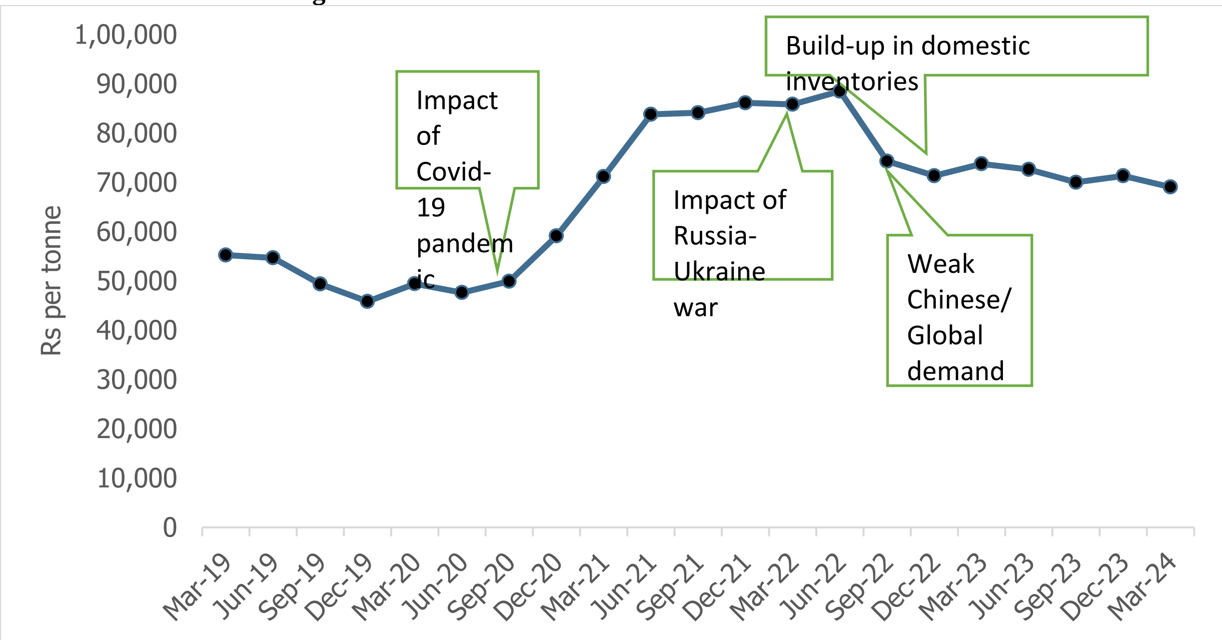
Domestic steel prices have followed global prices directionally. They remained range-bound between March 2019 to June 2019. However, they started declining as the economy was hit by the pandemic. During FY21, the average domestic finished steel prices peaked at Rs 71,157 per tonne as of March 2021. Since then, the prices increased throughout FY22 on account of a revival in domestic demand as economic activities began to pick up after the easing of restrictions and lockdowns.

During FY22, prices were impacted by the geopolitical tension between Russia and Ukraine and stood at Rs. 85,820 per tonne as of March 2022. The geopolitical crisis continued and the prices were further pushed to Rs. 88,498 per tonne in the June 2022 quarter. The escalation in prices was also due to increased coking coal and iron ore prices globally. However, after a sharp rise, the prices declined by around 16% in the quarter ending September 2022 compared to the previous quarter.

Furthermore, the prices fell to Rs 71,326 per tonne in December 2022. This decline was caused by the imposition of export duty on a range of finished steel products from the period May 2022 to November 2022, leading to lower exports and increased domestic inventories. In addition, the softening of iron ore and coking coal prices affected the steel prices in the domestic market.

Moreover, the prices observed a downward trend from the quarter ended March 2023 and fell to Rs. 70,001 per tonne as of September 2023, a decline of around 5% as compared to March 2023 and 6% on a y-o-y. Prices increased marginally in the quarter ended December 2023 to Rs. 71,320 per tonne, and fell further to Rs. 69,051 per tonne in March 2024, a decline of 6.4% on a y-o-y. Overall, the prices have been impacted by factors such as weak global demand, fall in international steel prices, rise in cheap imports, and pressure on export volumes.

Chart 23: Domestic Average Finished Steel Prices



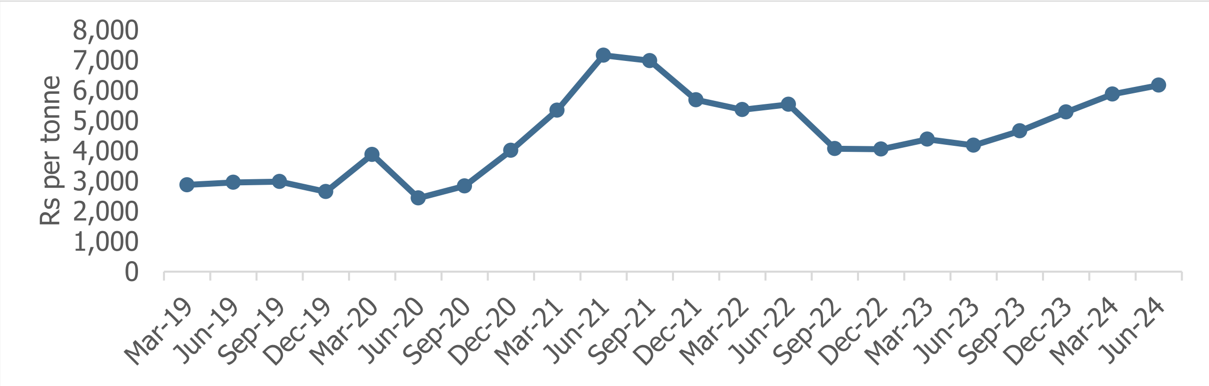
Source: CMIE

Raw Material Prices:

Trend in Iron Ore Prices

After the reduced export duty on iron ore in November 2022, domestic prices began to rise. In January 2023, NMDC increased the prices for iron ore lumps and fines, which further boosted the prices. As of the quarter ended March 2023, iron ore prices stood at Rs. 4,383 per tonne, a growth of 8% as compared to the quarter ended December 2022. However, the prices of iron ore observed a fall of 4.5% q-o-q in the quarter ending June 2023 due to weak global demands, especially from China (the largest consumer of iron ore) as the recovery was slower than expected. The prices have exhibited an increase in trend during the quarter ended December 2023 with a growth rate of 13.4% q-o-q and 30.3% y-o-y. The prices of iron ore continued to rise and further increased by 34.1% y-o-y as of quarter ended March 2024. As of quarter ended June 2024, the prices stood at 6,173 per tonne, a growth rate of 47.5% on a y-o-y.

Chart 24: Domestic Iron Ore Prices



Source: CMIE

Trend in Coking Coal Prices

The international coal prices remained fairly range-bound from March 2018 to September 2019. However, prices declined sharply and fell to USD 50 per tonne by August 2020 as coal demand was impacted due to COVID-19.

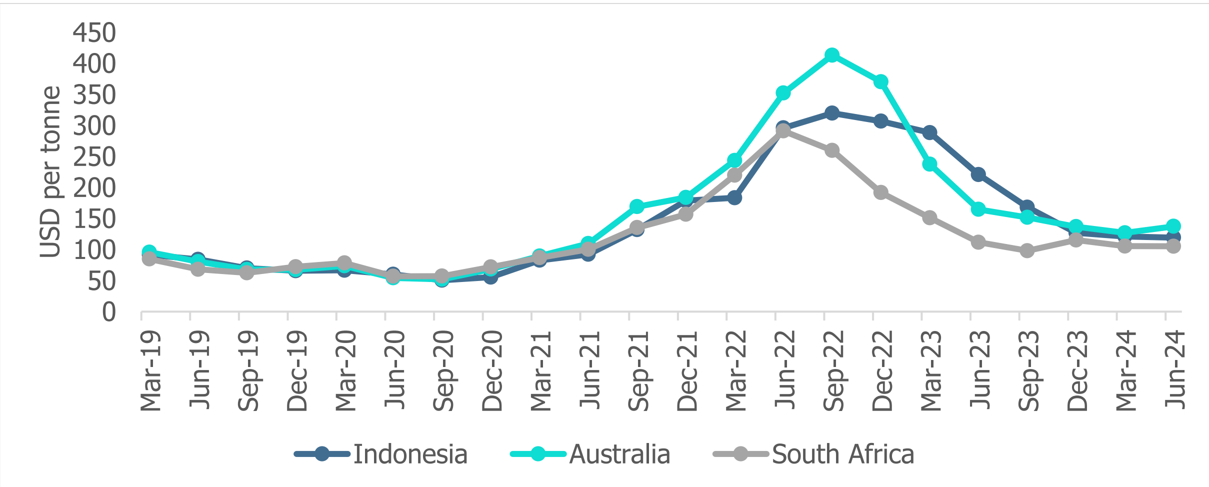
Thereafter the coal prices started rising in CY21 due to production cutbacks and supply disruptions. The coal prices also found tailwinds in the Russia-Ukraine war which commenced in February 2022 and resulted in the disruption of coal supplies to Europe. Whereas during FY23, the average prices for Indonesian coal, South African coal, and Australian coal were 108%, 72%, and 99% higher, respectively, as compared to prices during the previous year.

Coal prices have been softening since November 2022 as the increased supplies from South Africa and Columbia have alleviated the demand crunch in European countries caused by the reduction of coal imports from Russia. These factors have led to a reduction in international coal prices. As of the quarter ended December 2023, the average coal prices for Indonesian coal, South African coal and Australian coal were 59%, 40% and 63% lower, respectively, as compared to prices during the same time period in FY23.

Furthermore, the average coal prices for Indonesian coal, South African coal and Australian coal were 58%, 30% and 47%, lower, respectively, in FY24 as compared to prices in FY23. However, they will continue to be higher than pre-COVID years averages as the global demand continues to remain high owing to increased demands, especially in China and India.

During quarter ended June 2024, the average coal prices for Indonesian coal, South African coal and Australian coal were 46%, 6% and 17% lower on a y-o-y basis.

Chart 25: Prices of Coal



Source: World Bank, CMIE

2.2.5 Outlook of Indian Steel Consumption

The steel consumption in India has witnessed a double-digit growth for the third time consecutively in FY24. The growth is attributed to enhanced activities in the construction sector and the sustained momentum in the real estate and automobile sectors.

On export front, shipments remained weak during FY23 and FY24 despite the removal of export duty on steel products by the government in November 2022 and India became a net-importer of steel (with a rise in inbound shipments of around 38% y-o-y) in FY24 after being a net exporter for last four consecutive years.

Furthermore, the steel demand will be driven by end-user industries such as construction, real estate, railways, roads, power, auto, capital goods, consumer durables, etc. In addition, government expenditure on infrastructure is expected to augur well for the sector. For instance, the thrust toward infrastructure projects is majorly contributing to the increased steel demand in the domestic market.

Some of the key budgetary announcements which reflect the same are:

- Significant increase in allocation towards Product Linked Incentive (PLI) Scheme for Specialty Steel from Rs. 2.4 Crore to Rs. 270 Crore.
- An increase of 16.9% in the allocation of CapEx towards infrastructure from Rs. 9.5 lakh crore to Rs. 11.1 lakh crore in Union Budget 2024-25.
- A capital outlay of Rs. 2.5 lakh crore for Indian Railways.
- Rs. 80,671 Crore was allocated towards the Pradhan Mantri Awas Yojana (PMAY) scheme from Rs. 79,590 Crore in the previous budget. Moreover, an additional 2 crore houses have been targeted for the next 5 years under PMAY Grameen.
- Also, the Budget allocated Rs. 70,163 Crore towards Jal Jeevan Mission from Rs. 70,000 Crore.

Moreover, the ongoing expansion and development of airports under the Ude Desh ka Aam Naagrik (UDAN) scheme to enhance regional air connectivity. Whereas continual developments in metros are in place to promote urban transformation and enhance the railway infrastructure. Such factors are raising the demand for steel.

On the other hand, global steel prices are expected to remain stable in range. Similarly, domestic prices are also expected to trend in line with global prices. Based on the above factors, CareEdge Research estimates India’s steel demand to be moderate at 6-8% in FY25.

3. Indian Steel Tubes & Pipes

3.1. Overview and Trends in Industry

Steel tubes and pipes are cylindrical structures made of steel generally in hollow shape. However, different shapes, sizes, and grades are used to cater for the requirements of various industries.

India is one of the established manufacturers of steel pipes globally, which is also one of the most important sub-industries of the Indian steel sector. Construction, railways, oil & gas, agriculture, and real estate are some of the key consumers of steel tubes and pipes. Different types of steel tubes and pipes are given in the following chart.

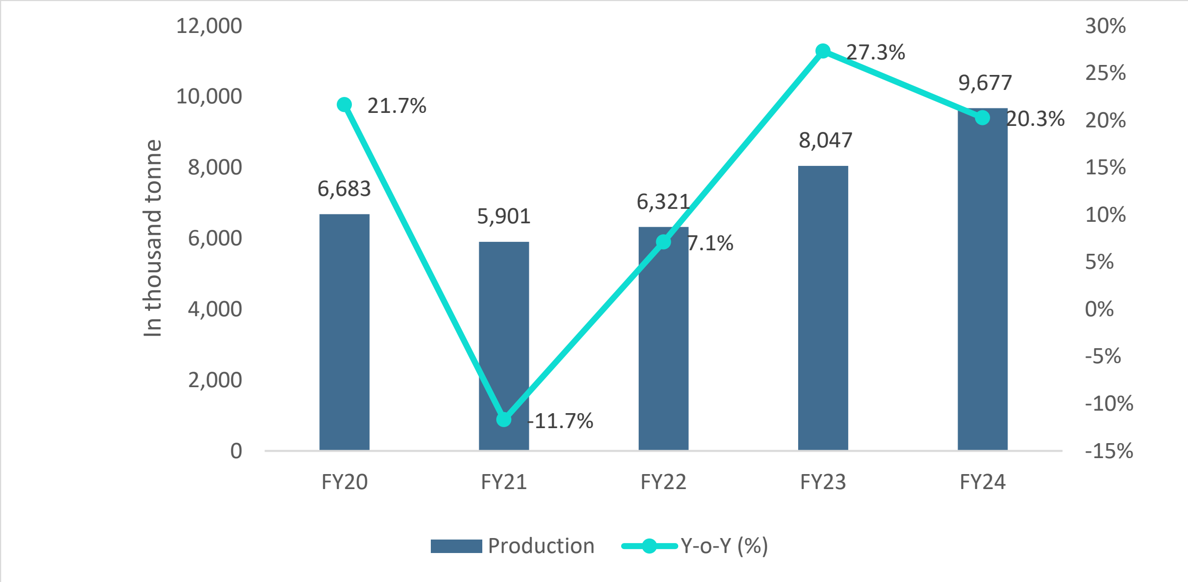
The usage of steel tubes and pipes is significant in construction activities and building infrastructure. These materials are used in the construction sector for constructing structural elements such as columns, beams, and trusses to provide strength and support the formation of buildings. They are also used in water infrastructure such as water supply for drinking water, plumbing, drainage, and sewerage systems. Besides, they are used by the manufacturing sector including oil & gas pipelines, agricultural equipment, automobile components, electrical cable conduits, etc.

Several initiatives and policies have been adopted by the government to promote domestic steel production through the Make in India initiative and the National Steel Policy (NSP) 2017. The NSP envisages the development of value-added products such as alloy steel and electrical steel in the domestic market. Overall, the increasing demand for steel tubes and pipes will contribute to the country's growth and development, making them an important element of the country's infrastructure and manufacturing sectors.

3.2. Domestic Production and Consumption

The production of steel tubes and pipes grew at a CAGR of about 9.7%% in the past 5 years from FY20-FY24. However, the industry has witnessed a decline in FY21 due to the outbreak of COVID-19. However, as the situation normalised, the demand picked up and the production increased by 7.1% y-o-y and 27.3% y-o-y during FY22 and FY23, respectively. Whereas during FY24, the production of steel tubes and pipes increased by 20.3% on a y-o-y basis.

Chart 26: Trend in the Production of Steel Tubes and Pipes

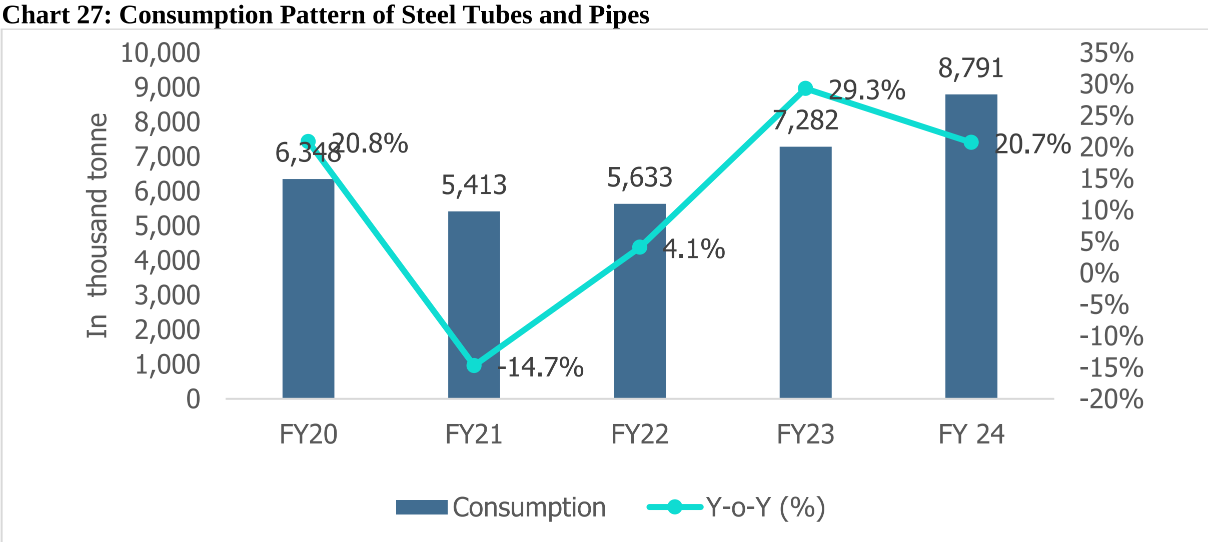


Source: CMIE

Further, the consumption of steel tubes and pipes in India has grown steadily at a CAGR of 8.5% from 6,348 thousand tonnes in FY20 to 8791 thousand tonnes in FY24. After witnessing an uptrend till FY20, the industry observed a de-growth of 14.7% in consumption during FY21 due to the pandemic.

However, during FY24, the industry witnessed a strong growth of around 207% y-o-y in consumption on account of factors such as improvement in construction and real estate activities, continuous investment in infrastructure, and policy support by the government.

Chart 27: Consumption Pattern of Steel Tubes and Pipes



Source: CMIE

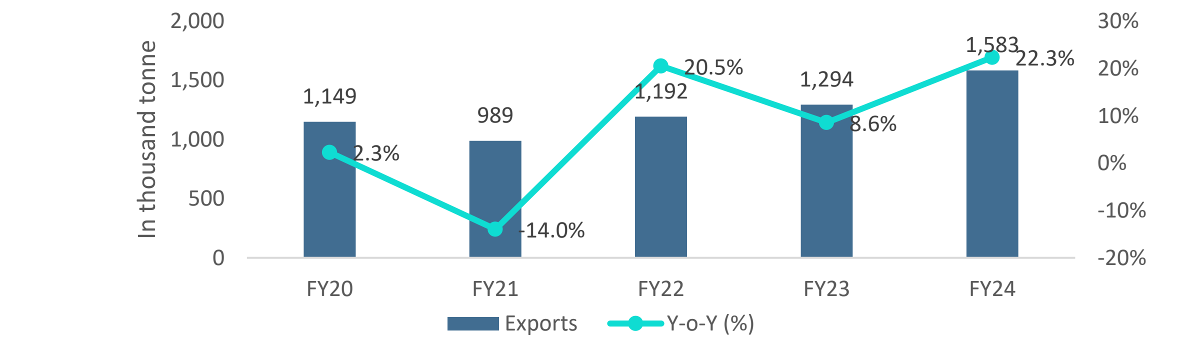
3.3. Trends in Exports and Imports

Exports

The exports of steel tubes and pipes have grown at a CAGR of 8.3% during the past five years from 1,149 thousand tonnes in FY20 to 1,583 thousand tonnes in FY24. The export market has always been on a steady rise except for FY21 as the outbound shipments were affected by the pandemic. However, they grew by 20.5% y-o-y in FY22 after the easing of lockdown and restrictions.

Moreover, during FY23, exports increased by 8.6% y-o-y. A significant y-o-y growth of nearly 70% in outbound shipments to the USA, amounting to 310 thousand tonnes, led to a rise in exports during FY23. In addition, shipments to UAE, Canada, Indonesia, and Malaysia supported the export growth. During FY24, the exports registered a growth of 22.3% on a y-o-y.

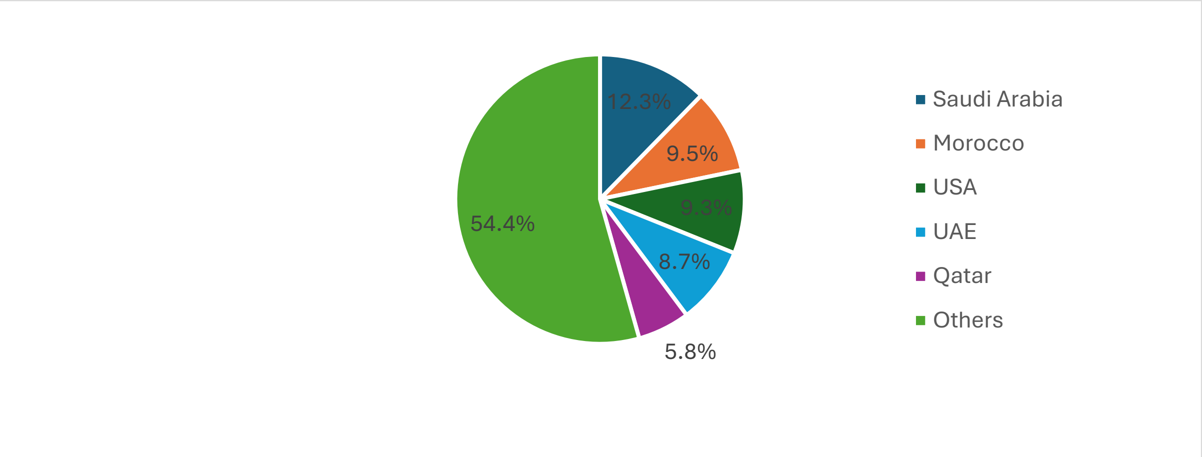
Chart 28: Exports of Steel Tubes and Pipes



Source: CMIE

Moreover, the exports to the top 5 countries (Saudi Arabia, Morocco, the USA, the UAE and Qatar) accounted for 45.6% of the total outbound shipments from India during FY24. Saudi Arabia and Morocco were the primary export destinations, accounting for 12.3% and 9.5% of the market share, respectively. The USA grabbed the 3rd position in respect of export destinations and among others, the UAE and Qatar constituted 8.7% and 5.8% respectively, of total exports from India in FY24

Chart 29: Country-Wise Exports of Steel Tubes and Pipes in FY24



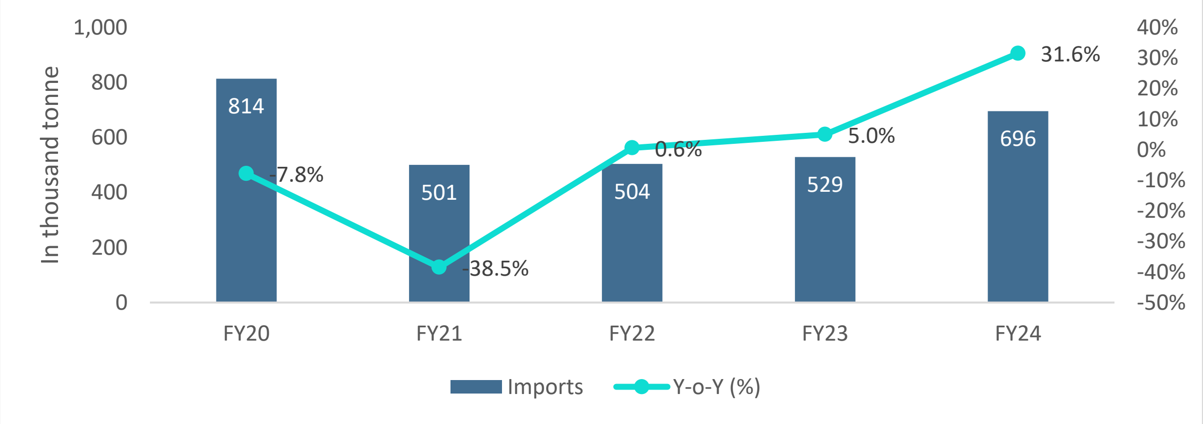
Source: CMIE

Imports

India imports steel tubes and pipes to meet the requirements of the demand-supply gap in the country primarily for high-temperature resistant pipes used for drilling and oil exploration, which are generally imported by the oil refineries in India.

The inbound shipments observed a decline of 3.8% CAGR in the last five years from 814 thousand tonnes in FY20 to 696 thousand tonnes in FY24. During theFY21-FY23, the imports have remained flattish. However, the imports have shown a 31.6% year-on-year increase from 529 thousand tonnes in FY23 to 696 thousand tonnes in FY24.

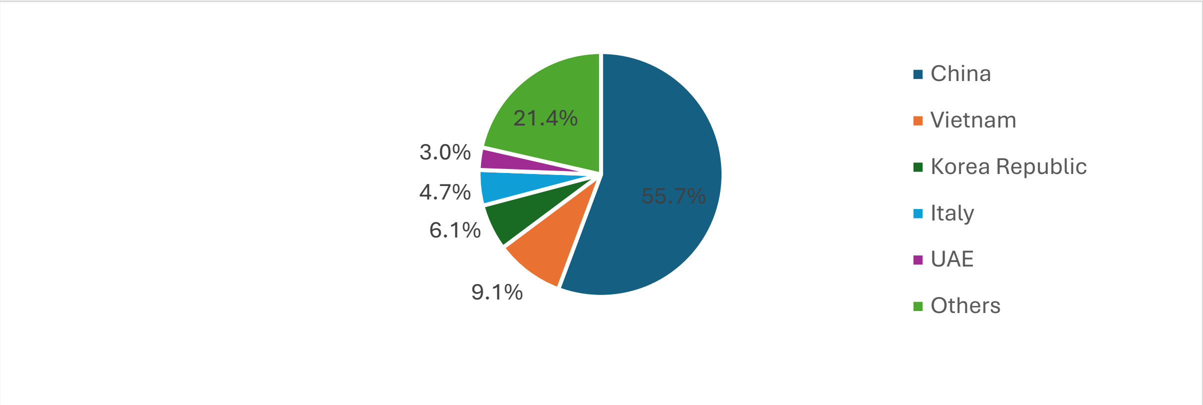
Chart 30: Imports of Steel Tubes and Pipes



Source: CMIE

China, Vietnam, the Korea Republic, Italy, and the UAE are some of the leading suppliers to India with almost 80% share in the total imports in FY24. Among these, China continues to be the top importer to India with a share of 55.7%.

Chart 31: Country-Wise Imports of Steel Tubes and Pipes in FY23



Source: CMIE

3.4. Outlook

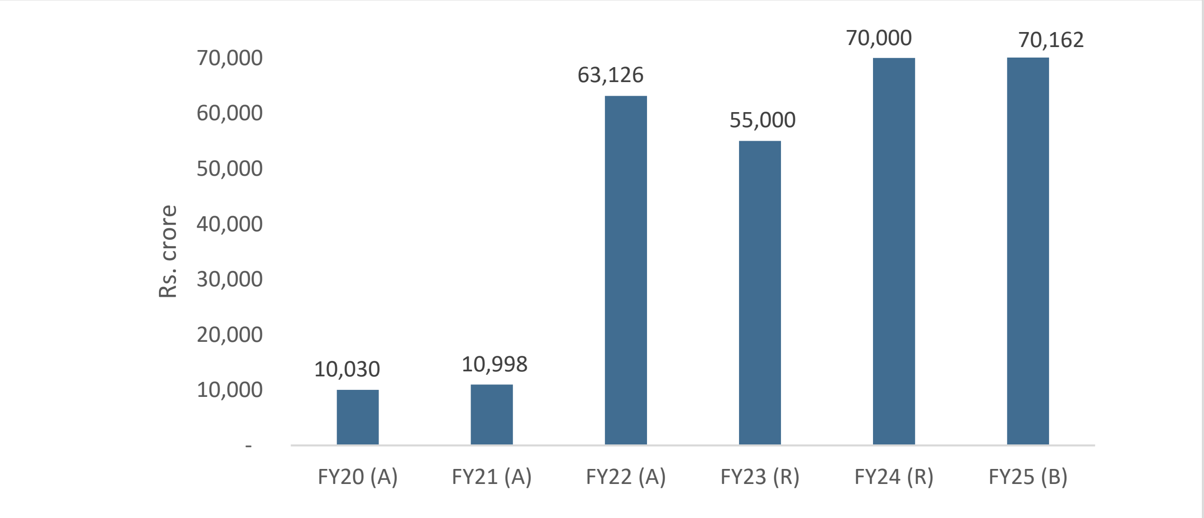
The growth momentum of the steel pipes and tubes is expected to continue in the medium term backed by rising demand from key end-user industries including oil & gas, infrastructure, real estate, etc.

- **Oil & Gas:** It is expected that the increased length of natural gas pipelines by 2025-2026 will contribute toward the expansion of steel pipe production. The natural gas sector already has seen the announcement of the 'One Nation, One Gas Grid' initiative, which will attract new investments in India's natural gas infrastructure. Also, it is expected that the gas pipeline network which has already crossed 23,000 km currently, will reach 35,000 km in the next 4-5 years. The efforts of moving toward the gas-based economy alongside the implementation of city gas distribution networks are expected to augment the demand for pipes going forward. Moreover, the increasing number of CNG stations, bio-refineries, bio plants, etc., will support the infrastructure for gas.

- **Housing Development:** The trend for affordable housing is picking up in India alongside the growing urban infrastructure. The rising income and employment opportunities have led to migration to urban areas, thereby creating a greater need for real estate in major Indian cities. Also, there is a significant thrust on providing housing for all under the Pradhan Mantri Awas Yojana (PMAY) scheme, an initiative taken by the government to provide affordable housing to the urban poor. The scheme is being steadily allocated under the union budget. In the latest budget 2024-25, there has been an increase in allocation toward the PMAY scheme to Rs. 77523.58 crore from Rs. 69,270.72 crore in 2022-23. Furthermore, the sustained efforts in sanctioning and completing a substantial number of houses under both PMAY-Urban and PMAY-Gramin schemes demonstrate the government's commitment to promoting affordable housing and improving living conditions for individuals and families across the country.

- **Water and Irrigation:** The demand for steel tubes and pipes will expand, given their vast usage in agriculture, especially for irrigation. The 'Atal Mission for Rejuvenation and Urban Transformation' (AMRUT) scheme, which focuses on the development of basic infrastructure in selected cities and towns, focuses on the development of water infrastructure in sectors such as water supply, stormwater drainage, sewerage and septage management, green spaces and parks, and non-motorized urban transport[4]. In addition, the 'Atal Bhujal Yojana' (Atal Jal) scheme, focused on improving groundwater management through the community, will also lead to infrastructure development. Another initiative 'Jal Jeevan Mission', to provide safe and adequate drinking water to all households in rural India by 2024, launched by the government will also contribute toward the development of water infrastructure. This program has already covered around 65% of rural households in the past 4.3 years. The mission has always seen a consistent allocation in budget every year. In the union budget 2024-25, the allocation has increased to Rs. 70,162 crore from Rs. 70,000 crores (Revised estimate of 2023-24).

Chart 32: Budget Allocation Over the Years - Jal Jeevan Mission



Source: Budget documents
Note: A – Actual budget; R- Revised budget; B- Budgeted

- **Focus on Infrastructure:** The Indian government has been focussing on the development of infrastructure. It has launched reforms such as Make in India and the Production Linked Incentive (PLI) scheme to achieve its goal of having a USD 5 lakh crore economy by 2025. In the latest budget 2024-25, the outlay in CapEx investment toward infrastructure has increased by 11.1% to Rs.11.11 Lakh crore from Rs. 10 lakh crores in the 2023-24 budget. Additionally, the Indian government continues to prioritize infrastructure development with substantial investments in the road and rail sectors. In the latest budget, the Ministry of Road Transport

- [4] Non-motorized urban transport entails active and human powered transportation such as small-wheeled transport like cycle rickshaws, skates, skateboards, push scooters, hand carts and wheelchair travel and Highways was allocated ₹2.78 lakh crore, marking a 2.8% increase from the previous year. Indian Railways received ₹2.55 lakh crore, following last year's historic allocation of ₹2.4 lakh crore. These funds are designated for the development of three major economic railway corridors and various modernization projects, focusing on energy, mineral, and cement transportation, port connectivity, and high-traffic density routes as part of the PM Gati Shakti initiative. The aim is to enhance logistics efficiency, reduce costs, and decongest the existing rail network, thereby improving both freight and passenger services. The government plans to expand the Vande Bharat train fleet, with trials for sleeper trains set to begin soon and operational services expected within the next six months. The goal is to introduce 250 sleeper Vande Bharat trains by 2029, enhancing passenger safety, convenience, and comfort. Increased capital expenditure in these sectors is expected to yield significant economic benefits, including job creation, boosted private consumption, and attraction of further investment. Enhanced transportation infrastructure will facilitate faster movement of goods and passengers, driving economic activity and improving efficiency. Finance Minister Sitharaman emphasized the positive impact of these investments, noting that the new railway corridors will improve freight logistics and passenger train operations, accelerate GDP growth, and reduce logistical costs.

National Rail Plan

Indian Railways prepared a National Rail Plan for India-2030. This plan is to make the railway system future-ready by 2030. The plan will be aimed at formulating strategies based on operational capacities and commercial policy initiatives to improve the modal share of the railways to 45% in freight.

As per the National Rail Plan, the freight ecosystem is expected to grow from the present level of 4,700 Million Tonnes to 8,200 Million Tonnes by 2030. Currently, railway capacity is barely able to carry 1,220 Million Tonnes which is around 26-27% of the modal share. The Plan provides a pipeline of projects, which on completion will increase railway capacity to capture 45% of freight traffic. Since the railways is already having a large number of sanctioned projects that need to be completed before taking up new projects, it has been planned to increase railway capacity in two surges. The first surge is to be provided by the Vision 2024 plan to prioritize and complete sanctioned projects so that railway capacity does not fall far behind the targeted modal share, such that by the time capacity is finally created, the traffic would have shifted to another mode. To prevent further diversion from modal share, railway capacity-enhancing projects have been categorized as Super Critical and Critical. These projects are focused on increasing capacity on routes that serve major mineral, and industrial hubs along with ports and major consumption centers.

Sagarmala Programme

The maritime sector in India has been the backbone of the trade and has grown manifold over the years. With the Sagarmala programme, the Government aims to promote port-led development in the country. The project will utilize the 7,517 km long coastline, 14,500 of potentially navigable waterways and key locations on major international trade routes. The concept of the Sagarmala programme was approved by the Union Cabinet in the year 2015.

In the Sagarmala programme, there are 802 projects worth Rs 5.40 lakh crore for implementation by 2035. Of the total 802 projects, 220 projects worth Rs 1.12 lakh crore have been completed and 231 projects worth Rs 2.07 lakh crore are under implementation. Further, there are 351 projects worth Rs 2.07 lakh crore that are in various stages of development. The projects will be implemented by the relevant central ministries, state governments, major ports and other agencies through either private or the PPP mode.

Further, the usage of steel pipes and tubes will be supported by demand from domestic water infrastructure, oil exploration and transportation, construction, real estate, railways (capital outlay of Rs. 2.4 lakh crore), irrigation, infrastructure, and energy.

Driven by the above factors, CareEdge Research expects the domestic consumption of steel tubes and pipes to increase by 14%-15% y-o-y in the range of 9,100 to 10,200 thousand tonnes during FY25.

4. Overview of End-User Industries

The oil & gas industry is the largest consumer of steel tubes and pipes in India. They are mainly used for manufacturing, transportation, and distribution purposes. Some of the other key end-user industries include automotive, railways, aircraft, agriculture, etc.

4.1. Oil & Gas

Oil & gas are some of the major end-users driving the steel demand. Refineries, pipelines, gas terminals, storage capacity, gas cylinder bottling plants, retail outlets, etc., require large amounts of steel pipes. Oil and gas are generally transported through steel pipelines. Further, steel tubes and pipes are widely used in this sector for drilling and extraction operations.

Natural Gas Infrastructure

The natural gas industry in India is expected to witness substantial growth over the next decade. The current industry and regulatory environment bode well for achieving a shift toward gas becoming more prominent in the Indian fuel mix. Driven by the increasing usage across various end-user customer segments, the Government of India has come up with multiple reforms to raise the share of natural gas in the primary energy mix to 15% by 2030 from 6.7% in December 2023 in the overall energy mix. Accordingly, the government has been taking a range of measures to expand domestic production, facilitate imports, and encourage demand by expanding the National Gas Grid and City Gas Distribution network.

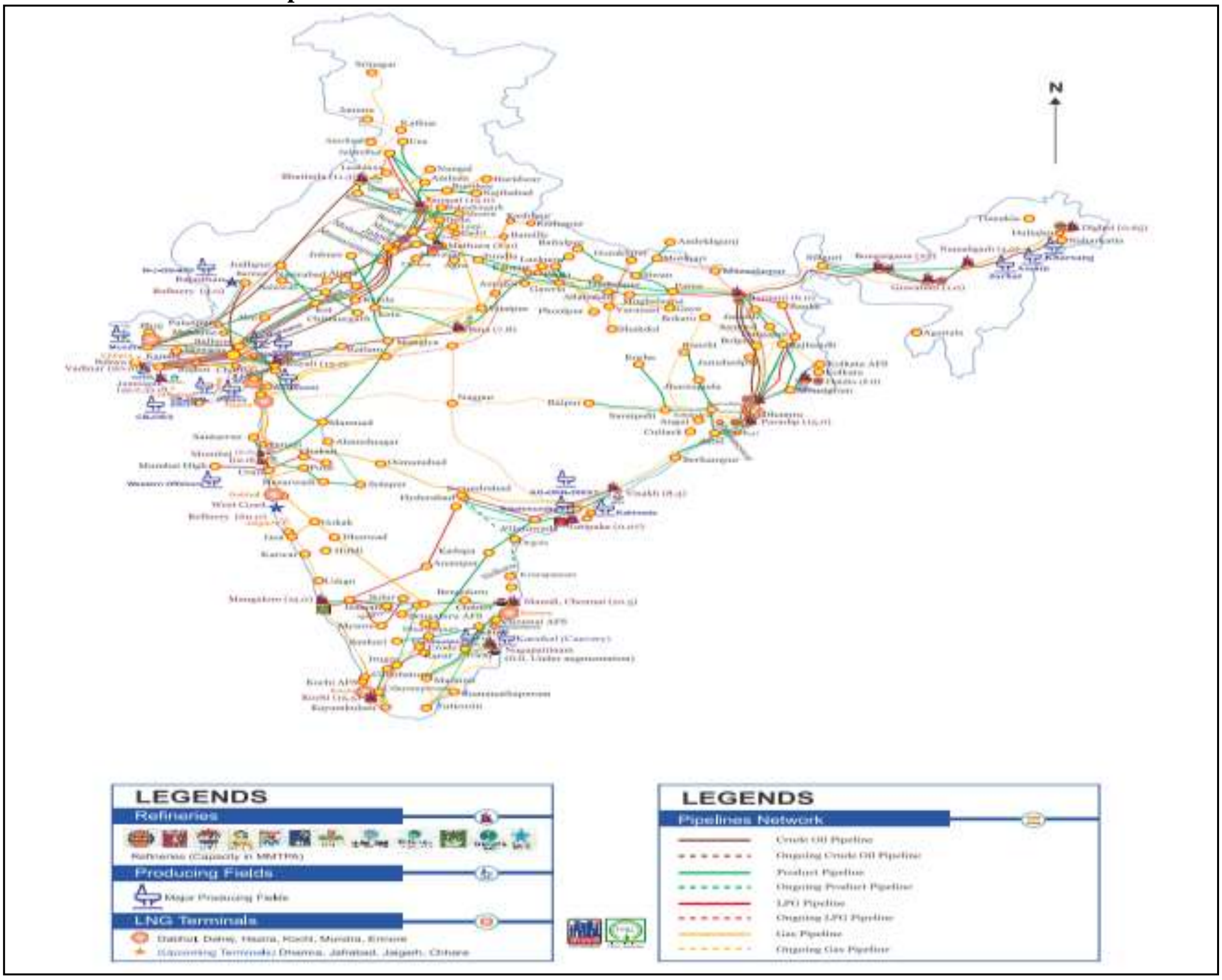
The sector requires significant investments in the coming years to build up terminals and pipelines. India is expected to have its first floating LNG terminals at Chhara and Jafrabad, which will possibly commence operations in 2024. Further, the increasing production and exploration activities will drive the requirement of steel pipes in the industry. To facilitate the National Gas Grid (One Nation, One Gas Grid) and increase the availability of natural gas across the country, the Petroleum and Natural Gas Regulatory Board (PNGRB) has authorised approximately 33,347 km of natural gas pipeline network across the country. Around 24,723 km of gas pipelines were operational in India as of December 31, 2023, while 10,498 km of pipelines were under construction.

Furthermore, there is the government's thrust to enhance the supply and consumption of natural gas. Also, the usage of cleaner sources of energy such as natural gas is being encouraged in line with the growing concern toward the environment and climate change. This has received significant impetus from the government's commitment toward clean energy under COP 27. Moreover, the demand for natural gas is expected to increase subsequently in the coming years in anticipation of higher power demand. The demand revival will also be supported by the ease in natural gas prices.

Crude and Petroleum Product Pipeline Infrastructure

According to the Petroleum Planning and Analysis Cell (PPAC), 10,941 km of crude oil pipeline and 23,367 km of petroleum product pipeline were operational in India as of May 01, 2024. As pipelines are a more efficient mode of fuel transportation, the crude and petroleum product pipeline infrastructure is expected to be expanded to cater to the growing domestic demand.

Chart 33: Oil & Gas Map of India



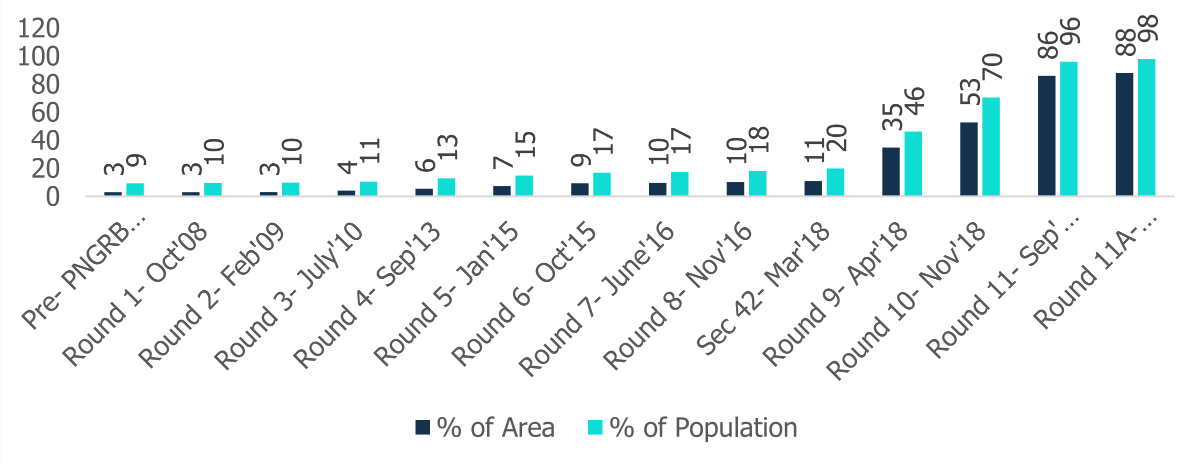
Source: PPAC

City Gas Distribution

The CGD network in India has expanded significantly in the past decade. Cumulatively up to Round 11A of CGD Bidding, there are 300 GAs authorised by PNGRB covering around 88% of the country's geographical area and 98% of its population. To cover 100% geographical area for the development of the CGD network, the 12th CGD bidding round will offer 7 Geographical Areas (GA) covering five North East states viz. Arunachal Pradesh, Meghalaya, Manipur, Nagaland, and Sikkim and UTs of Jammu & Kashmir and Ladakh.

Further, CGD now constitutes around 20% of the total natural gas consumption in India. Over the past few years, the overall consumption of natural gas was driven by the CGD sector, the contribution of which has significantly increased from around 6% to around 20% from 2012-13 to 2023-24 (April-May, 2023). As per the ongoing study on the India National Gas Grid conducted by ICF, the CGD contribution to total gas consumption is expected to increase in the range of 32% to 38% by 2030.

Chart 34: City Gas Authorization in India (Category-wise) (Cumulative %)



Source: PNGRB

As per PPAC, there were 6,861 compressed natural gas (CNG) stations, 1.29 crore domestic piped natural gas (PNG) connections, 41,360 commercial PNG connections, and 18,756 industrial PNG connections as of March 31, 2024.

The following factors will drive the expansion of the CGD network going forward:

- Expansion of CGD network to around 307 geographical areas post-Round 12th of CGD bidding.
- Industries using blast furnaces such as steel, oil refineries, long-haul transport, and heating & cooling requirements.
- Continued high requirements from the fertilizer as well as the power sector.

4.2. Real Estate

The real estate industry is one of the most crucial sectors across the globe. The industry can be further segmented into four sub-sections, housing, commercial, retail, and hospitality. Of these, the residential segment contributes a majority share in the overall sector. The growth of the overall real estate industry also depends upon the growth in the corporate environment and the demand for office space and urban & semi-urban accommodations.

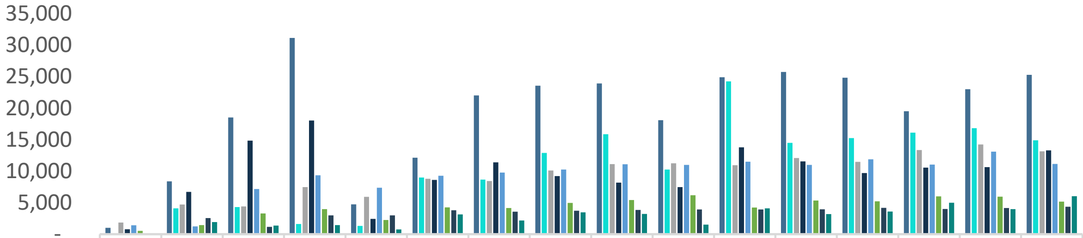
Residential Real Estate:

The residential real estate segment was performing exceptionally well during the first half of the previous decade on account of the thriving economy and the services sector. However, problems related to elevated property prices, delayed launches by developers, and stalled projects triggered some cold feet towards the sector. Additionally, the Coronavirus outbreak in early 2020 and the accompanying lockdowns across the country caused acute stress to the residential real estate segment during H1CY20.

However, after the reopening of the economy, there was a notable increase in demand for residential properties, primarily driven by end-users in the affordable housing segment. Foreign investments continued to flow into the sector, aided by the easing of the pandemic situation, resumption of travel, favourable policies such as tax benefits, and advantageous currency exchange rates, further contributing to increased investments from Non-Resident Indians (NRIs), particularly in the residential sector.

Moreover, during FY23, the residential real estate market witnessed steady growth with increased sales momentum supported by past inventory levels and continued new project launches specifically in the affordable and mid-size segments. The momentum continued to rise in FY24 and during Q4 FY24, the sales and new project launches reported a growth rate of 9.1% and 7%, respectively, corresponding to the same period in the previous year.

Chart 35: New Launches in the Top 8 Indian Cities in Residential Real Estate



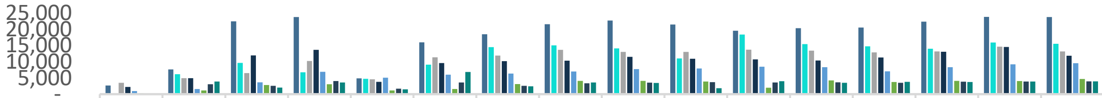
	Q1FY 21	Q2FY 21	Q3FY 21	Q4FY 21	Q1FY 22	Q2FY 22	Q3FY 22	Q4FY 22	Q1FY 23	Q2FY 23	Q3FY 23	Q4FY 23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Mumbai	1,01	8,38	18,5	31,1	4,74	12,1	22,0	23,5	23,9	18,0	24,8	25,7	24,81	19,51	22,99	25,26
NCR		4,11	4,29	1,62	1,31	8,98	8,65	12,8	15,8	10,2	24,2	14,4	15,25	16,10	16,80	14,89
Bengaluru	1,84	4,72	4,40	7,46	5,92	8,79	8,42	10,1	11,1	11,2	10,9	12,0	11,46	13,35	14,23	13,13
Pune	785	6,72	14,8	18,0	2,43	8,61	11,3	9,22	8,17	7,46	13,7	11,5	9,694	10,56	10,63	13,29
Hyderabad	1,42	1,23	7,17	9,34	7,36	9,25	9,76	10,2	11,1	11,0	11,4	10,9	11,86	11,03	13,10	11,14
Ahmedabad	525	1451	3294	3977	2249	4257	4165	4957	5,428	6,188	4,236	5,349	5,207	5,996	5,945	5,159
Chennai		2,54	1,16	2,98	2,98	3,79	3,56	3,72	3,85	3,91	3,93	3,95	4,170	4,000	4,150	4,350
Kolkata		1,93	1,35	1,43	756	3,12	2,18	3,47	3,21	1,53	4,11	3,17	3,598	4,978	3,976	6,021

Mumbai NCR Bengaluru Pune Hyderabad Ahmedabad Chennai Kolkata

Source: Knight Frank & CareEdge Research

Trend in Sales in Top 8 Cities in Residential Real Estate

Chart 36: City-Wise Quarterly Unit Sales in Residential Real Estate



	Q1FY 21	Q2FY 21	Q3FY 21	Q4FY 21	Q1FY 22	Q2FY 22	Q3FY 22	Q4FY 22	Q1FY 23	Q2FY 23	Q3FY 23	Q4FY 23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Mumbai	2,68	7,63	22,4	23,7	4,85	15,9	18,4	21,5	22,6	21,4	19,5	20,3	20,49	22,30	23,76	23,74
NCR		6,14	9,64	6,73	4,74	9,10	14,4	15,0	14,0	11,0	18,3	15,3	14,72	13,98	15,90	15,52
Bengaluru	3,48	4,91	6,49	10,2	4,59	11,3	11,8	13,6	13,0	13,0	13,6	13,3	12,85	13,16	14,63	13,13
Pune	2,23	4,91	11,9	13,6	3,82	9,56	10,1	10,3	11,4	10,8	10,7	10,3	11,30	13,07	14,51	11,83
Hyderabad	974	1,60	3,65	6,90	5,06	5,98	6,35	6,99	7,70	7,90	8,45	8,30	7,055	8,325	9,200	9,550
Ahmedabad	252	1,17	2,81	3,04	1,16	1,60	3,09	4,10	4,09	3,88	1,97	4,22	3,757	4,108	4,023	4,673
Chennai		3,08	2,58	4,05	1,69	3,61	2,59	3,37	3,57	3,68	3,61	3,65	3,500	3,870	3,900	3,950
Kolkata		3,92	2,05	3,59	1,51	6,86	2,42	3,61	3,47	1,84	3,97	3,50	3,823	3,772	3,903	3,937

Mumbai NCR Bengaluru Pune Hyderabad Ahmedabad Chennai Kolkata

Source: Knight Frank & CareEdge Research

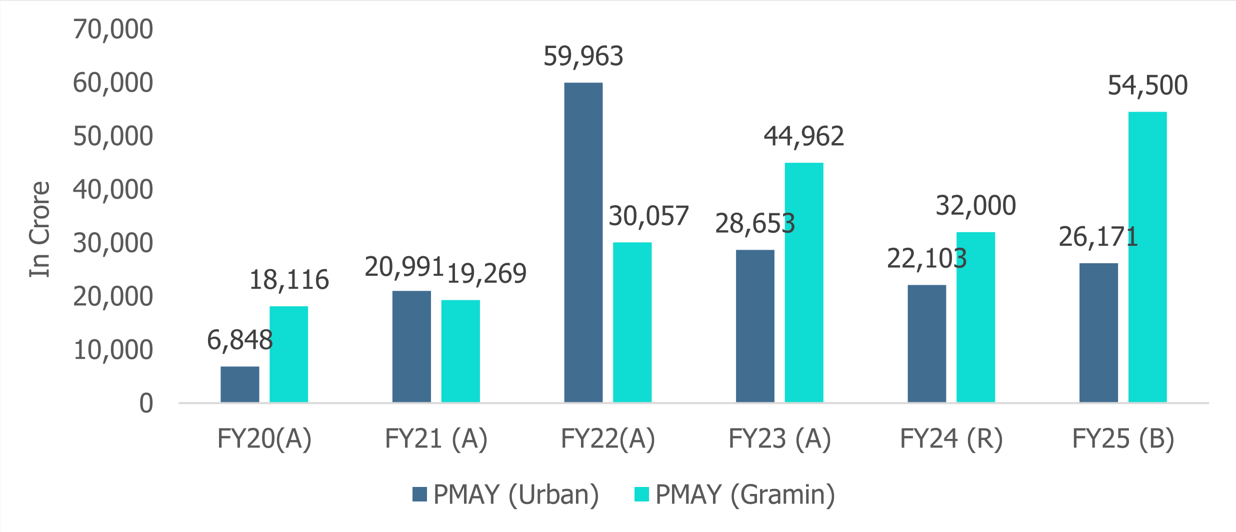
Outlook:

The relocations and shifting buying behavior with a desire to live in a space with modern amenities, proximity to their workplace, and leisure & desire to relocate closer to extended families and friends are projected to increase the demand for projects with good architecture, uncluttered space, and recreational activities for children and elderly.

Furthermore, the government's initiatives, including the Pradhan Mantri Awas Yojna (PMAY), the Urban Development Plan, and the digitization of land records, have been playing a pivotal role in stimulating growth within the sector. Under the PMAY scheme of the Union Ministry of Housing and Urban Affairs, more than 1.19

crore houses have been sanctioned under the PMAY-Urban, out of which 83.67 lakhs have been completed as of 10th June 2024, and the rest are under construction. Moreover, about 2.94 crore houses have been sanctioned under PMAY-Gramin out of which 2.62 crore have been completed as of 12th June 2024.

Chart 37: Budgetary Allocation Under PMAY (Urban and Gramin)



Source: Budget Documents
Note: A – Actual budget; R- Revised budget; B- Budgeted

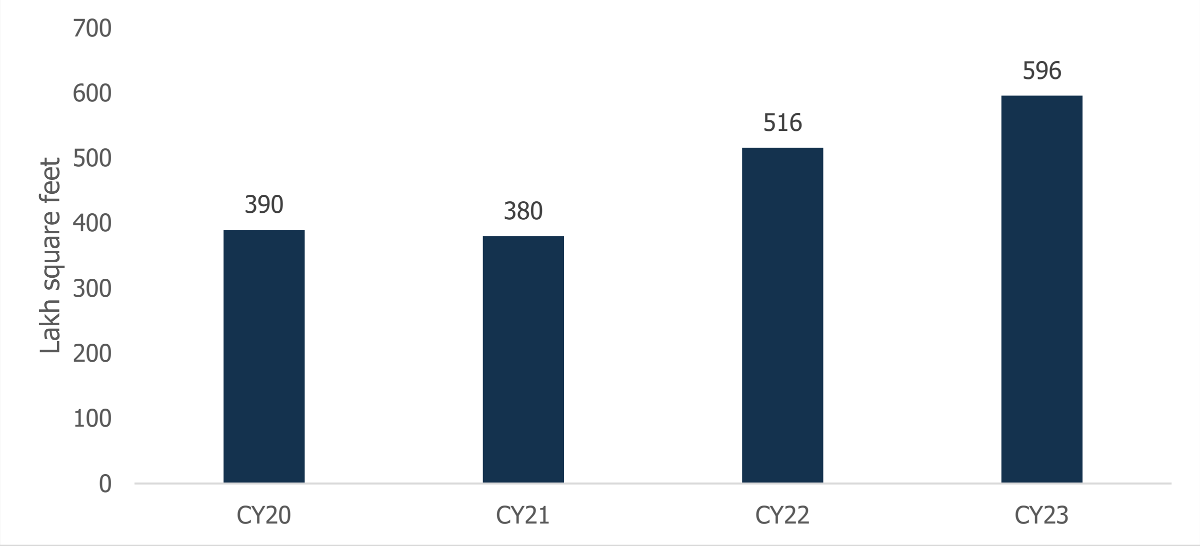
Commercial Real Estate:

The Indian real estate industry witnessed a slowdown in the years prior to the pandemic due to the general slowdown in the economy. However, this had little impact on the demand for office space. The demand for office space grew by leaps and bounds for the better part of the past decade with the unavailability of good quality supply being the only impediment to higher growth. The office segment growth was aided by investors with a keen interest in the commercial space. Alongside, NRIs have initiated investing in this segment, given the lucrative returns.

Furthermore, with residential real estate becoming end-user-driven, commercial real estate emerged as a more attractive investment proposition for individual investors and institutional funds. Commercial properties typically offer higher rental yields and potential returns compared to residential properties as businesses are willing to pay premium rents for prime locations

Accordingly, due to the investment potential of commercial spaces, developers are responding to the demand. Eventually, a better performance of the office segment will trickle to greater demand for the residential segment. This is because as job opportunities expand, there is a potential influx of individuals looking for housing near their workplace, which can drive up demand for residential properties. As a result, the commercial space is crucial in terms of both, its impact and its linkages.

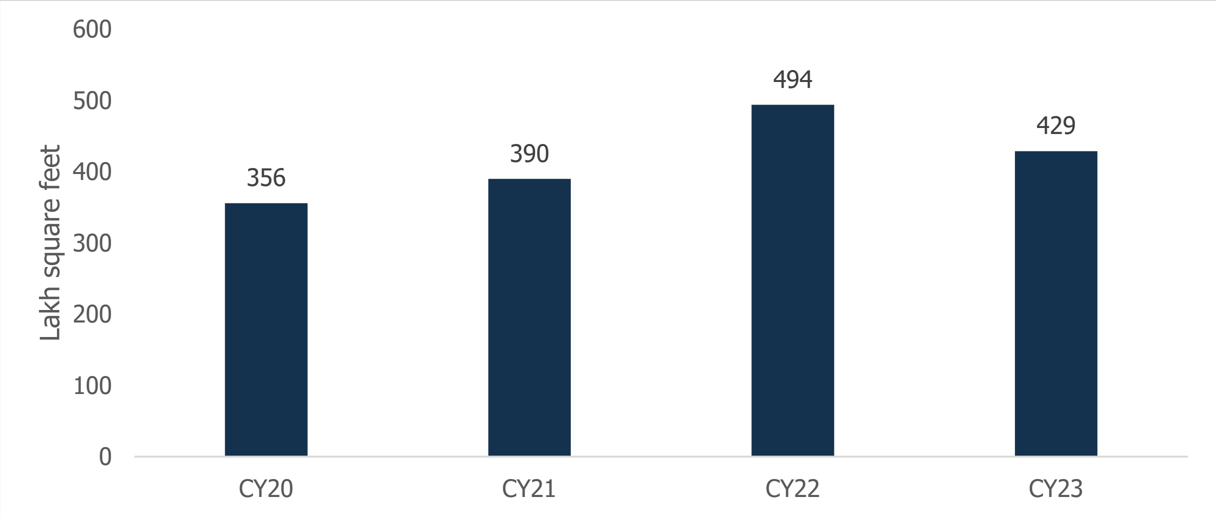
Chart 38: Transactions in the Commercial Segment



Source: Knight Frank & CareEdge Research

Furthermore, the outbreak of the pandemic resulted in the near stoppage of business activities across all markets and the phased resumption amid economic slowdowns weighed heavily on occupiers' minds. Transactions stood at 390 lakh square feet during CY20. They inched up following the gradual resumption of economic activities in the second half. Whereas CY21 witnessed a fall of 2.5% in transactions on account of the lethal second wave. However, transactions picked up in CY22 to 516 lakh square feet, a growth of 36% y-o-y. For CY23, transactions maintained their momentum at 596 lakh square feet, registering a growth of 15.5% when compared to y-o-y.

Chart 39: New Completions in Commercial Real Estate



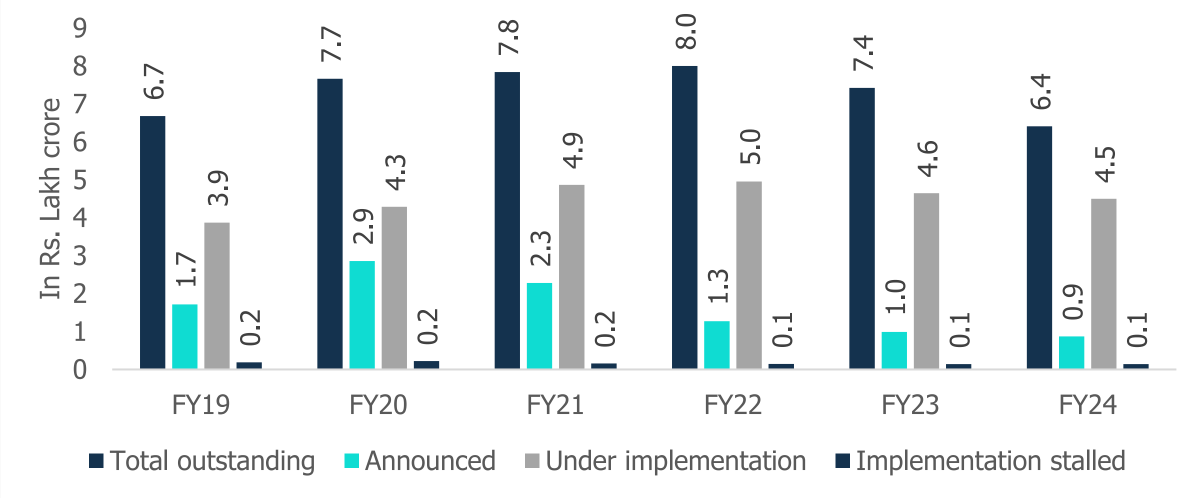
Source: Knight Frank and CareEdge Research

New completions witnessed a marginal drop during H2 CY20, possibly due to uncertainty surrounding the pandemic. These fell further during H1 CY21 before picking up in the second half. Accordingly, CY21 witnessed new completions to the tune of 390 lakh square feet.

CY22 registered an uptick when compared to CY20 and CY21 as developers stepped on the pedal with respect to the completion of projects amidst improved demand for office spaces as corporates began working from the office.

To an extent, the availability of labour, which had migrated to hometowns during the pandemic, also began returning to the construction sector in cities and this aided the pace of completions. For the CY22, new completions stood at 494 lakh square feet. There has been a decrease of 13.2% y-o-y in new completions in CY23.

Chart 40: Trend in Investments in Commercial Real Estate



Source: CMIE and CareEdge Research

The chart above shows that total outstanding investments across India dipped in FY19. The value of announced projects increased for two straight years from FY19 to FY20. The value of new announcements peaked in FY20 following which it fell in FY21 due to COVID-19-related disruptions and uncertainty. During FY22, the value of projects under implementation rose to a three-year high, while the value of stalled projects remained low. Whereas during FY23 and FY24, the value of announced projects dipped, but the ticket size of projects under implementation was marginally lower than FY22 as demand stabilized.

Outlook:

The commercial real estate (including retail space) industry is expected to witness stable growth in the near-medium term driven by back-to-office/hybrid work trends, business growth especially in the e-commerce, co-working, information technology, and BFSI sectors, and rising consumer spending.

Further, the demand for office spaces will be driven by the expansion of the co-working segment, increased hiring across various sectors like IT and e-commerce, increased connectivity due to the augmentation of infrastructure, and overall economic growth in India. Also, real estate companies are focusing on Tier-II and Tier-III cities since they are quickly urbanizing due to lower rental costs. In addition, the sophistication of commercial real estate is rising due to the incorporation of new-age technologies including sensor-activated disinfectants, retina scanners for admission, digitized ventilation systems, etc.

Whereas the retail space growth will be driven by increasing disposable income, availability of a wide range of brands and food options, multiple entertainment avenues, high brand consciousness, convenience, social media marketing, availability of international brands, etc.

However, delays in project construction leading to cost overruns and the ability of the developers to lease the ready office and retail spaces are key monitorable for the industry. Whereas, the impact of the global slowdown on IT/BPO/KPO companies may lead to slow expansion and less demand for commercial space in India in the near term.

4.3. Roads & Infrastructure

Robust infrastructure is the true sign of a developing nation. The development of roads, bridges, airports, and railways is crucial for the economic development of the country. Out of all modes of transport, the road is the only mode which has the ability of last-mile connectivity.

Transportation of freight as well as passengers by road is one of the most cost-effective mode. With a total 6.68 Million kilometers (kms) of road network, India ranks second in the world. This road network supports movement of 60% of freight traffic in the country and 87% of the total India's passenger traffic.

The Indian road network comprises of National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads. To get the country in fast forward mode, development of National

Highways has been key focus area, however state highways, district and rural roads continue to be large part of overall road network.

Table 4: Breakup of Road Network as stated in January 2024:

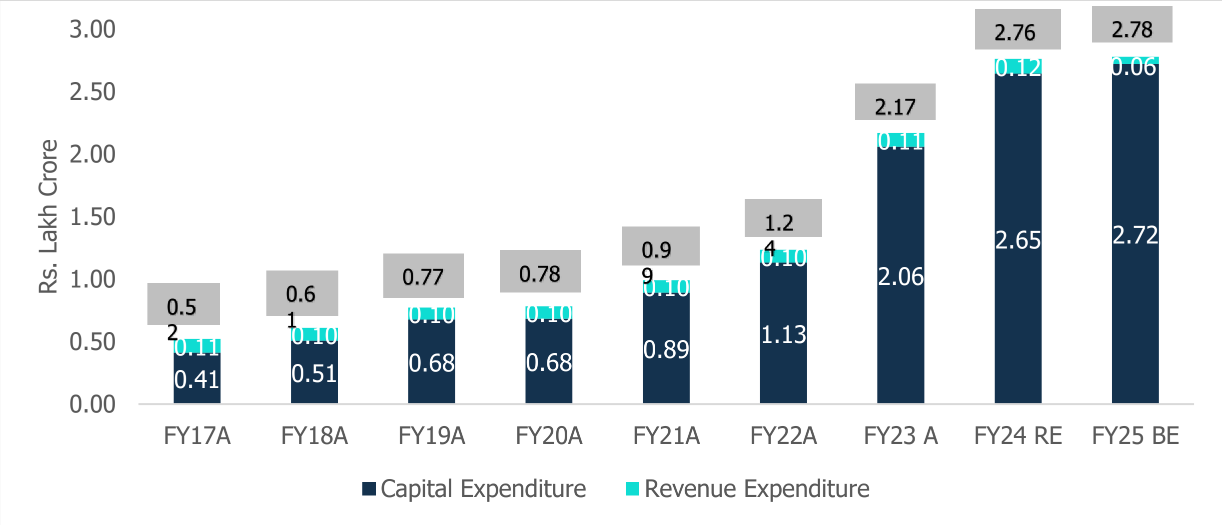
	Million kms	%
National Highways	0.15	2%
State Highways	0.18	3%
Other Roads	6.35	95%
Total	**6.68**	**100%**

Source: MoRTH & CareEdge Research

Connectivity has always been the backbone of any economy as it not only reduces the overall cost of logistics but also reduces the overall cost of production. To achieve last mile connectivity, roads and highways pave the way as they are cost effective way of connectivity. Over the years budgetary allocation has been increased from Rs 0.52 lakh crore in FY17 to Rs 2.78 lakh crore in FY25 demonstrating the Government's high focus on infrastructure sector. For better connectivity and faster movement of goods, Government is expanding 2 lane highways to 4 lanes and 4 lanes to 6 lanes. Government has also identified border areas for better connectivity and have launched various projects. This sector has higher opportunities as the connectivity of ports and other key locations such as consumption centres, metros, Tier-2 cities and strategic importance is still under developed.

To achieve the complete connectivity, private player participation is must and to attract the investment of private players, Government has brought in several Public-Private Partnership (PPP) models which has attracted significant investment over the past decade. Of all the PPP models, HAM has proven to be successful. It has given favorable condition for the participation of private players. Government is looking forward to bring in more projects under HAM followed by EPC. Lower participation for private players has at some point hampered the overall development of roads and highway sector. Issues of delay in project completion, due to land unavailability has been dealt by NHAI's decision to allot project, post completion of 90% of land acquisition. Also, to ease the burden of debt and avoid NPAs in books of private players & banks, Government has allowed 100% FDI in the sector and also allowed asset monetisation for private players post construction is complete.

Chart 41: Budget Allocation for the Ministry of Road Transport and Highways



Source: Union Budget Documents
RE – Revised Estimates; BE – Budgeted Estimates

Furthermore, steel products are used in the telecom tower industry. India is the second-largest telecom industry in the world with 924.07 million broadband subscribers and 1,199.28 million telephone subscribers as of March 2024. There has been augmented growth in the last few years because of affordable tariffs, higher penetration, roll-out of Mobile Number Portability (MNP), expansion of 4G and 5G coverage, evolving consumption patterns of subscribers, government's initiatives towards supporting India's domestic telecom infrastructure, and favourable regulatory environment. According to TRAI, the average wireless data usage per subscriber surged to 20.27 GB per month in March 2024, up from 61.66 MB in March 2014. These trends highlight India's telecom industry's dynamic and rapidly evolving landscape.

Moreover, the mobile towers in the country have increased to 8 lakhs as of July'24 as compared to 6 lakh as of July'20. The number of mobile base transceiver stations is 29.4 lakh as of July'24 as compared to 22 lakhs as of July'20. The demand for the telecom industry is expected to surge, given the government's announcement to install additional mobile towers in the country, aiming to enhance connectivity. In addition to that, telecom reforms such as introducing guidelines for the Spectrum Regulatory Sandbox (SRS), or Wireless Test Zones (WiTe Zones), Abolition of Wireless Operating License (WoL) and MoU with Ericsson showcases the commitment to promote technological advancement, foster innovation, and ensures equitable access to telecommunications services for all citizens. This will further lead to expansion in the telecom industry, and in turn, increase the need for telecom towers.

4.4. Water Infrastructure

Water infrastructure is another major end-user that uses steel products. In general, water infrastructure comprises drinking water facilities (treatment plants and distribution lines), sewage lines, storage tanks, dams, reservoirs, etc.

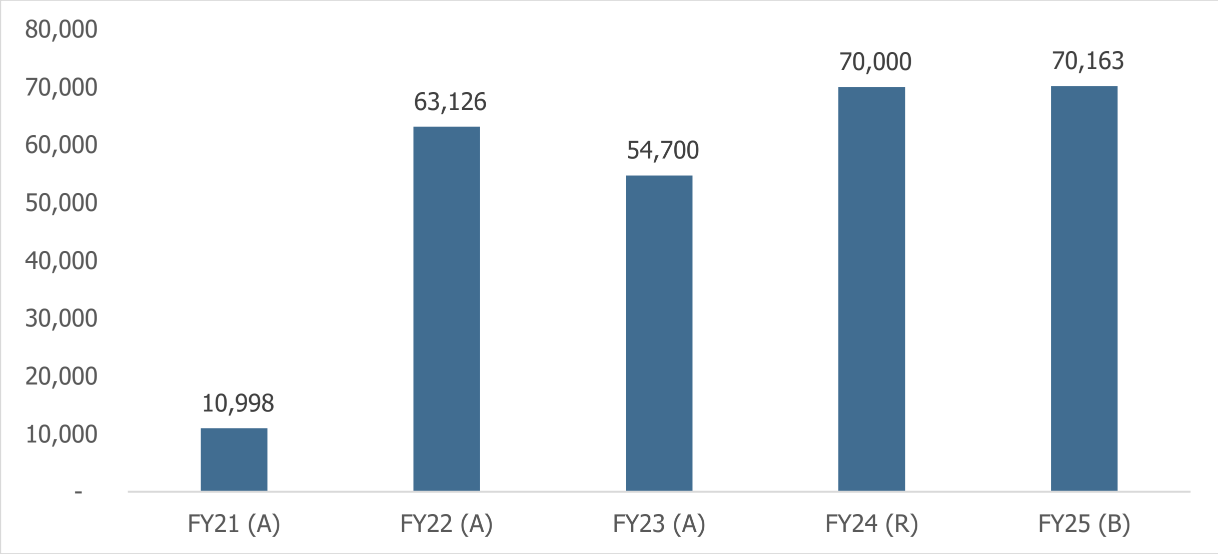
Steel pipes are considered the most durable of all water supply pipes because of their non-corrosion properties. They can sustain high water pressure and are more readily available in longer lengths than most other pipes. Demand for steel tubes and pipes is increasing, supplemented by the agriculture sector, where steel pipes are used in borewells or irrigation facilities. Moreover, there is a constant demand for improving water infrastructure in both rural and urban cities alongside a focus on enhancing wastewater management. This is expected to augment the demand and push the volumes of galvanised pipes.

However, with growing urbanization, India continues to fall behind in groundwater infrastructure. Water consumption has been growing at an exponential rate on account of rising population, increasing urbanization, and shifting lifestyles. In India, many households have access to water for only a few hours a day. Moreover, water demand in India is expected to exceed available supply by 2030, resulting in severe water scarcity for billions of people. To ensure there is a water supply, which is both affordable and sustainable, the government has launched the 'Atal Bhujal Yojana' (Atal Jal) to upgrade the groundwater management system through community participation. The major objective of this scheme is to improve the management of groundwater resources in select water-stressed areas in identified states namely Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh.

Further, on 15th August 2019, the 'Jal Jeevan Mission' programme was launched by the government to provide safe and adequate drinking water to all households in rural India by 2024. The functional household tap connections as of 15th June 2024 were about 14.91 crore. This programme will further enhance the water infrastructure and aid in the demand for pipes in the country.

The budgetary allocation trend toward this scheme has been increasing over the years and this government's push toward cleanliness and sanitation will boost the water infrastructure in the country.

Chart 42: Budgetary Allocation Toward Drinking Water (In Rs. Crore)



Source: Budget Documents
Note: A – Actual budget; R- Revised budget; B- Budgeted

4.5. Solar

India has a significant amount of solar energy potential. Approximately 5,000 trillion kWh of energy is incident over India's geographical area each year incident over India's land area with most parts receiving 4-7 kWh per square meter per day. Further, solar PV power can effectively be harnessed, providing huge scalability in India and at the same time, has the ability to generate power on a distributed basis and enables rapid capacity addition with short lead times.

India's solar energy sector has emerged as a key participant in grid-connected power generation capacity over the past decade. It contributes significantly to the government's objective of sustainable growth while emerging as a key anchor in meeting the nation's energy demands and ensuring energy security. Due to its abundant availability, solar energy is the most secure among all sources from an energy security perspective.

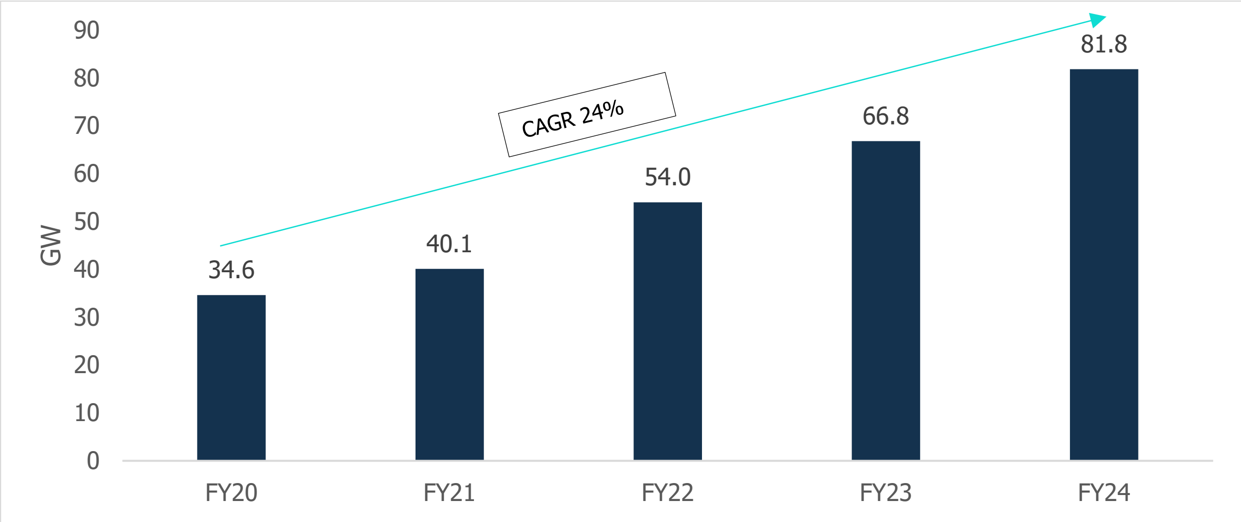
India has a solar potential of 749 GW, assuming that solar PV modules cover 3% of the waste land area. Comparatively, India had an installed capacity of 82 GW of as on March 2024.

Capacity Addition Trends:

Solar energy accounted for 51.35% of the renewable energy basket (excluding Hydro Power) as of March 2024. Over the previous years, the solar power industry has experienced strong growth. During FY20 to FY24, the segment added around 47.2 GW of capacity, registering a CAGR of 24%, albeit on a low base. A total of about 9.5 GW of solar capacity was added in Q4FY24. Solar capacity addition contributed to about 66% of the total renewable capacity added in the period. The surge was due to the rush to complete projects before the reinstatement of Approved List of Models and Manufacturers (ALMM) from April 1st, 2024, delayed projects getting commissioned and falling module prices. The increase in installed capacity is also the result of favourable market conditions and strategic policy interventions and technological innovations.

Out of the total installed capacity of 81.8 GW, Rajasthan has the highest installed capacity of 21.4 GW constituting a 25% share followed by Gujarat at 13.7 GW and Karnataka at 9 GW. Other states which hold a major share in the installed capacity of solar power are Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh, and Uttar Pradesh. While the other states together hold only a 9% share in installed capacity which is around 7 GW.

Chart 43: Trend in Solar Installations



Source: MNRE, CareEdge Research

The capacity under construction or in advance stages of development that are likely to be commissioned during 2022-23 to 2026-27 is around 92.6 GW for Solar while the capacity under construction as on April 2024 is around 56,275 MW.

Table 5: Solar Capacity awarded and under construction as on April 2024

Sr. No	Scheme	Total Capacity Awarded (MW)	Under Construction Capacity (MW)
1	Solar Energy Corporation of India Limited	19,463	18,137
2	National Thermal Power Corporation Limited	523	499
3	Satluj Jal Vidyut Nigam Limited	3,503	3,353
4	National Hydro Power Corporation	440	440
5	Solar Projects in Solar Parks and Ultra Mega Renewable Energy Power projects	22,449	11,316
6	Other State Projects (including Assam, Delhi, Maharashtra, Chhattisgarh, Bihar, Madhya Pradesh, Uttar Pradesh, Andhra Pradesh, Rajasthan, Karnataka, and Gujarat)	23,628	22,530
	Total		**56,275**

Source: CEA, CareEdge Research

Some of the schemes initiated by Government to promote solar power are Jawaharlal Nehru National Solar Mission (JNNSM), The International Solar Alliance (ISA), Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM KUSUM), Rooftop solar power (RTS), Solar Parks programme, Solar Cities programme, Off-Grid Solar PV Applications Programme Phase III for Solar Street Lights, Solar Study Lamps, and Solar Power Packs etc.

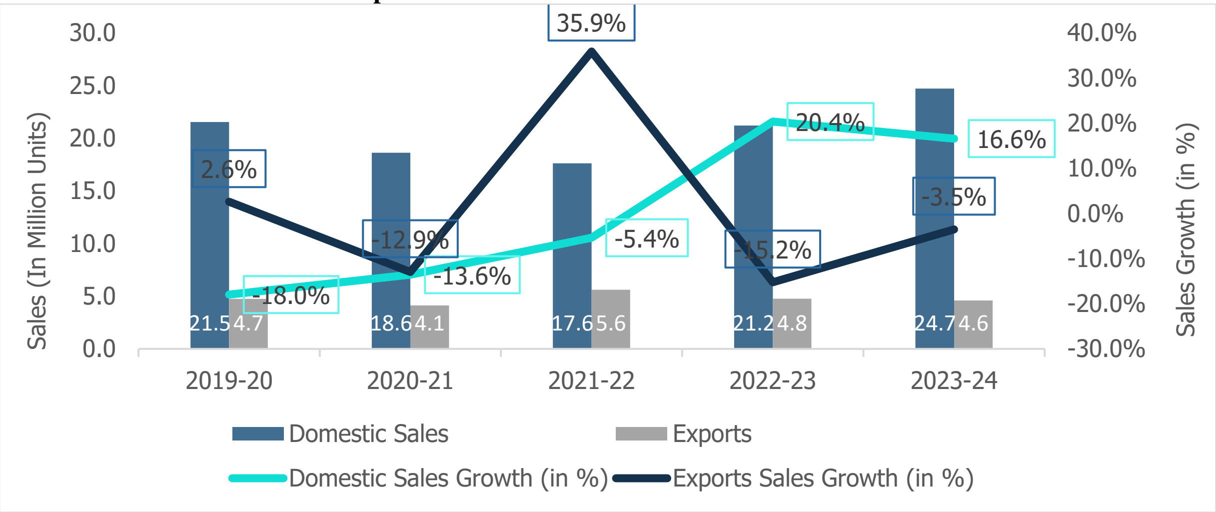
Apart from these, the Cabinet Committee on Economic Affairs ("CCEA") has approved the MNRE's proposal for implementation of the Central PSU (Public Sector Undertaking) Scheme Phase-II for setting up 12,000 MW grid-connected solar PV power projects with VGF support of Rs. 858 million for self-use or use by Government or Government entities, of both Central and State Governments. Under this scheme, around 8.2 GW of projects have been awarded, as on 31.12.2022, out of which around 1.5 GW has been commissioned as on 31.12.2022 and balance are under implementation.

4.6. Automotive

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. Its contribution to the GDP of India stands at around 7%. The growth of this sector benefits the commodity sector as vehicle manufacturing requires steel, aluminum, plastic, etc. It also holds importance for the NBFC/Banks in the form of automobile financing. Moreover, it is a crucial source of demand for the oil & gas industry.

During FY24, domestic automobile sales witnessed a growth of about 17% on a y-o-y basis. On the other hand, exports declined by only around 3.5% y-o-y in the same year as compared to a 15% decline in FY23, due to ongoing global headwinds. Barring the passenger vehicles segment, which grew by 1.4% with the increasing demand in the sports utility vehicle segments, the exports for two-wheelers, commercial vehicles, tractors, and three-wheelers declined by 5.3%, 16.3%, 21.4%, and 17.9% respectively. Accordingly, exports remained subdued in FY24 given the recessionary pressures across key export markets.

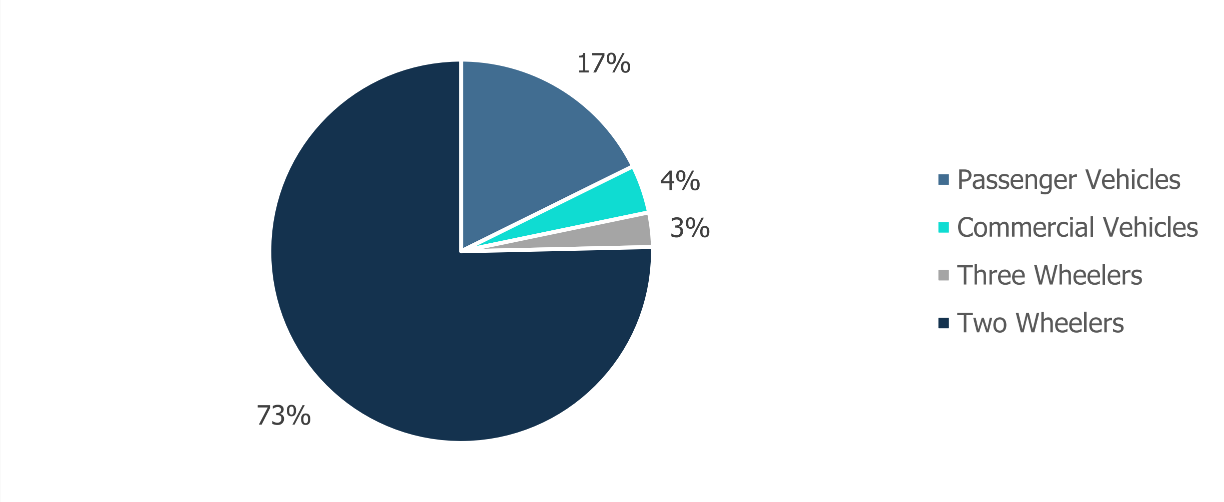
Chart 44: Domestic Sales and Export of Automobiles in India



Source: Society of India Automobile Manufacturers (SIAM)
Note: Tractors sales are not included both in domestic and exports graph

India is expected to be the third-largest in terms of volume by FY26. Across segments of the industry, India is positioned amongst the leading markets, globally. India is the largest manufacturer of two-wheelers, three-wheelers, and tractors. It is also among the top 5 manufacturers of passenger and commercial vehicles. The major growth drivers for the automobile industry in India are growing household income, favorable demographics with a large proportion of the young population, expanding R&D hub, and government support.

Chart 45: Share of different categories in automobile domestic sales in FY24



Source: SIAM

Besides growth prospects, India's favourable Foreign Direct Investment (FDI) policy with 100% FDI through automatic route, relatively low cost of manufacturing, and adequate manpower pool has attracted several foreign OEMs of the industry to invest in India and set up a manufacturing footprint.

4.7. Railways

The Indian Railways is among the world's largest rail networks. It is the 4th largest railway system in the world behind the US, Russia, and China with a total track length of 1,26,366 km with 7,337 stations as of FY21. Steel tubes or pipes are used in applications such as rails, wagons, and coaches. The Indian railway sector has seen multiple developments in the last decade such as the introduction of high-speed trains, modernization of railway stations, increase in rolling stock inventories, etc.

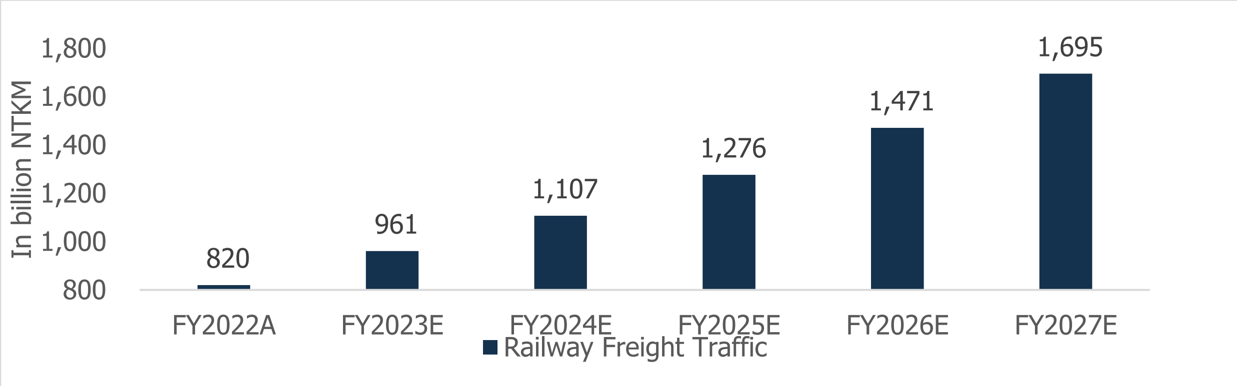
Further, the government has been increasing its focus on the augmentation of railways to reduce the cost and time of logistics and to minimize the overall carbon footprint of the country as railways are more environment friendly compared to road transport. The key focus areas have been the decongestion of the overutilized rail network, construction of new lines, doubling, tripling, quadrupling of rail lines, and purchase of rolling stock such as wagons, locomotives, coaches, etc.

The government proposes to launch 400 new Vande Bharat trains in the next 3 years along with the development of 100 Cargo Terminals over the next few years. Additionally, the construction of a Dedicated Freight Corridor (DFC), which are broad gauge rail network to be utilized exclusively for freight trains, will lead to an increase in the railway's share in domestic freight movement. The western and eastern DFCs are 86% and 90% complete, respectively, and are expected to be commissioned by FY25. Also, the East Coast Corridor, East-West Corridor, and North-South Corridor are under the planning stage.

Moreover, the Railways Station Redevelopment Program, which was launched in February 2017 to modernize the infrastructure across the nation, will enhance the experience of the passengers through intelligent building and state-of-the-art facilities. For this, the government has launched the 'Amrit Bharat Station Scheme' where a total of 1,275 railway stations under 32 different states have been identified for development. This will further boost the demand for steel pipes in the economy.

Under the National Rail Plan (NRP), the railway's share in freight transport is expected to increase to 45% by 2030 from the existing 26%. This implies that the total freight transported by Indian Railways will increase to 3,000 million tonnes by FY27 and 3,600 million tonnes by FY30 from 1,418 million tonnes in FY22. Further, railway freight traffic measured in Net Tonne Kilometres (NTKM) is expected to double to 1,695 billion NKTM by FY27 from 820 billion NKTM in FY22.

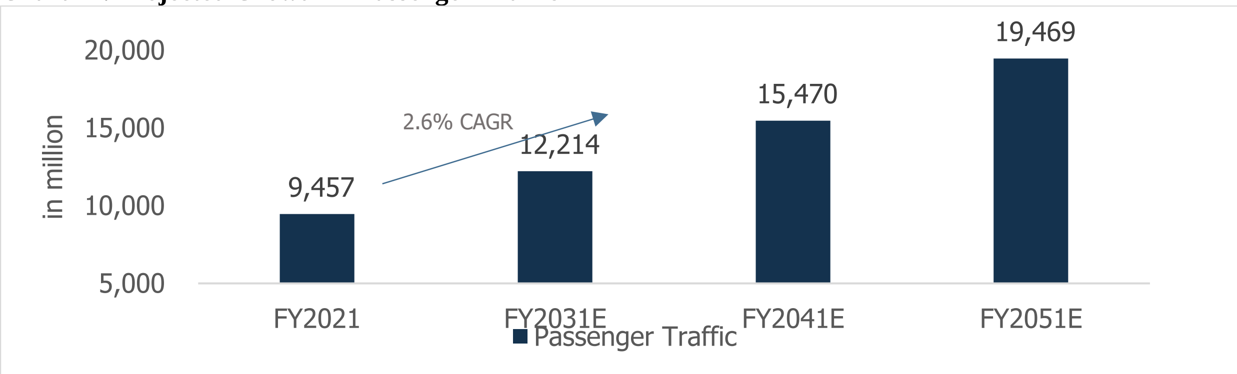
Chart 46: Trend in Indian Railway Freight Traffic



Source: Indian Railways, Report of the Committee on Mission 3000 Million Tonnes

The passenger traffic is expected to grow at a CAGR of 2.6% between 2021 and 2031 driven by population growth and a growing workforce.

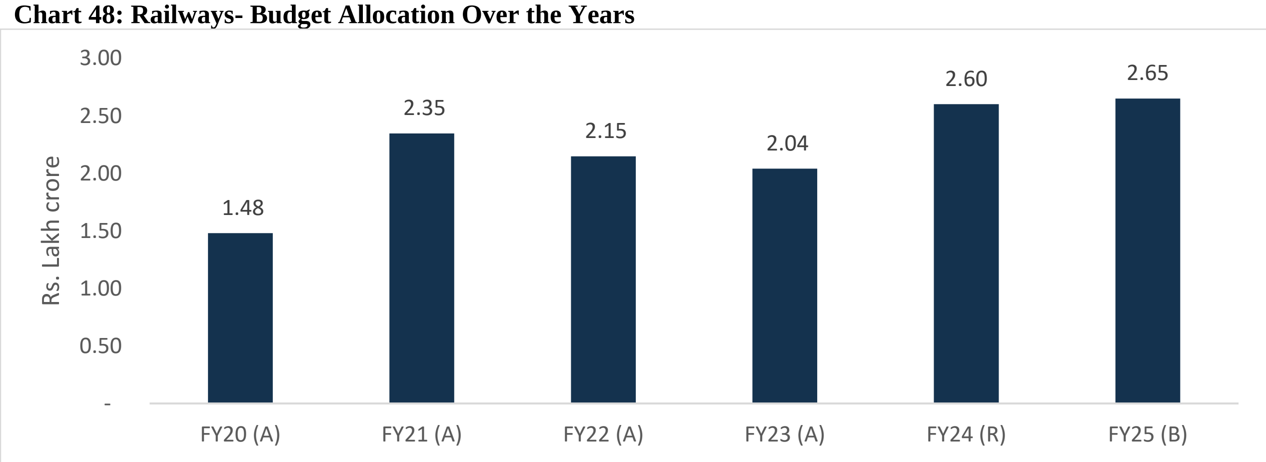
Chart 47: Projected Growth in Passenger Traffic



Source: Indian Railways, National Railway Plan

In the Union Budget 2024-25, the government has allocated Rs 2.65 lakh crore toward railways which is an increase of 1.9% over the previous year's allocation.

Chart 48: Railways- Budget Allocation Over the Years



Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

4.8. Flagship Government Schemes driving the demand

- **AMRUT (Atal Mission for Rejuvenation and Urban Transformation)**

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched in June 2015 under GoI. It is the first focused national water mission launched in 500 cities and covers 60% of the urban population. In the FY24 Budget, the allocation to AMRUT has increased from Rs 153 billion to Rs 160 billion.

The program focuses on the development of basic infrastructure, in the sectors of water supply, sewerage and septage management, stormwater drainage, green spaces and parks, and non-motorized urban transport.

The projects will be prioritized based on the following outcomes with a focus on improving sustainability and efficiency in the water sector:

i. Universal coverage of water supply
ii. Sewerage, septage management, and recycling/reusing of treated water
iii. Rejuvenation of water bodies (including urban wetlands) and creation of green spaces

The universal coverage of water supply is the priority under the mission, under which 2.28 million tap connections have been provided. The total plan size of all State Annual Action Plans (SAAPs) was Rs 776.40 billion. Of which, Rs 390.11 billion, i.e., 50% has been allocated to water supply.

The tentative distribution of central fund allocation among project components of Mission are as follows:

Description	Central share (in Cr)
Water supply projects	35,250
Rejuvenation of water bodies and development of green spaces and park projects	3,900
Sewerage and septage management projects	27,600

Source: Ministry of Housing & Urban Affairs

- **Jal Jeevan Mission - 'Har Ghar Jal'**

JJM is a Central Government initiative undertaken by the Ministry of JAL SHAKTI. It aims to ensure piped water access to every household in India. The initiative was launched on 15th August 2019 by the Prime Minister of India.

The program is implemented in partnership with the states to ensure tap water supply in adequate quantity, prescribed quality, adequate pressure, on a regular and long-term basis in all rural households and public institutions, which includes Anganwadi, schools, ashramshalas, public/ community health centres, sub-centres, wellness centres, community centres, gram panchayat buildings, etc., by 2024.

Under JJM, 30% weightage was assigned for difficult terrains which inter alia include areas under the Desert Development Programme (DDP) and Drought Prone Area Programme (DPAP) while allocating the fund, to prioritize the coverage in these areas. Further, provisions have been made in the operational guidelines for planning and implementation of bulk water transfer from long distances and regional water supply schemes for ensuring tap water supply in drought-prone & water-scarce areas/ areas with inadequate rainfall or dependable groundwater sources. In addition, provisions have also been made for source recharging, viz. dedicated bore well recharge structures, rainwater recharge, rejuvenation of existing water bodies, etc., in convergence with other schemes such as the Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA), Integrated Watershed Management Programme (IWMP), 15th Finance Commission tied grants to Rural Local Bodies (RLB)/ Panchayat Raj Institutions (PRI), State schemes, Corporate Social Responsibility funds, etc.

For villages in water-scarce areas, in order to save precious fresh water, states are being encouraged to plan a new water supply scheme with a dual piped water supply system, i.e., supply of fresh water in one and treated grey/wastewater in another pipe for non-potable/ gardening/ toilet flushing use. Moreover, the households in these areas are to be encouraged to use the faucet aerators that save a significant amount of water, in multiple taps that they may be using inside their house.

- **National Gas Grid Project**

The Petroleum and Natural Gas Regulatory Board (PNGRB) has authorised a natural gas pipeline network spanning around 33,347 km (as of Dec. 2023) across the country. Out of this, a total of 23,478 km of pipelines, including spur lines, tie-in connectivity, sub-transmission pipelines, and dedicated pipelines are operational.

Currently, the gas pipeline network serves the western and northern India while the eastern and southern regions are yet to be integrated with the National Gas Grid. This expansion plan is based on the gas demand assessment of various regions.

The grid is expected to support the growth of city gas distribution projects. Furthermore, the country's pipeline density is also expected to double with the addition of nearly 12,000 km of under-construction gas pipelines. There are some delays being faced by gas pipeline projects (approximately 6,000 km).

PNGRB has authorized GAIL (Gas Authority of India Limited) to develop the Jagadishpur –Haldia –Bokaro-Dhamra Pipeline (JHBDPL) project and the approximately 750 km long Barauni - Guwahati pipeline as its integral part which will connect North East region with the National Gas Grid. Further, PNGRB has also authorized Indradhanush Gas Grid Limited (IGGL), a joint venture company of five Central Public Sector Enterprises (CPSEs) i.e. IOCL (Indian Oil Corporation Limited), ONGC (Oil and Natural Gas Corporation), GAIL, OIL (Oil India Limited) and NRL (Numaligarh Refinery Limited) for the development of North East Gas Grid to connect eight states of North Eastern India. It is critical to address the issue of the non-existence of pipelines in the eastern and southern regions to fully leverage their potential.

4.9. Supply Assessment

The production has grown at a healthy CAGR of 10% in the past five years majorly backed by the surging infrastructure projects and the growing usage in the automobile and gas sectors. India has substantial production to support the domestic demand. For instance, in FY21-FY23, India had a surplus in the range of 4.87-7.64 lakh tonnes.

Based on the revenue, the top companies in the steel pipes and tubes industry are mentioned below. They command over 65% share in the market. These companies have a cumulative installed capacity of 71.66 lakh MTPA.

Moreover, with the government's thrust in the form of schemes for the industry, the demand for steel products is set to rise. Accordingly, the companies are set to increase their capacity and are in the process of expansion to cater to the growing demand.

Table 6: Installed Capacity of Top Players

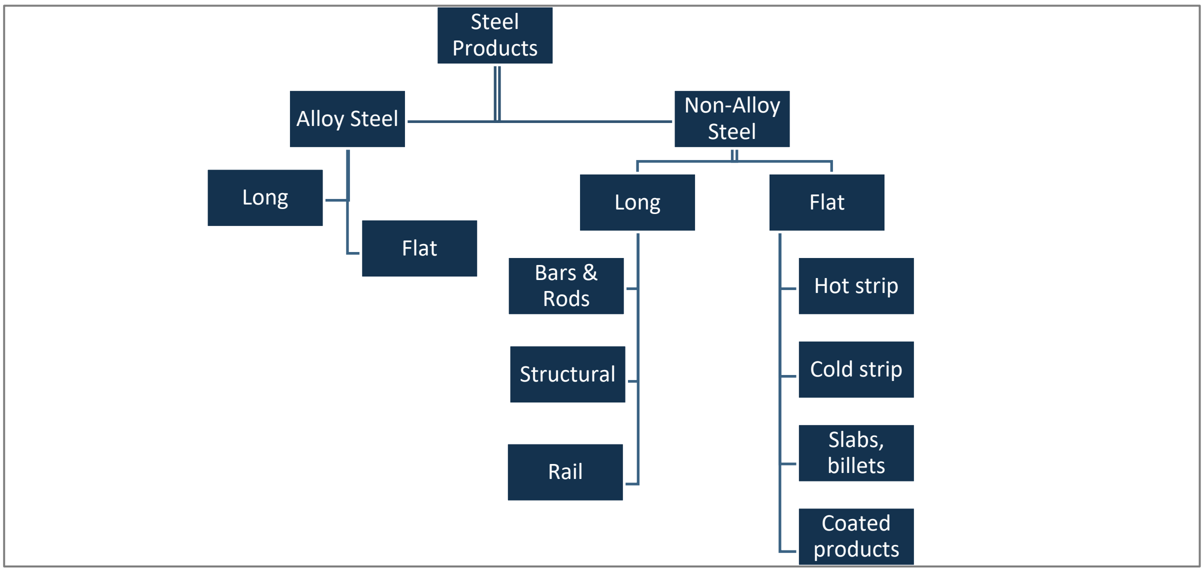
Company	Installed Capacity (in MTPA)
APL Apollo Tubes Limited	36,00,000
Surya Roshni Limited	12,76,000
Man Industries (India) Limited	11,50,000
Jindal Saw Limited	7,10,000
JTL Industries	6,86,000
Goodluck India Limited	4,12,000
Welspun Corp Ltd	18,000

Source: Company disclosures

Value Chain of Steel, Pipes and Tubes Industry

Steel products are of various types depending on the physical, chemical, and environmental properties to suit various applications. They are majorly classified as alloy steel and non-alloy steel. Alloy steel finds its application in the energy sector whereas non-alloy steel is widely used in automotive parts and construction materials.

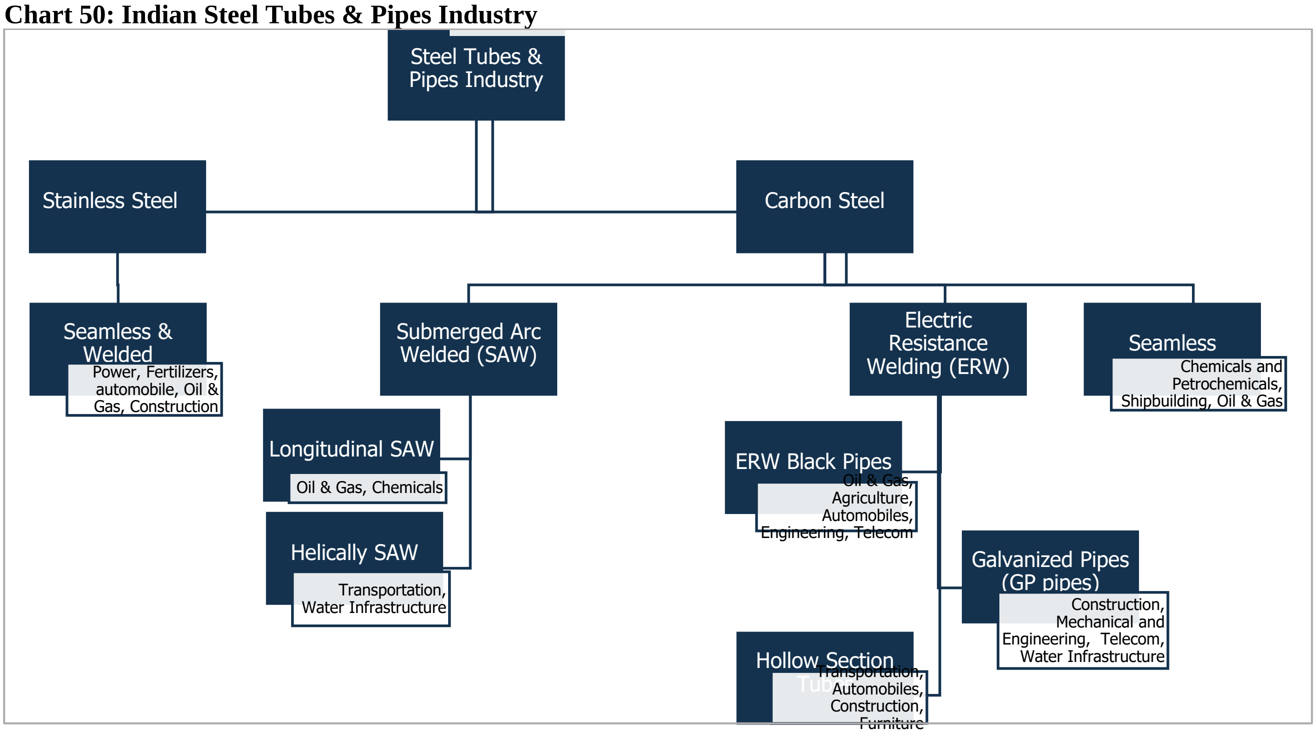
Chart 49: Types of Steel Products



Source: Industry Sources, CareEdge Research

Furthermore, the steel tubes and pipes industry is classified into stainless steel and carbon steel. Stainless steel is used majorly in the automobiles, oil & gas, and construction sectors. Whereas carbon steel is used in engineering, telecom, shipbuilding and water infrastructure.

Chart 50: Indian Steel Tubes & Pipes Industry



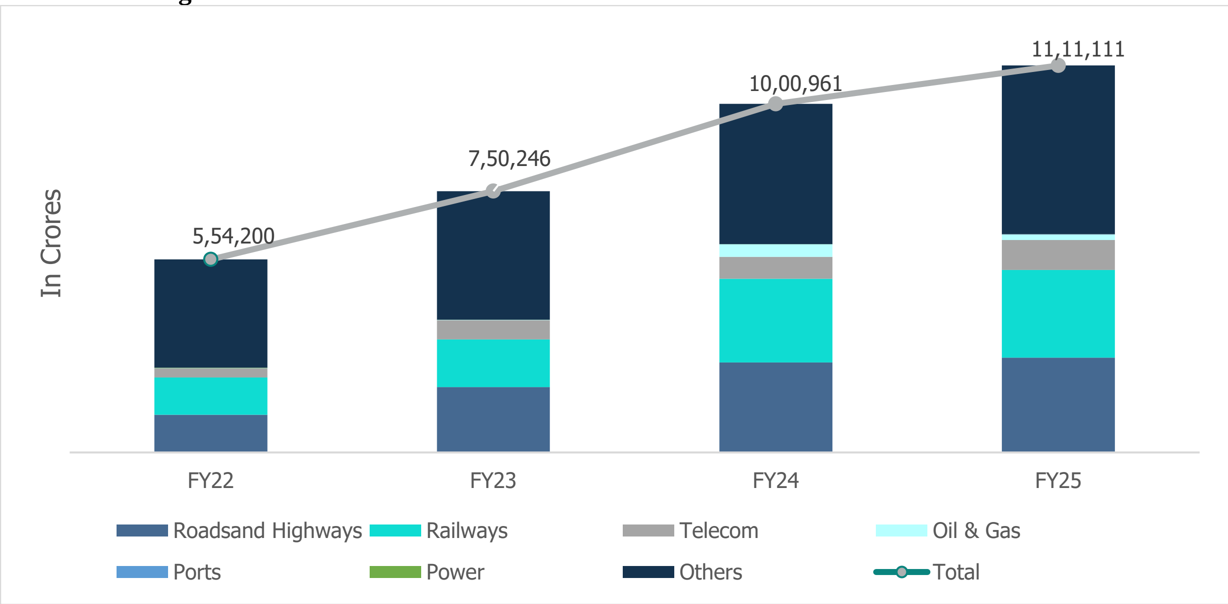
Source: Industry Sources

4 Key Demand Drivers

- **Continued Thrust on Construction and Infrastructure**

One of the major growth drivers of the steel industry is the infrastructure investment thrust by the Government of India. The budgetary allocation toward infrastructure has grown at a CAGR of about 26.1% in the past 4 years between FY22 to FY25. In the Interim Union Budget 2024-25, the government continued its focus on infrastructure development with the allocation of Rs 11.1 lakh crore toward infrastructure capital expenditure, an increase of 11% over allocation under the Union Budget 2023-24.

Chart 51: Budget Allocation Towards Infrastructure



Source: Union Budget 2024-25
Note: A – Actual budget; R- Revised budget; B- Budgeted

The government has expanded the National Infrastructure Policy (NIP) to over 9,000 projects from 6,835 projects and announced plans for the National Monetization Pipeline (NMP) and the Development Finance Institution (DFI) to improve the financing of infrastructure projects. The NIP covering rural and urban infrastructure, entails investments to the tune of Rs. 111 lakh crores, which is being undertaken by the central government, state governments, and the private sector during FY20-25. Moreover, the alignment of PM Gati Shakti National Master Plan and National Infrastructure Policy (NIP) will aid in debottlenecking hurdles for faster execution of projects.

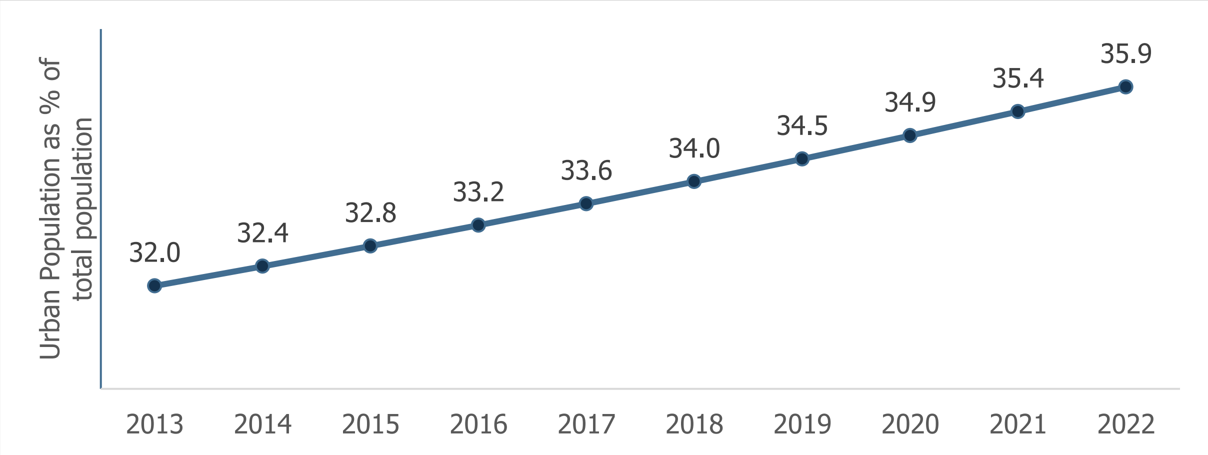
- **Growing Real Estate Absorption led by Increased Urbanisation and Purchasing Power Rising Urbanization**

Rapid urbanization bodes well for the sector. India is the second-largest urban system in the world. Indian cities are home to about 11% of the total global urban population.

According to the Ministry of Health and Family Welfare (MoHFW), 2019, urban growth is expected to contribute to around 73% of the total population increase by 2036. Further, as per the Census of India 2011, India has an urbanization level of 31.1%, which has only increased over the years. Earlier estimations indicate that about 416 million people will be added as urban dwellers in India between 2018 and 2050, according to a United Nations study dated 2018. Moreover, India will be 50% urban by 2050, according to UN-Habitat, 2017.

Therefore, the growing urbanization will lead to increased demand for tubular steel structures as it involves usage in the construction of buildings, pipes for water supply, improved drainage systems, waste treatment plants, elevators, etc.

Chart 52: Urbanization Trend in India

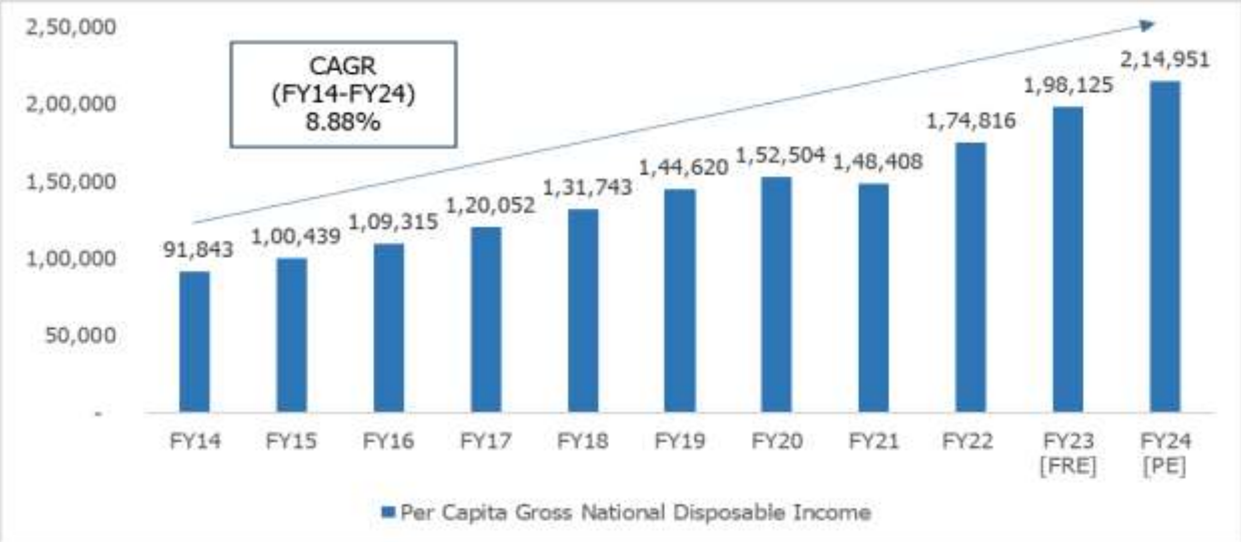


Source: World Bank Database

Growing Purchasing Power

The rising disposable income, which has grown at a CAGR of 8.88% between the period FY14 to FY24, is expected to lead to increased demand for residential real estate in India as more and more people can afford real estate purchases. This will lead to more consumption of steel in the country and help the steel manufacturers to produce more steel, thus improving the demand in the steel industry.

Chart 53: Per Capita Gross National Disposable Income



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSP

- **Development of the Natural Gas Sector**

The government's focus on enhancing the share of natural gas in India's energy mix will increase the demand for steel products. Additionally, India has taken several initiatives to develop the natural gas sector such as facilitating the development of gas infrastructure, including LNG terminals, long-distance transmission pipelines, and city gas distribution networks. A total of 1544 Km of pipelines have been laid as part of the National Gas Grid in 2020. Also, the government launched the Indian Gas Exchange (IGX), the first nationwide online delivery-based gas trading platform in 2020.

With the government's focus on increasing natural gas consumption, massive investments are expected in developing the natural gas infrastructure. Many infrastructural developments are in progress including expansion of LNG import capacity, addition of new gas pipelines, and development of city gas distribution networks. As of December 2023, the total operational length of the national gas pipeline network is 23,391 km whereas 4,125 km are under construction. The government's favourable policies will help drive the gas demand growth over the next decade, and this, in turn, will boost the demand for steel.

The natural gas sector, with the announcement of the 'One Nation One Gas Grid' initiative, will attract new investments. It is expected that the gas pipeline network which has already crossed 23,300 km as of December 2023, will reach 35,000 km in the coming 4-5 years. Accordingly, the increasing length of natural gas pipelines by 2024-2025 is expected to contribute toward the expansion of steel pipe production. The efforts of moving towards a gas-based economy and the implementation of city gas distribution networks are expected to augment the demand for pipes going forward. Besides, the increasing number of CNG stations (6,861 as of March 2024) bio-refineries, bio plants, etc., will support the infrastructure for gas.

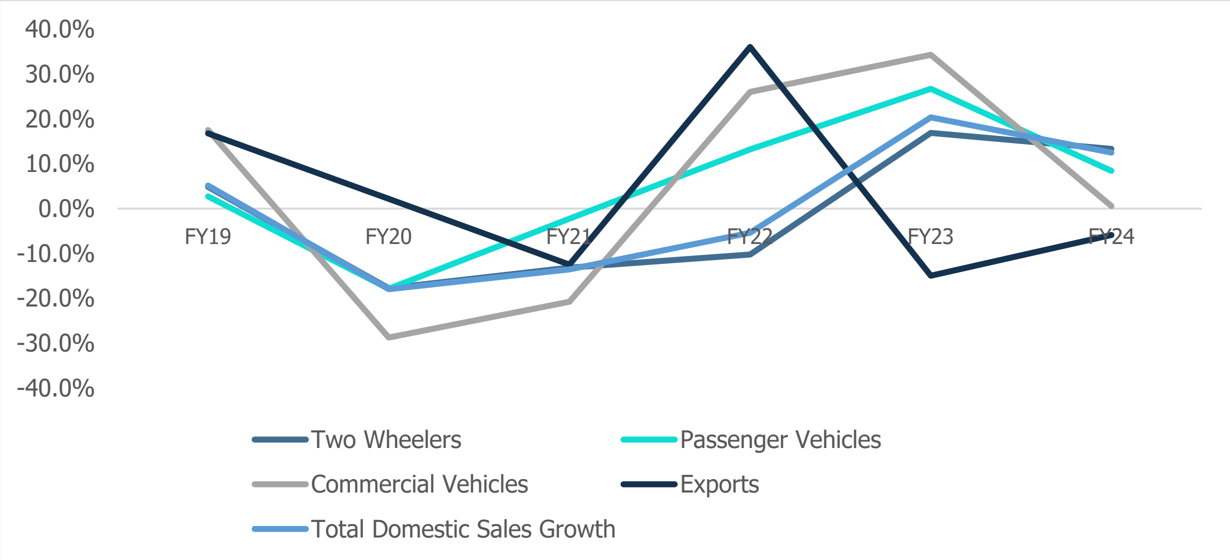
- **Stable Growth in the Automotive Industry**

Steel products are used in the main structure of the vehicle known as the chassis. They are also used in other automotive components such as control shaft tube stack pipes, shock absorbers, exhaust pipes, sway bars, other vehicle accessories (side railings, bumpers, and grill guards), etc.

India was the third-largest automobile market in 2022. After witnessing a de-growth due to the pandemic, the automobile sector began to recover on account of a revival in economic activities. For instance, domestic automobile sales grew by 20% y-o-y in FY23, the first full year without any impact of the pandemic after a gap of two years. The growth in sales volume across segments was supported by healthy demand in the urban areas, increasing replacement demand, growing demand for utility vehicles in the passenger vehicle segment, vehicle scrappage policy, and higher infrastructure spending.

Despite inflationary pressure throughout the year, preponing purchases before the implementation of new fuel emission norms (BS-VI Phase -II), easing of semiconductor chip supply, and pent-up demand supported the sales growth. During FY23, all the categories saw double-digit growth, with two-wheelers at 17%, passenger vehicles at 27%, commercial vehicles at 34%, tractors at 12%, and 3-wheelers at 87% y-o-y growth in domestic sales.

Chart 54: Trend in Indian Automobile Industry Domestic Sales Growth



Source: CareEdge Research, SIAM
Note: P-Projected

During FY24, growth in domestic sales growth for two-wheelers was 13.3%. For passenger and commercial vehicles, it was 8.4% and 0.6% in FY24 respectively. Total domestic sales (excluding tractors) grew by 12.5% in FY24. The growth momentum is expected to continue after the robust demand (20% sales growth) seen in FY23, supported by favourable demand sentiments and various government initiatives for the rural and urban development.

Furthermore, the automobile sector growth will be supported by electric vehicles (EVs) due to the increasing shift toward electric vehicles. In February 2024, the Ministry of Heavy Industries also enhanced FAME (Faster adoption and manufacturing of EVs) subsidies from Rs. 10,000 crores to Rs. 11,500 crores. As per the revised outlay, electric two-wheelers, electric three-wheelers, and electric four-wheelers are eligible to avail of subsidies to the tune of Rs 7,048 crore. Moreover, the cut in customs duty on lithium-ion batteries from 21% to 13% will also result in more sales and accelerate the demand for EVs.

Table 7: Trend in Indian Automobile Industry Domestic Sales (In Lakh Units)

Category	FY19	FY20	FY21	FY22	FY23	FY24
Passenger Vehicles	33.8	27.7	27.1	30.7	38.9	42.19
Commercial Vehicles	10.1	7.2	5.7	7.2	9.6	9.68
Three Wheelers	7.0	6.4	2.2	2.6	4.9	6.92
Two Wheelers	211.8	174.2	151.2	135.7	158.6	179.74
Tractors	7.8	7.1	9.0	8.4	9.5	8.67
Grand Total	**270.46**	**222.5**	**195.20**	**184.60**	**221.49**	**247.20**

Source: CareEdge, SIAM, TMA (Tractors Manufacturers Association), CMIE
Note: P-Projected

The domestic automobile sales volume is expected to show moderate growth by 6-8% in FY25, after witnessing double-digit growth in FY24. The two-wheeler domestic sales volume growth is expected to remain moderate at 7-9% due to the high cost of ownership and transition towards electric vehicles. This segment has not crossed the pre-pandemic level in terms of sales. Although consistently high inflationary and interest rate environment could dampen consumer sentiment, monsoons remain a key monitorable for rural demand growth going forward. The passenger vehicles (PV) industry is likely to record a volume growth of around 8%-10% in FY25 as the pent-up demand levels off amid hike in vehicle prices. This growth is anticipated to remain moderate owing to tapering down of pent up demand while supported by healthy order book, improvement in the supply chain, new model launches and increasing demand in the Utility Vehicles (UVs) segment.

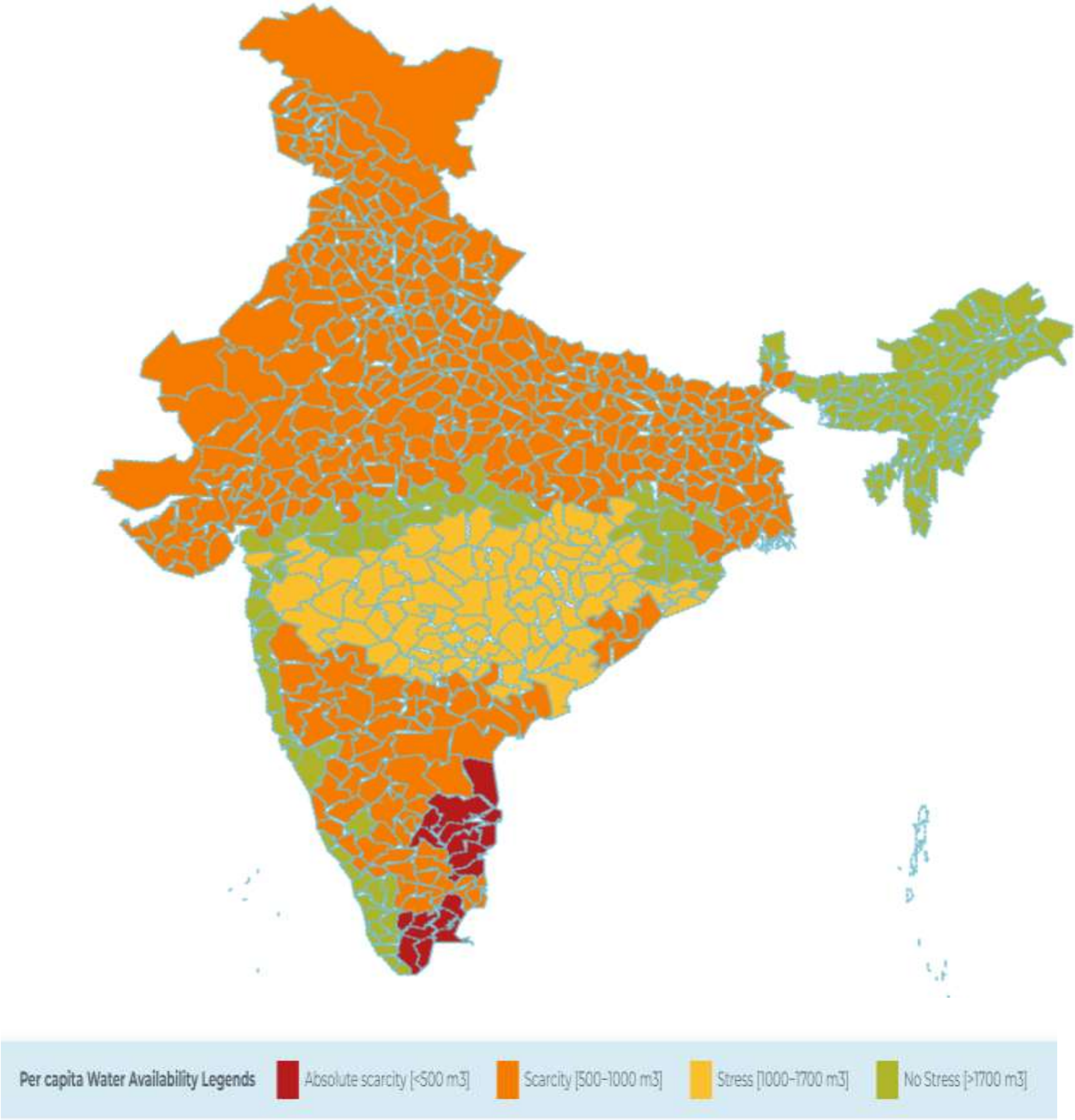
Furthermore, the automobile sector growth will be supported by electric vehicles (EVs) due to the increasing shift toward electric vehicles. In the Union Budget 2023-24, the allocation toward the FAME (Faster Adoption and Manufacturing of EVs) scheme has increased to Rs. 5,172 crores from Rs. 2,908 crores in the previous year. Moreover, the cut in customs duty on lithium-ion batteries from 21% to 13% will also result in more sales and accelerate the demand for EVs.

- **Steady Government push for Water-Supply Sanitation and Irrigation**

Water-Supply Management

Based on the study ‘Reassessment of Water Availability in India using Space Inputs’ (CWC, 2019), the average annual per capita water availability for 2031 has been assessed as 1,367 cubic meters.

Figure 1: Per Capita Water Availability - 2025



Source: NITI Aayog

Accordingly, the government is coming up with measures to improve the availability of water by building and maintaining natural resources of water.

Below are the schemes set up by the GoI to tackle the declining availability of water:

- Atal Bhujal Yojana (Atal Jal): Sustainable Groundwater Management
- The Atal Bhujal Yojana was launched in 2019 to undertake community-led sustainable groundwater management of the stressed areas identified. It was launched to strengthen the institutional framework, monitor groundwater data, and improve the planning & implementation of water management interventions.

- It is a government scheme aided by the World Bank with an outlay of Rs 60 billion and is implemented to focus on community participation and sustain groundwater levels in identified water-stressed areas during the five-year duration. The schemes currently are taken up in seven states, Haryana, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh.
- It is the world's largest community-led groundwater management program, which is helping villagers understand the water availability and usage patterns in their areas.

- Jal Shakti Abhiyan: "Jal Shakti Abhiyan: Catch the Rain" focuses on creating Rainwater Harvesting Structures

- Jal Sakti Abhiyan - I was launched in 2019 in the stressed districts of the country to promote the conservation of water, water resource management, implementation of rainwater harvesting, renovation of traditional water bodies, reuse of water, recharging water body structures, watershed development, and afforestation. The actual expenditure from the MGNREGS fund was Rs 180.66 billion.
- JSA is expanded to 'Jal Sakti Abhiyan: Catch the Rain' to cover all the blocks of the districts across the country to focus on –

1. Rainwater harvesting & water conservation
2. Enumerating, geo-tagging, and taking inventory of all water bodies
3. Setting up Jal Shakti Kendras
4. Afforestation
5. Generation of awareness

- Atal Mission for Rejuvenation and Urban Transformation (AMRUT) focuses on basic urban infrastructure in water supply system and access to potable water for every household

The thrust areas for these schemes will be rainwater harvesting and rejuvenation of water bodies.
On the other hand, the Department of Water Resources and other schemes aim to ensure the maintenance and efficient use of water resources to match the continuously growing demand for water.

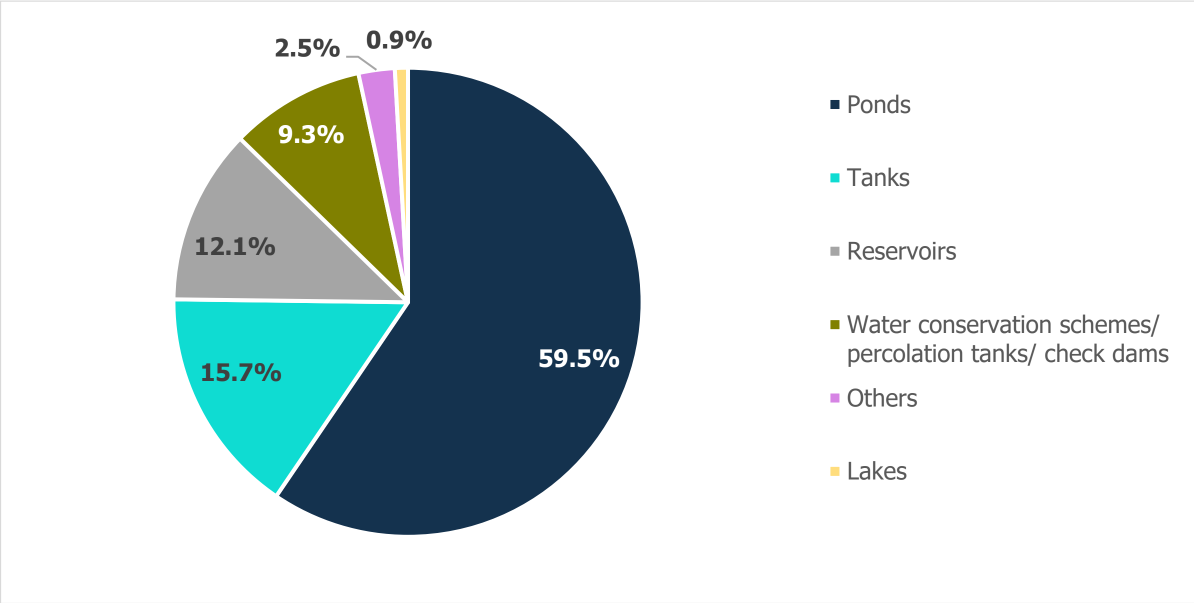
Irrigation

- **Rejuvenation of Urban Water Bodies**

Water bodies in urban areas such as lakes, ponds, step-wells, and baolis have traditionally served the function of meeting water requirements for various needs like washing, agriculture, or religious/cultural purposes. Surface water bodies and traditional water harvesting structures in numerous cities have either dried up, or disappeared due to encroachment, dumping of garbage, and entry of untreated sewage.

As per India's first water body census, a total of 24,24,540 water bodies were reported in the country out of which 97.1% water bodies are in rural areas and the remaining 2.9% water bodies are in urban areas.

Chart 55: Distribution of Water Bodies - 2023



Source: Ministry of Jal Shakti

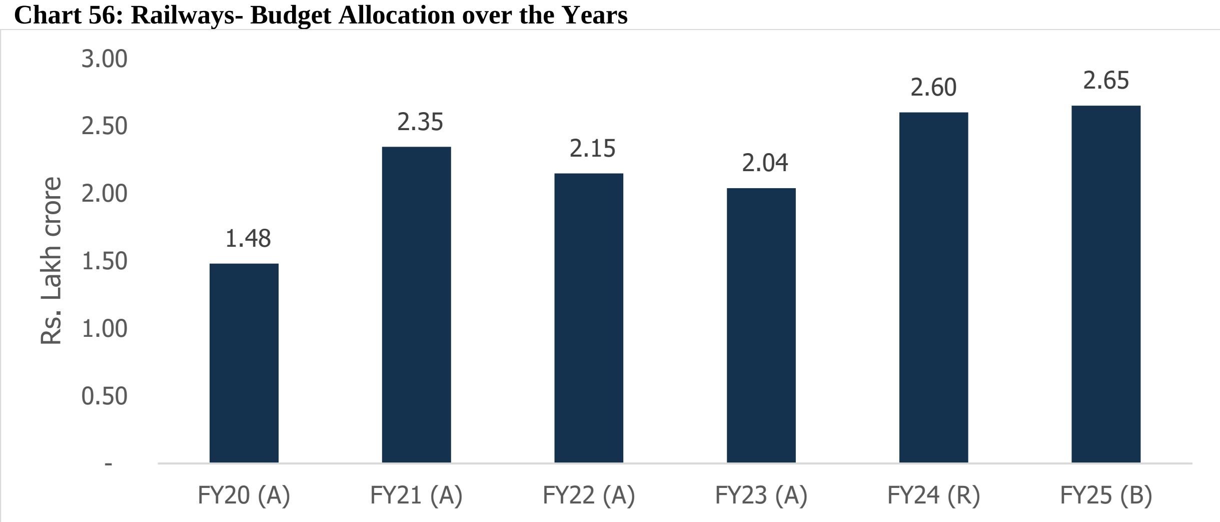
These water bodies can store water and recharge groundwater if revived thus helping in meeting the increased requirement of water.

- **Growing Infrastructure for Railways**

As the infrastructure expenditure to GDP multiplier is estimated to be 2.5-3.5x, the government has identified infrastructure development as a key focus area to become a USD 5 trillion economy by 2026-27. To achieve this objective, the government launched the National Infrastructure Pipeline (NIP) in 2020, which identified a group of social and economic infrastructure projects to be implemented during FY20-25. The expected CapEx under NIP is USD 1.4 trillion with railways having an allocation of 12%. Railways are one of the key enablers for economic growth and an investment of USD 750 billion was suggested by the government in the Union Budget 2019-20 to improve the railway infrastructure over 2018-2030.

Accordingly, the budgetary allocation to Indian Railways has consistently been on the rise. The CapEx for Indian Railways has increased substantially from Rs. 1.48 lakh crore during FY20 to Rs. 2.65 lakh crore allocated in the Interim 2024-25 budget. This is an increase of 1.9% over the previous year's allocation.

Chart 56: Railways- Budget Allocation over the Years



Source: Budget Documents. Note: B – Budgeted, A – Actual, R – Revised and Includes Internal and Extra Budgetary Resources (IEBR)

- **Expansion of Metro Rail**

As of April 2023, about 860 Km of metro lines have been operationalized across 20 cities. The metro network, including regional rapid transit systems (RRTS), is proposed, to be expanded to 1,700 Km across 27 cities by 2025 and subsequently to 50 cities. The government is also proposing Metro Lite and Metro Neo lines suitable for smaller cities with lower peak traffic. Currently, approximately 2,500 coaches have been deployed in the operational metro lines roughly costing 32,500 Cr. 31 metro rail projects are under construction and 18 projects are under approval. As the operational metro lines are expected to increase by more than 2x over the next 4-5 years, domestic demand for metro rail rolling stock is expected to witness a significant increase.

- **National Rail Plan 2030**

Indian Railways has prepared a National Rail Plan (NRP) for India – 2030 which envisages creation of a 'future ready' railway system by FY30. NRP aims to increase modal share of the Indian Railways in freight to 45% by FY30 from the current 26% by augmenting the freight volumes from 1,418 million tonnes in FY22 to 3,600 million tonnes by FY31, implying a CAGR of 11%. The objective of the Plan is to create and invest towards capacity ahead of demand, which in turn would also cater to future growth in demand up to FY50.

Objectives, and plans to improve modal share of railways in freight transport

Following are the key objectives of National Railway Plan:

- Formulate strategies based on both operational capacities and commercial policy initiatives to increase modal share of the Railways in freight to 45% by FY30
- Reduce transit time of freight substantially by increasing average speed of freight trains to 50Kmph
- As part of the National Rail Plan, Vision 2024 has been launched for accelerated implementation of certain critical projects by 2024 such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 kmph on Delhi-Howrah and Delhi-Mumbai routes, upgradation of speed to 130kmph on all other Golden Quadrilateral-Golden Diagonal (GQ/GD) routes and elimination of all Level Crossings on all GQ/GD route.
- Identify new Dedicated Freight Corridors.
- Identify new High-Speed Rail Corridors.
- Assess rolling stock requirement for passenger traffic as well as wagon requirement for freight.
- Assess Locomotive requirement to meet twin objectives of 100% electrification (Green Energy) and increasing freight modal share.
- Assess the total investment in capital that would be required along with a periodical break up
- Sustained involvement of the Private Sector in areas like operations and ownership of rolling stock, development of freight and passenger terminals, development/operations of track infrastructure etc.

Table 8: Proposed Expenditure under NRP (Rs. Lakh Cr.)

Head	FY21-26	FY26-31	FY31-41	FY41-51	Total
Dedicated Freight Corridors	-	1.5	0.5	0.3	2.3
High Speed Rail Corridors	-	5.1	2.9	7.0	15.0
Network improvements	1.3	0.7	2.2	1.8	6.0
Flyovers and Bypasses	0.8	-	-	-	0.8
Terminals	0.6	0.2	0.1	0.04	0.9
Rolling Stock	3.1	1.7	3.6	4.8	13.2
Total	**5.8**	**9.2**	**9.3**	**13.9**	**38.2**

Source: Draft NRP Document, Ministry of Railways

- **Others**

The growth in demand for steel products will also be supported by transportation, capital goods (construction, electrical equipment, machine tools, industrial machinery, plant equipment, etc.), aircraft components, mining activities, and renewable energy projects. Further, it will also be driven by the export market, which has seen a steady increase in the past few years and contributes to the overall production in the industry discussed earlier in the 2nd chapter.

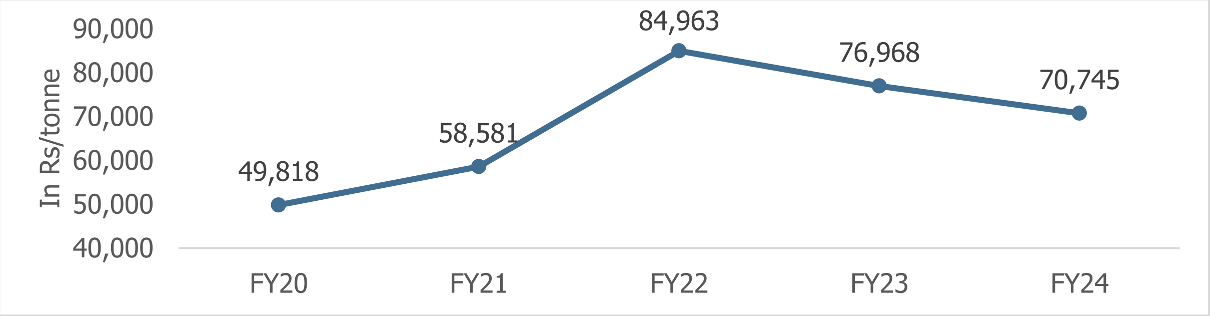
5 Challenges Faced by the Industry

- **Volatility in Steel Prices**

Raw materials such as stainless steel, mild steel, scrap steel, etc., are used in making steel tubes or pipes. The prices of steel have been volatile due to geopolitical tensions, weak international demand, and fluctuation in raw material costs, such as coking coal as discussed in earlier sections.

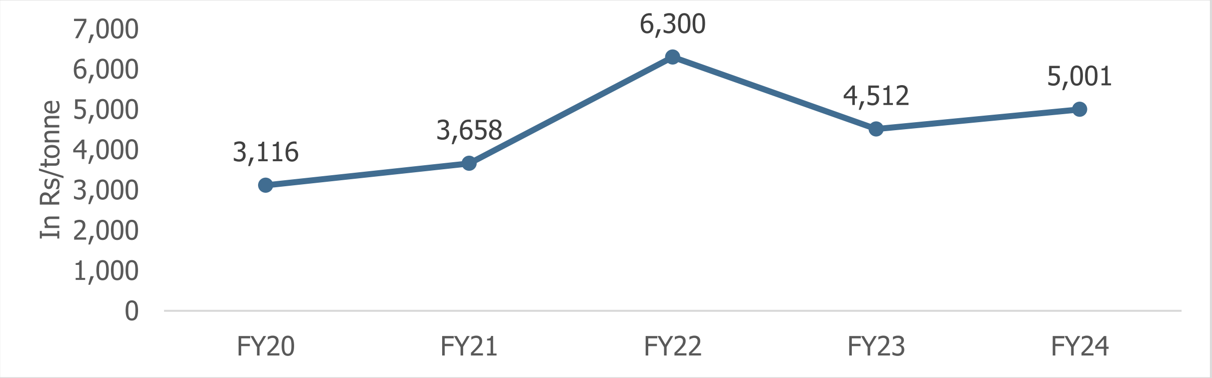
Further, volatility in steel prices could impact the input cost of steel tubes and pipe manufacturers. In case of a sharp correction in steel prices, players need to sell high-cost inventory at lower prices which temporarily impacts their margin. Further, if the prices remain high over a long period, the procurement from industries such as water infra, irrigation, etc., gets postponed, thereby impacting the demand.

Chart 57: Domestic Steel Prices



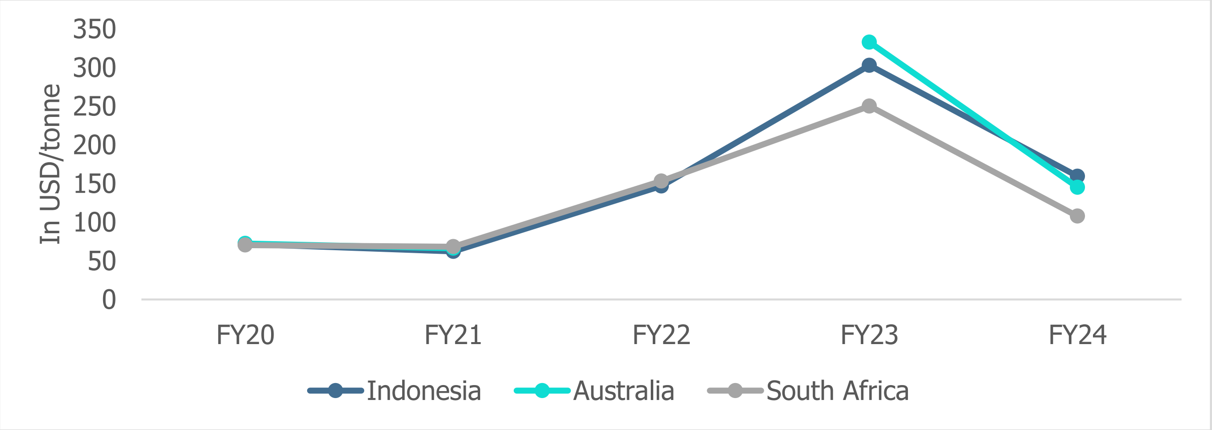
Source: CMIE

Chart 58: Iron Ore Prices



Source: CMIE

Chart 59: Coal Prices

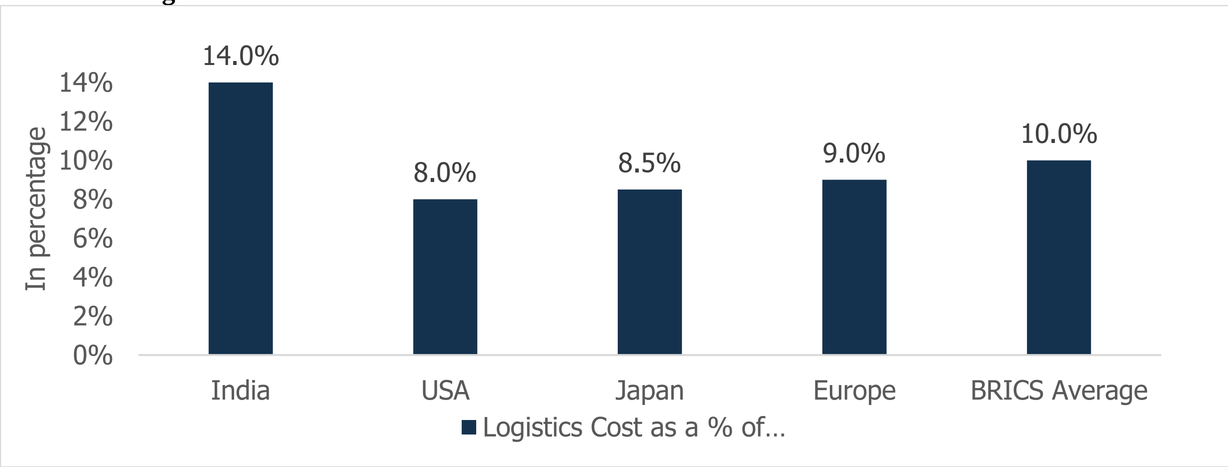


Source: CMIE

- **High Logistics Costs**

Logistics costs in India are significantly higher compared to global peers and account for about 14% of the GDP. The chart below shows the comparison of the share of logistics cost in GPD of India vs. developed economies.

Chart 60: Logistics Cost as a Share of GDP



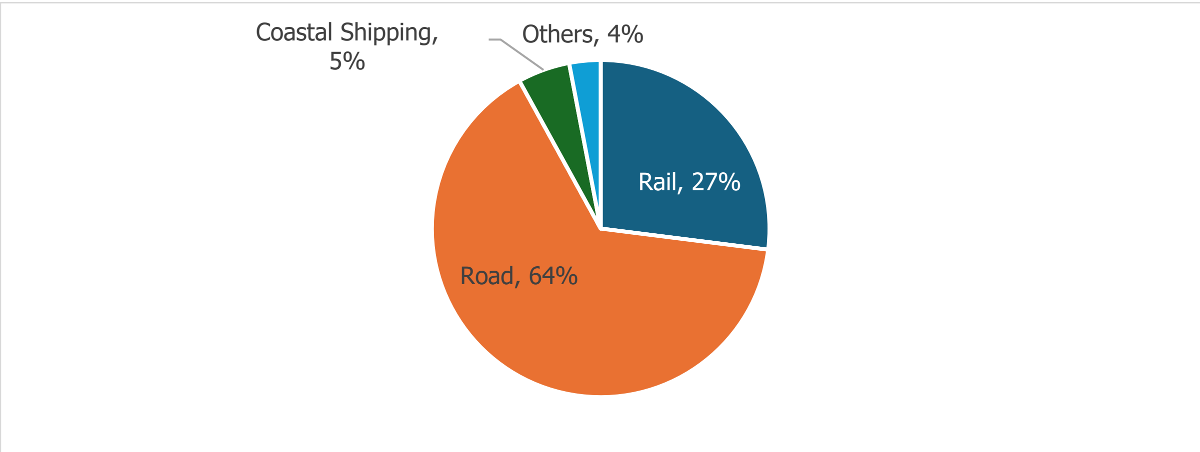
Source: Ministry of Railways, Report of the Committee on Mission 3000 million tonnes, Industry Sources

The logistics industry connects other industries to domestic and international markets. It affects the efficiency of the manufacturing global value chains and the competitiveness of a country's economy within these value chains.

Some of the reasons that can be attributed to the higher cost of logistics in India are:

- **Inter-Modal Mix is Skewed toward Road Transport:** The capacity of Indian railways is constrained and there are various challenges like rake availability and delays in rake placements. Road transport is preferred compared to railways despite it being a cheaper alternative. Road transport currently has a share of about 64% in the freight movement in the country.

Chart 61: Inter-modal Mix for Freight Movement in India as of FY22



Source: National Railway Plan

- **Inefficient Transport Vehicles:** India has a fleet of small and inefficient trucks. The highest capacity of trucks in India is between 16 tonnes and 32 tonnes. Whereas in countries like China, the trucks have 26-40T capacity.
- **Road Infrastructure Constraints:** Underdeveloped road infrastructure leads to inefficient movement of freight. Additionally, there is a lack of 4/6 lane roads, which further results in congestion across the key routes leading to an increase in costs.

The high cost of logistics adversely affects the global competitiveness of Indian steel products.

- **Global Economic Slowdown**

Global growth, which stood at 3.2% in CY23, is anticipated to maintain this rate throughout CY24 and CY25. The CY24 forecast has been adjusted upwards by 0.1 percentage point compared to the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point compared to the October 2023 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic and Russia's Ukraine invasion, the Iran–Israel Cold War, sluggish productivity growth, and heightened geo-economic fragmentation. The economic growth of key export destinations of steel tubes and pipes such as Saudi Arabia and the USA is expected to grow at 6.0% and 1.8% in CY25 as compared to 2.6% and 1.7%in CY24, respectively.

- **Environmental Concerns and Decarbonisation**

The Indian steel industry is responsible for roughly 12% of India's carbon dioxide (CO_2) emissions, surpassing the global average of 7-9%[5]. The emission intensity in the Indian steel industry stands at 2.55 T/TCS[6], while the global average emission intensity is 1.91 T/TCS.

India has committed to decrease the emissions intensity of its Gross Domestic Product (GDP) by 45% by 2030, compared to 2005 levels and achieve net zero by 2070. To support this target, the Ministry of Steel has committed to achieving Net Zero by 2070 and has taken a medium-term target to reduce the emission intensity of the steel sector to 2.4 T/TCS by 2030. These targets remain critical for steel industry players including steel pipes and tube manufacturers for reducing the emissions within the set timelines.

Further, emission reduction is vital for the industry to maintain its competitiveness in export markets since they are becoming increasingly environment-conscious. The recent implementation of the Carbon Border Adjustment Mechanism (CBAM) – a tariff on carbon-intensive imports, aimed at preventing carbon leakage commenced in October 2023 by the European Union (EU), is likely to impact the competitiveness in the global trade market. The first phase of CBAM will cover the iron & steel, cement, aluminium, fertilizer, electricity, and hydrogen sectors and the first reporting period for importers was 31st January 2024. Problems of streamlined data collection and early starting of reporting process came up post the first reporting period, which need to be addressed for a better implementation of the CBAM.

6 SWOT Analysis

Strength	Weakness
- Healthy expansion plans for the oil & gas pipeline infrastructure - Government thrust on infrastructure development - Increase in budgetary allocation toward infrastructure and railways - Government initiatives such as 'One Nation, One Gas Grid', 'Jal Jeevan Mission' and 'Pradhan Mantri Awas Yojana' - Healthy demand from end-user segments such as real estate, water infrastructure, automobiles, railways, capital goods, etc.	- High logistic costs - Recession fears and weak global demand may have an impact on export growth - Increasing environmental concerns over the carbon emissions from the steel industry
Opportunity	**Threat**
- Government focus on expanding the natural gas infrastructure	- Volatility in steel prices could affect the profitability of the business

[5]https://worldsteel.org/publications/policy-papers/climate-change-policy-paper/#:~:text=In%202020%2C%20on%20average%2C%20every,between%207%25%20and%209%25.

[6] Tonne of CO2 equivalent per tonne of crude steel

- Expansion of water infrastructure in India as the majority of household lack access to safe water on a daily basis - Significant capacity additions in power generation are expected over the next 7-8 years, including renewable resources	- Persistent inflation may result in low demand for products and cause delays in project execution

7 Export Potential of Indian Steel Pipe Players

India has a healthy demand for steel majorly backed by the push from the infrastructure and automotive sectors. The government's constant push also augurs well for the steel sector. India is dependent on specialty steel as it is used in automobiles, defence, railways, space, power, and renewable energy. The usage of this steel goes into the manufacturing of tubes and pipes, due to its properties such as heat resistance and corrosion resistance.

Also, steel pipes and tubes are significantly exported to the USA (~24% share), UAE (~8% share), and Canada (~6% share). The exports are mainly driven by the oil, gas, water, infrastructure, and construction sectors. An increase in oil and gas production to meet the transportation sector's needs is one of the key factors driving the American market. Whereas in the Middle East, there is a rise in offshore exploration and production projects contributing to India's exports in recent years. Accordingly, the demand in these countries is expected to increase on the back of rising renovations and remodelling activities.

Moreover, the exports of steel tubes and pipes have increased at a healthy CAGR of 17% from 9.88 lakh tonnes in FY21 to 15.83 lakh tonnes in FY24. The production increased at a faster CAGR from 59 lakh tonnes in FY21 to 96.8 lakh tonnes in FY24. The share of exports in production constitutes 16.4% as of FY24. With the capacity additions taking place in the industry and the steady government push, this share is expected to further increase.

8 Competitive Landscape

8.1 Benchmarking based on Operational Parameters

8.1.1. JTL Industries Limited

- JTL was incorporated in 1991 and caters to a wide range of industries. They have a vast product range of 978 SKUs.
- The hollow section ERW steel pipes are used in construction and engineering application, galvanized steel tubes and pipes are used in agriculture, borewell, oil and gas, scaffoldings, and other infrastructure, solar module mounting structure finds its application in the renewable industry.
- The company has five manufacturing facilities having an installed capacity of 6.86 Lac MTPA. JTL is backwards integrated at two of its plants, One in Chhattisgarh and the other at Mandi Gobindgarh
- As of 30th June 2024, JTL has 820 distributors and retailers with a pan-India presence across 25 states and has a global footprint in over 16 countries. The company has a workforce of 1,042 personnel, out of which 520 are permanent employees and 318 are contractual employees.
- The company is also working on the expansion of its current facility with DFT (Direct Forming Technology) technology and aims to increase the capacity by 10 lac MTPA in the next four years.

Financial Profile (Consolidated)

Particulars	FY21	FY22	FY23	FY24
Revenue (Rs. Crore)	435.8	1,355.3	1,549.9	2,040.2
EBITDA Margin (%)	8.6%	6.9%	8.6%	7.9%
PAT (Rs. Crore)	20.06	61.06	90.12	113.01
PAT Margin (%)	4.6%	4.5%	5.8%	5.5%
Return on Equity (%)	28.25%	33.18%	23.11%	15.29%
Debt equity ratio (times)	0.89	0.51	0.14	0.03

Source: Company's Disclosures

8.1.2. APL Apollo Tubes

- APL Apollo Tubes was incorporated on February 24, 1986. They manufacture structural steel tubes and PVC pipe with a network of 800+ dealers. The production stood at 2.28 million tonnes in FY23.
- The different types of products manufactured by the company are uPVC pipes & fittings, uPVC column pipes, SWR drainage pipes, uPVC pressure pipes, well casting pipes, underground drainage pipes, PPR-C pipes & fittings, CPVC pipes & fittings, structural steel, pre-galvanized structural steel tubes.
- The current installed capacity stands at 1.36 lac MTPA.
- The company plans to increase its total capacity to 2.86 lac MTPA.

Financial Profile (Consolidated)

Particulars	FY21	FY22	FY23	FY24
Revenue (Rs. Crore)	8,499.8	13,063.3	16,166.0	18,118.8
EBITDA Margin (%)	8.4%	7.5%	6.6%	7.0%
PAT (Rs. Crore)	407.7	619.0	641.9	732.4
PAT Margin (%)	4.8%	4.7%	4.0%	4.0%
Return on Equity (%)	22.20%	25.10%	21.40%	20.64%
Debt equity ratio (times)	0.31	0.24	0.30	0.31

Source: Company's Disclosures

8.1.3. Rama Steel Tubes Limited (RSTL)

- RSTL was incorporated in 1974 and caters to a wide range of industries in the field of power, refinery, water, distribution, highway electrification. They have executed more than 400 crores of projects across these sectors.
- The company has three manufacturing facilities located in Uttar Pradesh, Maharashtra and Andhra Pradesh having an installed capacity of 2.94 lac MTPA.
- RSTL is planning to expand its operations by making investments and manufacturing value-added products in Chhattisgarh and Nigeria in the overseas market.
- Some of the key products manufactured are ERW Galvanized steel pipes and tubes, ERW Black steep pipes and tubes, scaffolding pipes and tubes, swaged poles, structural steel products, hollow sections.
- RSTL has a 25% stake in Peer Panchal Construction in the form of a Joint Venture and this network contributes to their market presence.

Financial Profile (Consolidated)

Particulars	FY21	FY22	FY23	FY24
Revenue (Rs. Crore)	470.4	768.2	1,336.8	1,046.5
EBITDA Margin (%)	5.5%	6.7%	4.5%	6.2%
PAT (Rs. Crore)	12.4	27.3	27.4	29.9
PAT Margin (%)	2.6%	3.6%	2.0%	2.9%
Return on Equity (%)	13.55%	23.08%	13.46%	16.54%
Debt equity ratio (times)	0.09	0.12	0.09	0.08

Source: Company's Disclosures

8.1.4. Hi-Tech Pipes Limited

- Hi-Tech Pipes Ltd was incorporated on January 2, 1985. It is a steel tubes and pipes producer and marketer having over 150 OEM partners and more than 450 distributors and dealers.
- The key products manufactured by the company are Black Hollow Section and Round Pipe, Galvanised and Pre-Galvanized Pipes and Cold Rolled Coils.

- The manufacturing facilities of the company are located in Uttar Pradesh, Maharashtra, Gujarat and Andhra Pradesh and the total installed capacity of all plants is 5.80 lac MTPA.
- The company has plans to expand their value-added products and is tapping new opportunities in the market to achieve 1 million MTPA from 0.58 million MTPA in FY22.

Financial Profile (Consolidated)

Particulars	FY21	FY22	FY23	FY24
Revenue (Rs. Crore)	1,340.6	1,878.8	2,385.8	2,699.2
EBITDA Margin (%)	5.3%	5.4%	4.4%	4.3%
PAT (Rs. Crore)	22.8	40.3	37.7	43.9
PAT Margin (%)	1.7%	2.1%	1.6%	1.6%
Return on Equity (%)	11.75%	16.36%	9.30%	7.83%
Debt equity ratio (times)	1.52	1.48	0.58	0.65

Source: Company's Disclosures

8.1.5. Goodluck India Limited

- Good Luck India Ltd was founded on November 06, 1986. It manufactures a wide range of engineering structures, precision/auto tubes, forging for defence and aerospace, CR products, and GI pipes.
- The company's products are used across various sectors such as infra, high-speed railway, specialized infrastructure, solar, and aerospace & defence components.
- The key products manufactured by the company are galvanized & cold rolled coils/sheets, galvanized & black steel tubes & hollow sections, forgings & flanges, cold drawn welded & precision tubes, engineering fabricated structures, girders, boiler support structures, pipe rack structures, chimney structures and secondary support structures, and other cold rolled value-added products.
- The manufacturing facilities are located in Uttar Pradesh and Gujarat and the current installed capacity of the combined plants are 4,12,000 MTPA.

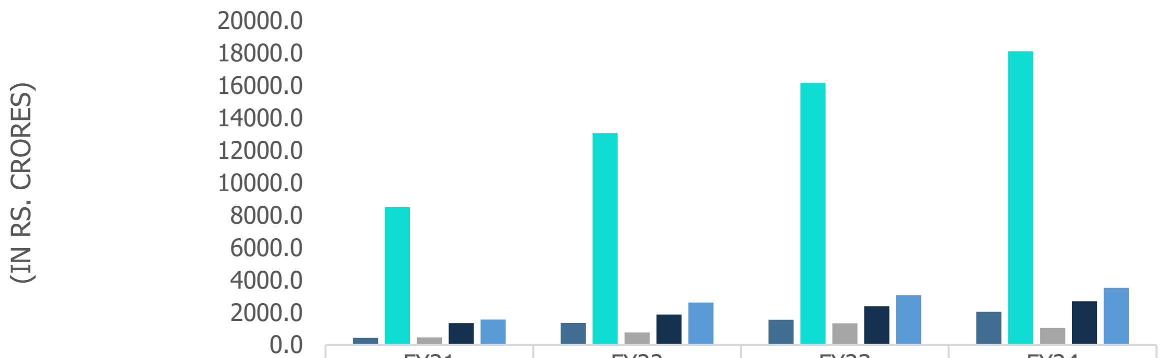
Financial Profile (Consolidated)

Particulars	FY21	FY22	FY23	FY24
Revenue (Rs. Crore)	1,572.1	2,613.2	3,072.0	3,524.8
EBITDA Margin (%)	7.8%	7.2%	7.1%	8.4%
PAT (Rs. Crore)	30.0	75.0	87.8	132.3
PAT Margin (%)	1.9%	2.9%	2.9%	3.8%
Return on Equity (%)	7.94%	16.28%	14.29%	11.65%
Debt equity ratio (times)	1.41	1.28	0.97	0.54

Source: Company's Disclosures

8.2 Benchmarking based on Financial Parameters

Table 9: Comparison of Revenue from Operations (In Rs. Crores)

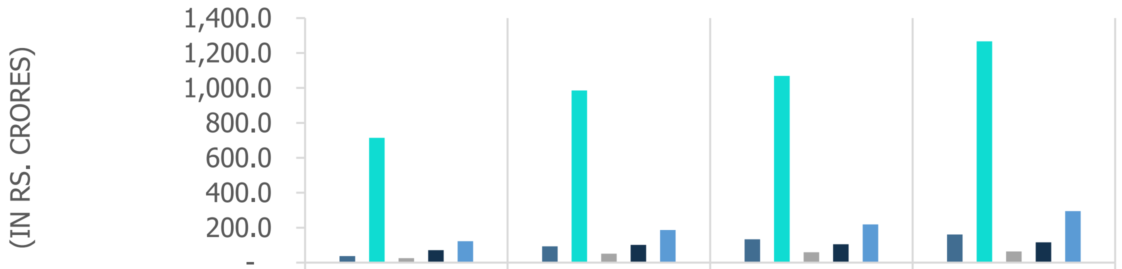


	FY21	FY22	FY23	FY24
JTL Industries Limited	435.8	1355.3	1549.9	2040.2
APL Apollo Tubes Limited	8499.8	13063.3	16166.0	18118.8
Rama Steel Tubes Limited	470.4	768.2	1336.8	1046.5
Hi-tech Pipes Limited	1340.6	1878.8	2385.8	2699.2
Goodluck India Limited	1572.1	2613.2	3072.0	3524.8

Source: Audited financial statements of companies for FY2021-24, CareEdge Research

JTL Industries is one of the fastest growing company in terms of revenue in FY22-24. It has exhibited a CAGR of whopping 23%. However other companies have a CAGR in the range of 16% to 20% during the same period.

Table 10: Comparison of EBITDA (In Rs. Crores)

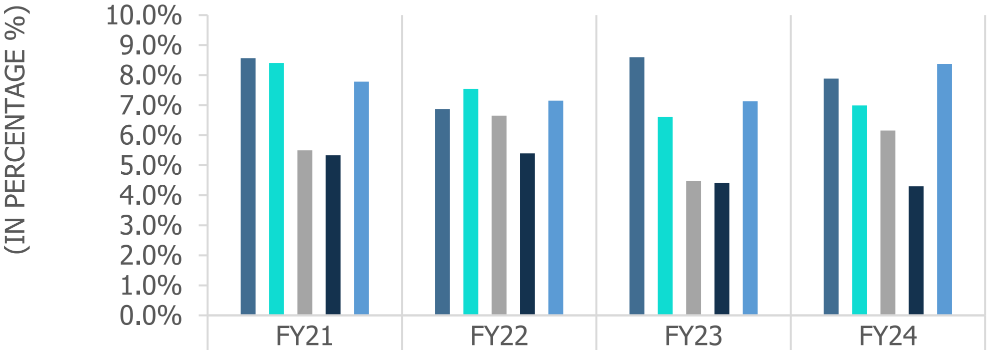


	FY21	FY22	FY23	FY24
JTL Industries Limited	37.3	93.2	133.3	160.9
APL Apollo Tubes Limited	714.7	985.8	1,068.7	1,267.0
Rama Steel Tubes Limited	25.9	51.1	59.9	64.4
Hi-tech Pipes Limited	71.5	101.4	105.3	116.0
Goodluck India Limited	122.4	186.9	219.1	295.2

Source: Audited financial statements of companies for FY2021-24, CareEdge Research

In FY24, JTL Industries Limited demonstrated healthy growth in its EBITDA, with year-on-year and three-year CAGR of about 21% and 31% respectively. In contrast, the peer group's CAGR averaged around 18% over the same period. JTL Industries Limited’s EBITDA margin has decreased by -8.3% on y-o-y basis in FY24. However, for the Rama Steel Tubes Limited has the EBITDA margin of 37.4% during the same period.

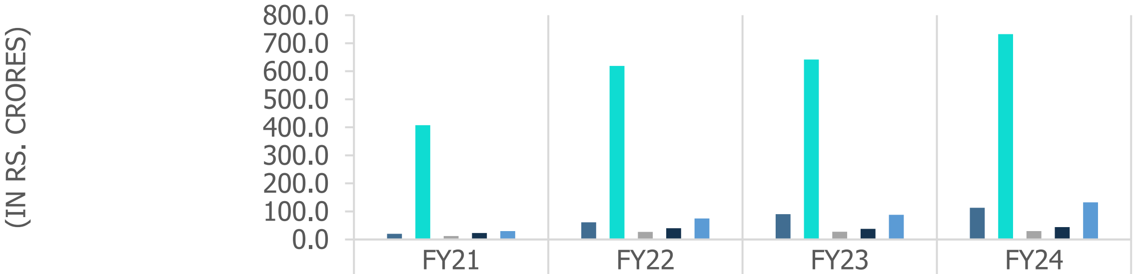
Table 11: Comparison of EBITDA Margin (In percentage)



	FY21	FY22	FY23	FY24
JTL Industries Limited	8.6%	6.9%	8.6%	7.9%
APL Apollo Tubes Limited	8.4%	7.5%	6.6%	7.0%
Rama Steel Tubes Limited	5.5%	6.7%	4.5%	6.2%
Hi-tech Pipes Limited	5.3%	5.4%	4.4%	4.3%
Goodluck India Limited	7.8%	7.2%	7.1%	8.4%

Source: Audited financial statements of companies for FY2021-24, CareEdge Research

Table 12: Comparison of PAT (In Rs. Crores)

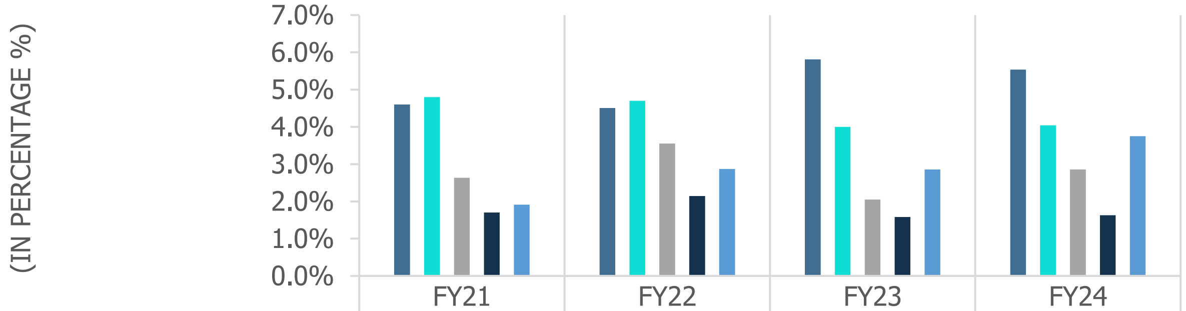


	FY21	FY22	FY23	FY24
JTL Industries Limited	20.1	61.1	90.1	113.0
APL Apollo Tubes Limited	407.7	619.0	641.9	732.4
Rama Steel Tubes Limited	12.4	27.3	27.4	29.9
Hi-tech Pipes Limited	22.8	40.3	37.7	43.9
Goodluck India Limited	30.0	75.0	87.8	132.3

Source: Audited financial statements of companies for FY2021-24, CareEdge Research

In FY24, JTL Industries Limited had registered the PAT growth of 25.4% on y-o-y basis and in terms of CAGR it grew by 36%. In contrast, the peer group's CAGR averaged around 17.3 % over the same period. In terms of PAT margin however, Goodluck India Limited had the highest CAGR of 14.3% and JTL Industries Limited has the second highest CAGR of 10.9%.

Table 13: Comparison of PAT Margin (In percentage)

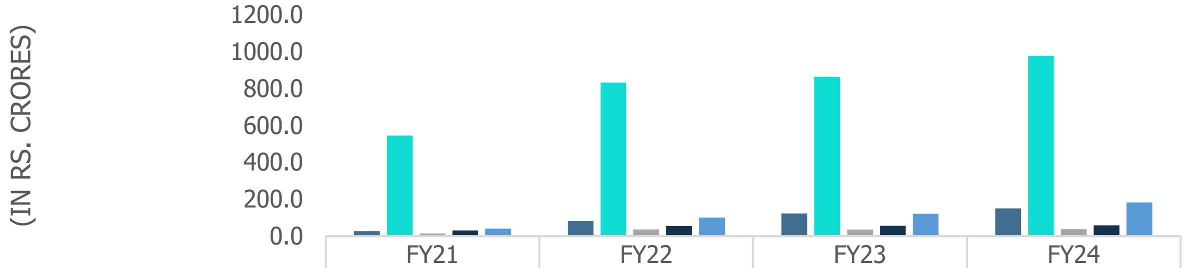


	FY21	FY22	FY23	FY24
JTL Industries Limited	4.6%	4.5%	5.8%	5.5%
APL Apollo Tubes Limited	4.8%	4.7%	4.0%	4.0%
Rama Steel Tubes Limited	2.6%	3.6%	2.0%	2.9%
Hi-tech Pipes Limited	1.70%	2.14%	1.58%	1.63%
Goodluck India Limited	1.91%	2.87%	2.86%	3.75%

Source: Audited financial statements of companies for FY2021-24, CareEdge Research

For PBT, during FY22-FY24, JTL Industries Limited exhibited the highest CAGR of 35.1% as opposed to the average of 16.7% for the peer group. In FY24, JTL Industries Limited also had the second highest growth of 22.5% compared to peer group on y-o-y basis. However, the Goodluck India Limited has registered the growth of 50.7%. during the same period.

Table 14: Comparison of PBT (In Rs. Crores)



	FY21	FY22	FY23	FY24
JTL Industries Limited	27.0	82.3	122.6	150.2
APL Apollo Tubes Limited	545.8	832.3	863.3	977.7
Rama Steel Tubes Limited	14.7	35.9	34.9	37.5
Hi-tech Pipes Limited	31.0	55.3	56.3	58.7
Goodluck India Limited	40.2	100.6	121.1	182.4

Source: Audited financial statements of companies for FY2021-24, CareEdge Research

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 45, 260 and 94, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. The financial statements for Fiscal 2023 included as comparatives in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024, has been regrouped to give a fair presentation in line with schedule III of the Companies Act, 2013. Further, the financial statements for Fiscal 2022 were restated consequent to the Scheme of Amalgamation, hence any reference to financials of Fiscal 2022 means the restated financials of Fiscal 2022 included as comparative in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023. Unless otherwise indicated or the context otherwise requires, the financial information included in this Preliminary Placement Document for Fiscal 2024 is derived from the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and the financial information for Fiscals 2023 and 2022 included herein is derived from the comparatives included in the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2024 and Audited Consolidated Financial Statements for the Financial Year ended March 31, 2023, respectively. Further, all financial information for the three months ended June 30, 2024, and June 30, 2023 included in this Preliminary Placement Document is from the Unaudited Consolidated Financial Results for the three months ended June 30, 2024. For further information, see "Financial Statements" on page 260.

Our Audited Consolidated Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Consolidated Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

Further, unless otherwise indicated or the context otherwise requires, all information for the three months ended June 30, 2024, and June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2024 is on a consolidated basis. For further information, see "Financial Statements" on page 260.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to JTL Industries Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to JTL Industries Limited and its Subsidiary on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Industry Research Report on Steel Products" dated July 16, 2024 (the "**CARE Report**") prepared and released by CARE Analytics and Advisory Private Limited (CareEdge Research).*

Overview

We are a manufacturer of structural steel tubes and pipes, with more than 33 years of experience in the steel tubes and pipes segment. Initially, our business was primarily focused on the production of ERW steel pipes, which has now been expanded to include value-added products such as galvanized steel tubes and pipes, metal beam crash barriers and solar mounting structures. Our products are applied in various sectors, including irrigation and agriculture, construction, energy, infrastructure, real estate and railways (*Source: CARE Report*).

Our Company was incorporated in the year 1991. It got listed on the Over-The-Counter Exchange of India (OTCEI) in November 1995 and the Delhi Stock Exchange on August 9, 2010. It delisted from OTCEI and the Delhi Stock Exchange on October 3, 2012 and April 28, 2014, respectively. As of the date of this Preliminary Placement Document, the equity shares of our Company are listed on NSE, BSE and MSE with effect from June 12, 2023, July 31, 2012 and December 4, 2017, respectively. Our Company currently has one wholly owned subsidiary, JTL Tubes Limited, which was incorporated in 2022 and has not yet completely commenced its operations.

As part of our growth strategy, we have also recently acquired a controlling stake of 67% in M/s Nabha Steels and Metals. The newly acquired partnership firm is engaged in the manufacturing of a wide portfolio of steel products such as HR coils and long steel products like billets and has a plant situated in Mandi Gobindgarh with an aggregate installed capacity of 2,10,000 MTPA, as of June 30, 2024 ("**Nabha Plant**").

As on date of this Preliminary Placement Document, our Company currently operates five manufacturing facilities, including the Nabha Plant, with a combined installed metal capacity of 7,96,000 MTPA as of June 30, 2024. Our manufacturing facilities are strategically located in Punjab (Derabassi & Mandi Gobindgarh) as well as in Raigad, Maharashtra and Raipur, Chattisgarh near the major mineral belts of India, primary raw material sources, and ports, enabling cost effective production and logistics management.

Our Raipur plant was acquired pursuant to an amalgamation with Chetan Industries Limited, a promoter-held company, pursuant to which we gained a manufacturing capacity of 1,00,000 MTPA**.** The Raipur plant has undergone backward integration which has helped us achieve cost efficiencies due to improved proximity to raw materials. Similarly, our Nabha Plant is also backward integrated. The acquisition of Nabha Steels and Metals has enabled us to enhance our total backward integration capacity to 2,50,000 MTPA of HR coils, and support the captive requirements of our existing manufacturing facilities, specifically our original plant located in Mandi Gobindgarh.

Our products are sold under the JTL brand. As of June 30, 2024, we have a product range of 978 SKUs. We maintain stringent quality standards and place a strong emphasis on the quality of our products. Our manufacturing facilities at Raigad, Maharashtra and Derabassi, Punjab have been certified in accordance with ISO 9001:2015, the international standard of quality management system, for the manufacturing, export and supply of ERW black pipes, galvanised pipes and hollow steel sections.

We also have an extensive distribution network of 820 dealers and distributors with a pan-India presence across 25 states and 3 union territories, as of June 30, 2024, enabling us to reach a wide geographical area and a larger number of customers and thereby increasing our market coverage.

We have an experienced leadership team. Our management team is led by our Promoters Madan Mohan, Mithan Lal Singla and Rakesh Garg who have several decades of experience in the steel industry and have been instrumental in the growth of our Company. Our Board of Directors and senior management team comprises professionals who come from diverse backgrounds with expertise in various fields such as finance, banking, production management, strategic planning, cost management, trade and commercial operations, industrial projects, engineering, and management affairs. Our Whole-time Directors Dhruv Singla, with a masters' degree in international management from Kings College, London; as well as Pranav Singla, with a a master's degree in project management, finance and risk from City College, University London, have played an instrumental role in the formulation and implementation of our growth and expansion strategies. We also have several professionals leading key aspects of our business including Narender Singh and Sonam KG, our plant heads, who oversee the operations of our manufacturing facilities, Atul Garg, our Chief Financial Officer and Amrender Kumar Yadav (Company Secretary and Compliance Officer), who heads our secretarial functions and is also the compliance officer of our Company appointed in terms of the SEBI Listing Regulations.

We believe that the vision and leadership of our management team has contributed to our consistent and positive performance in the past and will drive our strategic direction in the future.

We have demonstrated sound operational and financial performance in the past three fiscals. Amongst the top five companies in the steel tubes and pipes segment in terms of various financial parameters such as revenue, EBITDA margin, PAT, PAT Margin ("**Peer Group**"), our Company is the fastest-growing company, in terms of revenue in FY22-24, with a CAGR of 23% (*Source: CARE Report*). Other companies in the Peer Group had a CAGR in the range of 16% to 20% during the same period (*Source: CARE Report*). Further, in Fiscal 2024, our Company had a PAT growth of 25.4% on a year-on-year basis and in terms of CAGR it grew by 36% (*Source: CARE Report*). In contrast, the Peer Group's CAGR averaged around 17.3% over the same period (*Source: CARE Report*). In Fiscal 2024, our Company also demonstrated healthy growth in its EBITDA, with year-on-year and three-year CAGR of about 21% and 31% respectively surpassing its peer group whose CAGR averaged around 18% over the same period (*Source: CARE Report*).

The following table sets out certain key financial and operational parameters in the relevant periods:

(in ₹ lakhs, unless otherwise indicated)

Particulars	As of/for the three month period ended June 30,		Fiscal		
	2024*	2023*	2024	2023	2022
Revenue from Operations	51,537.88	50,480.20	2,04,022.89	1,54,991.88	1,35,531.74
EBITDA (1)	3,968.57	3,553.08	15,219.04	12,936.50	8,941.92
EBITDA Margin (%) (2)	7.70	7.04	7.46	8.35	6.60
EBITDA/Tonne (3)	4,632.18	4,593.99	4,447.61	5,383.11	4,125.45
Revenue/Tonne (4)	60,155.80	65,268.81	59,623.64	64,494.86	62,528.97
PAT	3,070.10	2,536.99	11,301.14	9,012.78	6,106.27
PAT Margin (%)(5)	5.96	5.03	5.54	5.81	4.51
Return on Assets (%) (6)	3.07	4.85	13.40	16.00	18.00
Return on Capital Employed (%)(7)	4.65	7.67	18.83	29.64	40.76
Return on Equity (%)(8)	3.79	5.83	14.59	22.14	30.89
Basic EPS (in ₹)**	1.73	1.50	6.63	5.35	3.91
Diluted EPS (in ₹)**	1.65	1.31	6.52	4.64	3.62
Installed capacity (in MTPA)	7,96,000.00#	5,86,000.00	586,000.00	5,86,000.00	4,00,000.00
Actual Sales (in MT)	85,674.00	77,342.00	3,42,184.58	2,40,316.65	2,16,750.33
Domestic Sales (in MT)	79,757.35	72,839.00	324,986.96	2,21,399.58	2,01,864.52
Export Sales (in MT)	5,916.65	4,503.00	17,197.62	18,917.07	14,885.81

** Not annualised, except installed capacity (in MTPA).*

***The Company has issued equity shares of ₹ 2/- each as fully paid bonus shares on 07-09-2023 in the ratio of one equity share of ₹ 2/- each for every equity share held. This has been considered for calculating weighted average number of equity shares for all comparative periods presented as per Ind AS 33. In line with the above. EPS (basic and diluted) have been adjusted for all periods presented.*

 # The aggregate installed capacity is inclusive of the installed capacity of 2,10,000 MTPA of our Nabha Plant, which was recently acquired by our Company on April 9, 2024

Notes:

1. *EBITDA is calculated as the sum of (i) profit before tax, (ii) total tax expenses, (iii) finance costs and (iv) depreciation and amortization expenses less other income and exceptional items*
2. *EBIDTA Margin is calculated as EBITDA divided by Revenue from Operations*
3. *EBITDA/Tonne is calculated as EBITDA divided by the total volume of sales*
4. *Revenue/Tonne is calculated by dividing Revenue from Operations from the total volume of sales*
5. *PAT Margin is calculated as PAT divided by Revenue from Operations*
6. *Return on Assets is calculated as PAT divided by Total Assets*
7. *Return on Capital Employed is calculated as Earnings Before Interests and Tax divided by Total Assets (excluding current liabilities)*
8. *Return on Equity is calculated as PAT divided by total shareholder' fund*

Competitive Strengths

Wide range of product offerings with shift towards margin accretive products

We specialize in the manufacturing and export of hollow section ERW steel pipes, galvanised steel tubes, solar module mounting structures and metal crash barriers.

In addition to these core products, we have expanded our product portfolio to include value-added products, such as solar module mounting structures/panels and hot-dipped galvanised steel tubes. Within these segments, we offered 978 SKUs as of June 30, 2024.

Steel pipes is one of the most important sub-industries of the Indian steel sector (*Source: CARE Report*). Construction, railways, oil & gas, agriculture, and real estate are some of the key consumers of steel tubes and pipes (*Source: CARE Report*). Steel pipes are also considered the most durable of all water supply pipes because of their non-corrosion properties (*Source: CARE Report*). They can sustain high water pressure and are more readily available in longer lengths than most other pipes (*Source: CARE Report*). Demand for steel tubes and pipes is increasing, supplemented by the agriculture sector, where steel pipes are used in borewells or irrigation facilities (*Source: CARE Report*). Moreover, there is a constant demand for improving water infrastructure in both rural and urban cities alongside a focus on enhancing wastewater management. This is expected to augment the demand and push the volumes of galvanised pipes (*Source: CARE Report*).

We thereby believe that our wide range of product offerings limits our exposure to downturns associated with a particular industrial vertical. It also ensures that our revenues are consistent across periods on account of our customers serving different industry verticals with different business or industry cycles. The following table provides certain information in relation to the revenue obtained from our products for the periods indicated:

Product	Three month period ended June 30, 2024		Three-month period ended June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products	Revenue from sale	As a % of total revenue from sale of manufactured products
	(in ₹ lakhs)	(%)	(in ₹ lakhs)	(%)	(in ₹ lakhs)	(%)	(in ₹ lakhs)	(%)	(in ₹ lakhs)	(%)
Solar mounting structures and metal beam crash barriers	1,707.92	3.31	2,262.01	4.48	5,955.73	2.92	4,089.00	2.64	9,874.00	7.29
GI Pipe/GP Pipe	15,022.26	25.70	24,083.04	47.71	70,596.00	34.60	56,751.00	36.62	44,011.00	32.47
ERW Steel Pipes	34,807.70	67.54	24,135.15	47.81	127,458.20	62.48	94,000.00	60.65	81,646.00	60.24
Total	**51,537.88**	**100.00**	**50,480.20**	**100.00**	**204,009.93**	**100.00**	**1,54,840.00**	**100.00**	**1,35,531.00**	**100.00**

We sell our products to institutional customers and end consumers through our distribution network. We also sell our products directly to our domestic and international customers. Our manufacturing facilities in Derabassi & Mandi Gobindgarh cater to customers in the northern and western regions of India whereas our manufacturing facilities located in Raipur, Chhattisgarh and Raigad, Maharashtra cater to customers in the central and western region and some parts of southern regions of India.

Strategically located manufacturing facilities leading to significant cost and time efficiencies.

We have five strategically located manufacturing facilities. One of our manufacturing facilities are located in Derabassi and two in Mandi Gobindgarh, Punjab, and our additional plants are located in Raigad, Maharashtra and Raipur, Chhattisgarh. For further details, see *"-Our Manufacturing Facilities*" on page 195.

In Maharashtra, our plant is in close proximity to our main raw material supplier, which contributed to 37.61% and 48.20% of our total raw material purchase in Fiscal 2024 and the three-month period ended June 30, 2024, respectively. Moreover, it is also in close proximity to the JNPT port and Nava Sheva Port and the upcoming Dighi Port which allows us to service the export market with ease and lowers our transportation costs.

Our plant in Raipur is located in close proximity to the mineral belt in eastern India, providing access to untapped markets and distribution channels. The strategic location of our Raipur plant has also offered an advantage of backward integration which has resulted in multiple points of sale across the steel value chain and provided us with the flexibility to sell intermediate products as well as use them for captive consumption, depending on the demand. Further, we have also recently acquired M/s Nabha Steels and Metals, which owns a plant with an aggregate installed capacity of 2,10,000 MTPA, as of June 30, 2024 and has an extensive product portfolio comprising long steel products and HR coils, our primary raw material, with the intention of further enhancing our backward integration capacity and expanding our backward integration operations across Chhattisgarh and Punjab.

Our manufacturing facilities are well connected to roads, railways, and ports and we use road transport and water transport to ensure timely delivery of orders. Our stable logistics infrastructure allows for streamlined supply chain management with raw materials, components, and finished goods being transported more efficiently, reducing lead times and improving overall supply chain efficiency.

We thereby believe that overall the strategic location of our manufacturing facilities has helped us in creating synergies as well as achieving economies of scale and operational efficiencies. These strategic locations not only offer competitive pricing for sourcing raw materials but also facilitate our expansion in both domestic and global markets by enabling us to cater to the needs of our customers from multiple locations.

A significant domestic and international customer base catering to diversified end-users across various industries

We believe that our product mix has facilitated access to a significant domestic and international customer base, which in turn has enabled us to cater to a diversified end-user mix spanning across industries such as power, oil & gas, infrastructure, industrial manufacturing, and construction, amongst others.

Generally, we have regular orders from our dealers and distributors, which allows us to predict production cycles, reduce turnout time and control excess inventory. Further, we cater to various government schemes, such as Jal Jeevan Mission, through our supply of galvanised steel tubes. The 'Jal Jeevan Mission' programme was launched on August 15, 2024 by the government to provide safe and adequate drinking water to all households in rural India by 2024 (*Source: CARE Report*). The functional household tap connections as of 15th June 2024 were about 14.91 crore (*Source: CARE Report*). This programme will further enhance the water infrastructure and aid in the demand for pipes in the country (*Source: CARE Report*). Furthermore, the budgetary allocation trend toward this scheme has been increasing over the years and in the latest budget 2024-25, the government has increased the allocation to ₹ 70,613 crores (*Source: CARE Report*). Therefore, we believe, given the government's commitment to continue investing in public infrastructure and health, there is relatively less risk of not securing such orders in the future.

Our large and diversified customer and end-user base also provides us with revenue certainty and reduces the risk associated with loss of key customers, thereby ensuring business continuity and sustainable growth. For the three-month period ended June 30, 2024 and June 30, 2023 and the last three fiscals, revenue from operations from our top twenty customers, our top ten customers and our largest customer is as follows:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Top 1 customer	3,950.18	7.66%	6,567.32	13.01%	17,192.89	8.43%	15,265.25	9.86%	10,940.40	8.07%
Top 5 customers	12,519.57	24.29%	19,038.89	37.72%	64,423.80	31.58%	41,449.98	26.74%	34,678.97	25.59%
Top 10 customers	18,115.64	35.15%	25,086.22	49.70%	94,648.21	46.39%	55,836.40	36.03%	45,108.20	33.28%
Top 20 customers	25,308.95	49.11%	30,395.07	60.22%	116,068.70	56.89%	71,325.25	46.02%	57,641.56	42.53%

Additionally, set forth below is the revenue from our customers in the government sector for each of the corresponding periods:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Government sector	2,137.86	4.15%	13,313.36	26.38%	31,269.95	15.33%	23,487.17	15.17%	12,211.60	9.02%

In addition to our customer base in India, we have also successfully developed a significant customer base globally and our products are sold to customers in Germany, Belgium, Greece, West Indies and UAE. For the three-month period ended June 30, 2024 and June 30, 2023 and the last three fiscals, revenue from our Export Sales were as follows:

Particulars	For the three-month period ended June 30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Revenue generated from exports	4,135.59	8.02%	3,514.13	6.96%	12,655.19	6.20%	15,511.66	10.02%	12,107.88	8.93%

We believe that the proximity to the JNPT port gives us a competitive edge in our export business due to shorter serviceable timelines.

Extensive pan-Indian distribution network

We rely largely on our distributors to sell our products, such as ERW pipes, galvanized pipes, solar module mounting structures and metal beam crash barriers, to our end consumers. Distributors purchase products from us and on-sell our products to end-users through retailers. Dealers purchase products from us and either, directly or through retailers and on-sell to end-users.

Our ability to expand and grow our product reach significantly depends on the effective management of our distribution network and their proximity to end-user markets that are highly localized.

Set forth below are the details of our distributors as of each of the corresponding periods:

Particulars	As of		As of		
	June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Distributors	820	449	820	631	653

Sales through distribution channels contributed to about 100% of our total revenue from operations as of June 30, 2024. Our dealer network also draws strength from our multiple manufacturing facilities which are strategically located and well connected through railways and roadways, enabling quick turnaround time, order fulfilment and low-cost transport.

Given our experience in the industry, we have developed a strong distribution system with the distributors who operate in this sector. Even though we have not signed long-term contracts or MOUs with these distributors, our top 10 dealers and distributors, who have contributed about 35.15% and 46.39% to our total revenue from operations for the three-month period ended June 30, 2024 and the financial year ended March 31, 2024 respectively, have worked with our Company over a period of 3 years or more.

We have established our dealer and distribution network gradually and strategically through the below-the-line marketing approach with prudent use of time, cost and resources. As of June 30, 2024 we have a sales and marketing team comprising of 11 employees, who develop and manage our distribution network.

Our distribution network is also well integrated with our marketing and promotional activities, and helps in strengthening our brand image. Our dealers and distributors display advertising boards for our products, enhancing consumer attraction and brand recognition. Furthermore, our well-integrated enterprise resource system effectively manages inventory and provides real-time insights into distributor sales and inventory levels. Leveraging these insights, we strategically target specific regions or communities, gauging market potential, customer preferences, and overall viability, which helps us to make informed decisions to expand our dealer network into profitable markets, ensuring mutual benefits for both our company and our dealers.

Experienced and professional management team

Our business and operations are led by a professional management team and Board of Directors, who come from diverse backgrounds with expertise in various fields such as finance, banking, production management, strategic planning, cost management, trade and commercial operations, industrial projects, engineering, and management affairs. We benefit from the industry experience, vision and guidance of our individual Promoters, Madan Mohan, Mithan Lal Singla and Rakesh Garg, who have over 30 years of experience in the steel and pipes industry. In addition, our Whole-time Directors Dhruv Singla, with a master's degree in international management from Kings College, London; as well as Pranav Singla, with a master's degree in project management, finance and risk from City College, University London, have played an instrumental role in the formulation and implementation of our growth and expansion strategies. Pranav Singla's role is primarily handling financial planning and analysis. He also oversees project management, strategic growth and handles on-ground operations. Dhruv Singla is responsible for and oversees the overall manufacturing operations and handles the expansion and growth strategy of our Company. We have oversight from the Independent Directors on our Board of Directors as well.

We also have several professionals leading key aspects of our business including, among others:

1. Narender Singh (Plant Head), who spearheads and oversees the operations of our manufacturing facility in Raipur
2. Soman KG (Plant Head), who spearheads and oversees the operations of our manufacturing facility in Raipur
3. Sanjeev Gupta (Director-Operations)- who heads our manufacturing operations in Derabassi
4. Ved Prakash Royal (Head- Sales and Marketing)- who heads our marketing and sales team
5. Ashutosh Sharma (President- Marketing (export)- who oversees our export operations
6. Ramesh Kumar Kalia (Head- Human Resources and Administration), who heads our human resources division
7. Atul Garg (Chief Financial Officer), who heads our finance and accounts department
8. Amrender Kumar Yadav (Company Secretary and Compliance Officer), who heads our secretarial functions and is also the compliance officer of our Company appointed in terms of the SEBI Listing Regulations

For further details, see "*Board of Directors and Senior Management*" on page 204.

As of June 30, 2024, we had a workforce of 1,060 personnel which comprised 735 permanent employees and approximately 325 contractual employees for our operations who support our senior management and Board.

Our Strategies

The primary elements of our business strategies are as follows:

1. *Continuous improvement and innovation in products and increasing SKUs*

We are continuously seeking to optimize our product mix to ensure that our capacity focuses on existing and new value-added primary and derivative products to cater to more end-user segments.

We intend to continue to focus on further improving our operating levels by pivoting into newer and innovative grade products. Towards this end, we seek to introduce direct forming technology (DFT) in our manufacturing operations, which allows for the customisation of pipe sizes without change of roll. We are currently pursuing the enhancement and expansion of our current manufacturing facilities through DFT technology. We believe that DFT technology would lead to the elevation of our capacity utilization and consequent increase in profitability and EBITDA margins since it would enable us to manufacture pipes of higher diameter and thickness, and thereby expand our product portfolio to at least 300 value-added SKUs, paving the way for us to cater to newer industries and the evolving demands of the market. DFT will also improve our operational efficiencies, aid advanced production processes, and work processes in our operations as it reduces the lead time in production schedules.

As an integral part of our continuing efforts targeted at ensuring cost and production efficiencies, we also strive to undertake a number of initiatives aimed at improving operational efficiencies and optimizing our manufacturing operations including adoption of supply chain optimization and ERP software, reduction in lead-time in manufacturing processes, systematic dispatch of orders through hyper-localized transportation and logistics partners and leveraging our established supplier networks to control raw material costs and quick availability. We target undertaking detailed and thorough production planning with our plant teams which enables the manufacturing of similar size orders simultaneously before executing subsequent orders of different sizes and thickness.

We intend to continue to improve the efficiency of our operations and reduce our cost base by taking advantage of our international presence and economies of scale as well as by targeting savings in our administrative, procurement and production processes.

2. *Driving revenue growth through organic and inorganic capacity expansion opportunities.*

We intend to strengthen our leading market position in India and achieve better economies of scale by expanding our existing manufacturing capacities and setting up additional manufacturing facilities. We have, over the years, consistently grown our manufacturing capabilities.

For instance, we have recently expanded the installed capacity of our Raigad manufacturing facility from 1,00,000 MTPA to 2,00,000 MTPA, as well as the installed capacity of our manufacturing facility located in Mandi Gobindgarh, through the installation of new machinery. The expansion at the Raigad manufacturing facility has enabled us to produce pipes and hollow section of higher thickness, paving the way for us to enter into new market segments and supply our products to infrastructure companies that are involved in pre-engineering building and other similar products applications.

Pursuant to the completion of the merger with Chetan Industries Limited, we now also own the manufacturing unit of the said company at Raipur (Chhattisgarh), which has a capacity of 1,00,000 MTPA, as of June 30, 2024. The strategic location of the new plant has offered the advantage of backward integration ensuring cost synergies, and greater proximity to raw materials which facilitates us to procure raw materials at competitive prices. Our backward integration operations and capacity have been further enhanced through the recent acquisition of M/s Nabha Steels and Metals, granting us ownership of a plant situated in Mandi Gobingarh, with an installed metal capacity of 2,10,000 MTPA, as of June 30, 2024 and an extensive product portfolio which comprises HR coil, our primary raw material.

Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. We are also in the process of undertaking capacity expansion of our manufacturing facility at Raigad, Maharashtra. For further details, please see "*Use of Proceeds-Part financing the cost towards expansion of the manufacturing facility at Raigad, Maharashtra*" on page 83.

As a result of our proposed capacity expansion plans, our aggregate installed metal capacity (including the installed capacity of our recently acquired Nabha Plant) is proposed to be increased from 7,96,000 MTPA, as of June 30, 2024, to 10,00,000 MTPA. These proposed expansions are expected to become operational by 2027. The expansion of our capacities will result in augmentation of our revenues, diversification of our product portfolio, better cost controls and consequent increase in profitability and presence across the steel value chain. In addition, we believe our expansion plans and strategy will allow us to meet the anticipated increase in steel demand in the future and enable us to supply growing markets more efficiently and drive profitability.

3. *Expansion into the B2C segment*

We are current engaged in direct sales to enterprises, who use our products as inputs/raw materials to produce further value-added products and sell onwards to their target customers. We interact directly with enterprises to solicit new orders and get repeat purchases by offering them discounts and expanding/customizing the products to their requirements.

We intend to expand into the B2C offering by focusing on local dealers, fabricators, engineers, and architects, etc. With the incorporation of DFT technology into our processes, we would be able to further customize our product offerings to fulfil specific requirements of individual B2C customers. This would also allow us to penetrate specific end-user segments with higher margins and expand our offerings which would be value accretive to our business.

4. *Deepening customer relationships*

Our long-term relationships and ongoing active engagements with customers allow us to plan our capital expenditure and enhance our ability to benefit from increasing economies of scale with increased purchasing power for raw materials and a lower cost base. These customer relationships have also helped us expand our product offerings and geographical reach.

We seek to explore opportunities to enhance our existing customer relationships by manufacturing newer grades across their various product segments. Moreover, we have adopted a customer-centric approach in our sales and marketing efforts pursuant to which we always take feedback from our customers in order to cater to their changing needs in terms of newer grade products, delivery timelines, payment terms and order cycles. Going forth, we intend to continue to leverage our sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers and expand our customer base.

5. ***Strengthening Goodwill and increasing brand awareness***

The nature of our business is B2B. Coming from a legacy of steel making, our promoters have believed in building trustworthy relationships in business which has enabled us to develop long-term relationships with our customers. However, our brand development is at a relatively nascent stage in comparison with our peers/competitors who have the benefit of longer operating history.

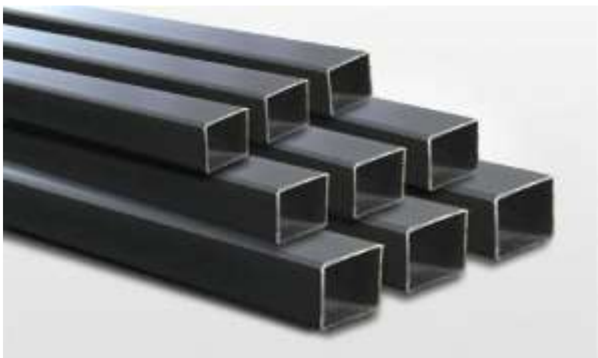
We are, therefore, proactively working towards enhancing our brand and visibility through marketing initiatives and brand engagement exercises. We recognize the integral role online and offline marketing in shaping a brand's identity and promoting meaningful connections with the stakeholders. As a result, we have built and implemented a brand-building procedure that incorporates both of these platforms. Our sales and marketing teams are working across India to activate untapped dealer networks. We use various marketing materials such as catalogs, and stationery items. Our directors also appear on media platforms such as CNBC, ET Now, ET Now Swadesh, which enables us to engage and communicate transparently with investors, shareholders, and other stakeholders. We also curate cohesive and visually appealing online content that embodies the brand's essence, history, and achievement. Further, we recently participated at the India Global Forum, London, 2023 as a corporate sponsor where our directors engaged with leading experts from the industry and government. Additionally, we have also taken part in fairs and exhibitions such as the Wire Tube Dusseldorf 2024.

Considering our current market presence with our customers in diversified sectors and geographies and in order to further penetrate the market, we intend to make consistent efforts to strengthen own goodwill and enhance our brand visibility for attaining parity with our industry peers. Towards this end, we intend to undertake various marketing initiatives including participation in industrial trade fares, dealers meet. We believe that such initiatives shall improve our brand positioning, overall brand recall value and support us in our growth strategy.

Products

Our major products include: (i) Hollow section ERW steel pipes, (ii) galvanised steel tubes and pipes, (iii) solar module mounting structures; and (iv) metal beam crash barriers.

Hollow section ERW Steel Pipes



Hollow Section ERW Steel Pipes, also known as HSS (Hollow Structural Sections), are a type of steel profile with a hollow cross-section. Hollow Sections are created through a process where a flat steel strip is cold-formed to the desired shape and welded longitudinally. The resulting sections have a hollow interior, making them lighter and easier to handle compared to solid steel sections. They are widely used in various construction and engineering applications due to their versatility, strength, and cost-effectiveness.

Galvanised Steel Tubes and Pipes

Our Company produces an extensive range of export-grade galvanised steel tubes and pipes, including hot-dipped galvanised steel tubes and pipes and electro-galvanised steel tubes and pipes. These products, made from galvanised steel, offer exceptional strength, corrosion resistance, and durability and are renowned for their superior quality, reliability, and versatility in various applications, especially in the agricultural and borewell sectors.

Solar Module Mounting Structure

Solar module mounting structure supports the installation of solar PV panels on various terrains and site conditions. These products are engineered for maximum strength-to-weight ratio and constructed with optimized material.

Metal Beam Crash Barrier

Metal crash barrier, is an essential safety device put in place on roads and highways to stop accidents and safeguard drivers. These barriers, which are constructed of robust metal beam barriers, create a solid barrier between moving vehicles and possible dangers. These products provide protection and are built with an emphasis on quality and dependability, assuring the safety of both drivers and passengers.

Our Manufacturing Facilities

The following illustrates the locations of our manufacturing facilities:

The following tables highlights certain key characteristics of our existing manufacturing facilities:

Location	**Number of plants**	**Commissioning Date**[(1)]	**Installed Capacity as of June 30, 2024**	**Product lines**
JTL Industries Limited				
Derabassi, Punjab	1	1991	1,00,000	• Galvanised Pipe/ERW Pipe/Solar module mounting structure
Mandi Gobindgarh, Punjab	1	2020	1,86,000	• Galvanised Pipe/ERW Pipe/Solar module mounting structure
Raigad, Maharashtra	1	2019	2,00,000	• Galvanised Pipe/ERW Pipe/Solar module mounting structure
Raipur, Chhattisgarh	1	2005	1,00,000	• Galvanised Pipe/ERW Pipe/Solar

Location	Number of plants	Commissioning Date(1)	Installed Capacity as of June 30, 2024	Product lines
				module mounting structure
M/s Nabha Steels and Metals				
Mandi Gobindgarh	1	2022	2,10,000	• ERW Pipe/ HR Coil

**As certified by J. S. Sodhi, Chartered Engineer, by certificate dated July 14, 2024.*
Note:
The information relating to the existing installed capacity of our manufacturing facilities as of June 30, 2024 are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities.

Our steel business is currently operated through our manufacturing facilities at Derabassi, Mandi Gobindgarh, Managaon and Raipur with a combined installed metal capacity* of 7,96,000 MTPA as of June 30, 2024. Our manufacturing facilities have been instrumental in achieving cost and operational efficiencies

* *Inclusive of the installed capacity of our recently acquired Nabha Plant*

<u>Aggregate Installed Capacity and Capacity Utilization</u>

The following table sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of our Company's manufacturing facilities for the three month period ended June 30, 2024 and as of/ for the financial years ended March 31, 2024, 2023 and 2022:

Plants	For the three-month period ended June			For the year ended March 31								
	2024			2024			2023			2022		
	Installed Capacity (MTPA)	Actual Production (MTPA)	Capacity utilization	Installed Capacity (MTPA)	Actual Production (MTPA)	Capacity utilization	Installed Capacity (MTPA)	Actual Production (MTPA)	Capacity utilization	Installed Capacity (MTPA)	Actual Production (MTPA)	Capacity utilization
Derabassi	100000	16,577.09	16.58	100000	88,638.93	88.64	100000	68084	68.08	100000	49420	49.42
Mandi Gobindgarh	186000	18,778.00	10.10	186000	80,707.25	43.39	186000	73569	39.55	100000	75697	75.70
Raigad	200000	32,030.80	16.02	200000	110,110.69	55.06	200000	44262	22.13	100000	23159	23.16
Raipur#	100000	18,288.11	18.29	100000	62,727.71	62.73	100000	54401	54.40	100000	68474	68.47

** As certified by J. S. Sodhi, Chartered Engineer, by certificate dated July 14, 2024.*
#Acquired with effect from April 1, 2022, pursuant to the merger with Chetan Industries Limited
Note:
1) *The information relating to the existing installed capacity of our manufacturing facilities as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities.*
2) *Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facility as of at the end of the relevant period. In the case of capacity utilization for the period ending June 30, 2024, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.*
3) *For the financial year ended March 31, 2022, – the company's capacity utilization, as a blended level for all its manufacturing facilities, was in accordance with the industry standard for capacity utilization. The capacity utilization at the Raigad manufacturing facility was 23.16% since the area was hit by a cyclone. Further, debottlenecking was also underway at the same plant.*
4) *For the financial year ended March 31, 2023, – the company underwent major capital expenditure wherein it added 100,000 MT Capacity of pipes in Maharashtra and 86,000 MT capacity in Mandi. The above-mentioned additional production capacities were in a trial run till the last quarter for the financial year ended March 31, 2023, and actual production with respect to the added capacities, only commenced from the financial year ended March 31, 2024.*

Further, the following table sets forth certain information relating to the installed capacity and capacity utilisation (on the basis of total installed capacity and actual production) of manufacturing facility owned by Nabha Steels and Metals for the three month period June 30, 2024, post its acquisition by our Company on April 9, 2024.

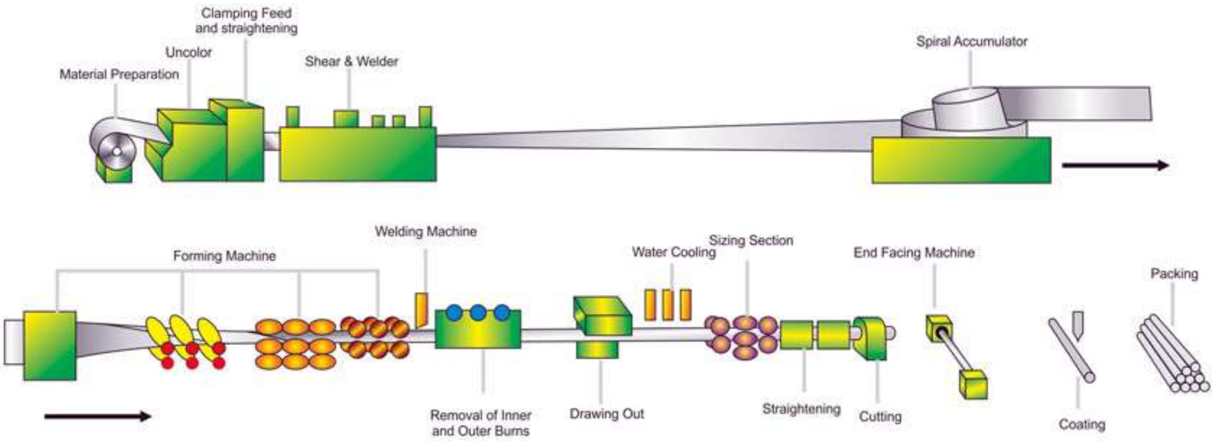
<table>
<tr><th rowspan="3">Plant</th><th colspan="3">As of, and for three-month period ended June 30,</th></tr>
<tr><th colspan="3">2024</th></tr>
<tr><th>Annual Installed Capacity (MT)</th><th>Actual Production (MT)*</th><th>Quarterly Capacity Utilization (%)*</th></tr>
<tr><td>Mandi Gobindgarh</td><td>2,10,000.00</td><td>7,705.40</td><td>14.77%</td></tr>
</table>

Note:

1) *The information relating to the existing installed capacity of our manufacturing facilities as of dates indicated above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the steel industry after examining the calculations and explanations provided by our Company and the capacities and other ancillary equipment installed at the manufacturing facilities .*
2) *Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of relevant manufacturing facility as of at the end of the relevant period. In the case of capacity utilization for the period ending June 30, 2024, the capacity utilization has been calculated by dividing the actual production for the period with the proportionate installed capacity for the relevant period.*

Manufacturing process of our Key Products

Please see below a diagram depicting the manufacturing process for our key products:



Distribution, Sales and Customers

Our Global Presence

Our sales and revenue channels include: (i) Direct Sales to Enterprises and Institutions; (ii) Sale through distribution channel (ii) Export Sales; and (iii) Other Income. We have an adept in-house sales and marketing team of 11 employees, as of June 30, 2024, that specialise in the different areas of sales and marketing. As of June 30, 2024, our products were distributed across 25 states and 3 union territories in India, and around 16 countries, serving a total of 2 ports globally.

i) Direct Sales to Enterprises and Institutions

We sell directly to government agencies and other institutions who use our product in various infrastructural activities. For the purpose of fulfilling government orders, we have a separate team led by Rakesh Garg, our Executive Director who is also supported by functional heads of our manufacturing facilities, the administration and production teams, for continuously procuring government tenders in the public domain and submitting a meaningful proposal for fulfilment of orders from government agencies. We mostly supply ISI marked, galvanized steel tubes of assorted sizes to the government agencies for the execution of various water infrastructure and public water supply schemes such as Jal Jeevan mission

ii) *Sale through distribution channel*

The product consignment supplied to our dealers/distributors range from 25 MT to 1,000 metric MT along with the number of units required, with a minimum purchase order of 25MT. The SKUs are customized to the requirements of the dealer/distributor by painting colours, stamping, or milling the pipes to allow for socketing/screwing of units. We have a sales & marketing team comprising of 11 members split region-wise along with a region-wise marketing head and a sales personnel on-ground who interact with different dealers and end-use customers/enterprises to understand their requirements. The sales & marketing team works hand-in-hand with plant heads who weigh-in on new product development and order fulfilment.

iii) Sale through exports

We also service our international customers spread across 16countries and 2 ports as of June 30, 2024. Our

Company has a dedicated export department with specific heads leading coverage for specific regions across the globe. The department is assisted by function-wise analysts who handle shipping logistics, marketing, order planning, customs, government approvals and queries. All of our export order fulfilment is on an order-book basis.

The table below provides details of our direct sales, sale through distribution channel, export sales and other income for the three-month period ended June 30, 2024 and June 30, 2023, and the financial years ended March 31, 2024, 2023 and 2022:

Particulars	For the three-month period ended June30				For the year ended March 31					
	2024		2023		2024		2023		2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations	Amount (₹ lakhs)	Percentage of Revenue from Operations
Direct sales and sales through distribution channel	47,402.29	91.24	46,966.08	92.90	191,354.74	93.40	1,39,480.26	89.99	1,23,423.00	91.07
Export sales	4,135.59	7.96	3,514.13	6.95	12,655.19	6.18	15,512.00	10.01	12,108.00	8.93
Other income	417.90	0.80	76.76	0.15	866.90	0.42	493.75	0.32	379.02	0.38

Brand Building and Marketing

We have created a dedicated sales and marketing teams for each of our product segments, who are responsible for understanding and adapting to the needs of our customers for each particular product segment. We are also focusing on specific markets where we believe there is room for penetration into more value-added products including galvanisation based and colour coated segments. We have invested in the promotion of the "JTL" brand since inception. We recognize the integral role online and offline marketing in shaping a brand's identity and promoting meaningful connections with the stakeholders. As a result, we have built and implemented a brand-building procedure that incorporates both of these platforms. Our sales team verbally engages with distributors and dealers on a time-to-time basis through their on-ground visits. This provides an avenue to educate and inform our customers about the new range of products. We also curate cohesive and visually appealing online content that embodies the brand's essence, history, and achievement. We understand LinkedIn is critical as it integrates the corporate side of brand-building. As a result, we curate thought-provoking content, including articles and videos, in the steel production industry to engage the professional audience.

Customers

Our customer base consists of a mix of institutions, enterprises, dealers and distributors through which we cater to a variety of end-use customers. For further details see, *"-Our Competitive Strengths- A significant domestic and international customer base catering to diversified end-users across various industries*" on page 189.

Pricing

We set the prices for our products based on market demand, our production capacity, transportation costs, inventory levels, competitors' prices and credit terms. Prices for different regions are also affected by local regulations and tax policies. Our central sales department evaluates the factors affecting our selling price on a regular basis and adjusts our minimum prices when appropriate and also determines the various schemes, offers and discounts applicable on our products.

Production Management and Inventory Control

We plan our production and manage the inventory level of our finished products regularly pursuant to the submission of the stock inventory levels by each manufacturing facility on a daily basis. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our integrated manufacturing facility. We maintain different inventory levels for raw materials depending on lead time required to obtain additional supplies.

Logistics

Our suppliers either deliver our raw materials directly to us or we are required to collect the raw materials from our suppliers at our own costs. We hire third party logistics companies to transport our finished products to our suppliers and customers, respectively. Further, we rely on the freight ships for the export of our products.

Power and Fuel

Electricity is the principal source of energy for steel production. Power account for a certain amount of our total expenses. In the three months ended June 30, 2024 and June 30, 2023 and the financial years ended March 31, 2024, 2023 and 2022, the power, fuel and electricity accounted for 1.66%, 1.05%, 1.74%, 1.79% and 1.69%, respectively, of our total expenses.

Repair and Maintenance

Our machinery and electrical repair teams carry out day-to-day maintenance and repair of the manufacturing facilities and machinery on an as-needed basis. In addition, our manufacturing facilities are also periodically inspected by independent inspection agencies.

Intellectual Property

Our success depends in part on our ability to protect our technology and intellectual property. In the course of our business, we use various financial, business, scientific, technical, economic and engineering information, formulas, designs, methods, techniques, processes and procedures, all of which is confidential and proprietary information. We primarily rely on a combination of trademarks and other intellectual property laws and nondisclosure agreements to establish and protect our intellectual property rights. We have obtained registration for the trademark, , "JTLJAGAN", "JTL ULTRA", "APOLLO" and "JAGAN".

Information Technology Systems

Our manufacturing facilities operate on a digitally enabled, process based, integrated ERP system. Information technology has emerged as a key business enabler for us and plays an important role in improving our overall productivity, customer service and risk management. We have an ERP software called Bizsol installed to manage the processes in finance, accounting, manufacturing, supply chain and to track the record of day-to-day business activities along with software to manage and calculate IT returns. We continue to implement automation initiatives on top of our core applications to streamline our procurement of raw materials, manufacturing process, sale of finished goods, payments to vendors and suppliers, and receivables from customers or franchisees.

Competition

We operate and sell our products in highly competitive markets. The market for our intermediate and final products is highly competitive. Our primary competitors include APL Apollo Tubes Limited, Rama Steel Tubes Limited, Hi-tech Pipes Limited and Goodluck India Limited (*Source: CARE Report*). For further details, see "*Industry Overview*" on page 124.

Competition occurs principally on the basis of price, quality and brand name. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Many of our current and potential competitors include large companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have. See, "*Risk Factors – We face substantial competition from Indian structural steel tubes, pipes and steel producers, which may affect our prospects* " on page 55.

Employees

As of June 30, 2024 we had a workforce of 1,060 personnel which comprised 735 permanent employees and approximately 325 contract employees for our operations. The number of contract laborers varies from time to time based on the nature and extent of work contracted to independent contractors. Our permanent employees include personnel engaged in management, administration, human resource, engineering, auditing, finance, sales and marketing, procurement, logistics and legal functions. Our employees are not unionised into any labour or workers' unions and we have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.

Insurance

Our operations are subject to risks inherent in the manufacturing industry, such as work accidents, fire, earthquake and other force majeure events and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment damage. We have obtained standard fire and special perils policies for our Derabassi and Raigad manufacturing facilities, while we have obtained a policy insuring the plant, property and equipment of our manufacturing facility located in Mandi Gobindgarh. Additionally, we maintain general insurance for the property relating to our business, vehicle insurance and employee's compensation insurance, along with directors and officers liability insurance. We believe our insurance coverage is on comparable terms to that generally carried by companies engaged in similar businesses in India. We may, however, not be insured fully against all the risks associated with our business either because insurance is not available in India or because premiums for some coverage are prohibitive.

Corporate and Social Responsibility ("CSR")

We believe that sustainable community development is essential for harmonious development of both the community and industry. We endeavour to make a positive contribution, particularly to underprivileged communities by supporting a range of socio-economic, educational and health initiatives, and adopting a need profile analysis and implementing sustainable social development projects.

In the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 we incurred ₹ 160.71 lakhs, ₹ 32.00 lakhs and ₹ 110.50 lakhs, respectively, towards CSR activities. Some of the key CSR initiatives undertaken by us are as follows:

- Education, skill development and technical education;
- Contribution to the improvement of health and welfare; and
- Direct contribution to Foundation for Pluralistic Research and Empowerment, Delhi

Properties

Our Registered and Corporate Office, located at S.C.O. 18-19, Sector 28-C, Chandigarh 160002, is leased to us by our Promoters, Madan Mohan and Mithan Lal Singla, along with a member of our Promoter Group, Vijay Singla. Our manufacturing facilities are located on land that is either owned or leased to us. We also have a liaison office at Mumbai. For further information, see *Risk Factors – Our business operations are being conducted on owned and leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. Further, any failure or delay in the acquisition of land or an inability to acquire land at acceptable costs or on commercially reasonable terms may adversely affect our business, results of operations and financial conditions*" on page 58.

ORGANISATIONAL STRUCTURE

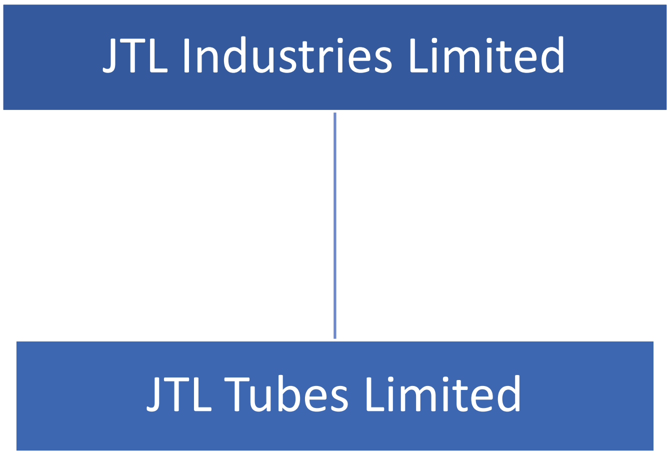
Corporate History

Our Company was incorporated as "Jagan Tubes Private Limited" on July 29, 1991, at Chandigarh as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Subsequently, it was converted to a public limited company, pursuant to the fresh certificate of incorporation dated May 31, 1993 issued by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Thereafter, the name of our Company was changed to "JTL Infra Limited" pursuant to a special resolution dated March 12, 2008 passed by our shareholders and a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Punjab & Chandigarh ("**RoC**") dated April 4, 2008. Further, the name of our Company was changed to "JTL Industries Limited", pursuant to Rule 29 of the Companies (Incorporation) Rules, 2014 and a fresh certificate of incorporation dated October 10, 2022 was issued by the RoC.

In the year 2021, our Company filed a scheme of amalgamation under the Companies Act, 2013 for amalgamation of Chetan Industries Limited with our Company ("**Scheme**") with an appointed date of April 1, 2021. The Scheme was approved by way of order of the Hon'ble National Company Law Tribunal, Chandigarh ("**NCLT Chandigarh**") dated March 30, 2023. The effective date of the Scheme was March 31, 2023, being the date on which the order of NCLT Chandigarh was filed with the RoC. Further, in consideration for the aforesaid Scheme, our Company isued and allotted to each of the sharehoders of Chetan Industries Limited, shares in proportion of 117 equity shares of face value of ₹ 2 each in our Company for every 100 equity shares of face value ₹ 1 each held by the shareholdrs in Chetan Industries Limited.

The Registered and Corporate Office of our Company is located at S.C.O. 18-19, Sector 28-C, Chandigarh-160002, India.

Organizational Structure



Holding company

As on date of this Preliminary Placement document, our Company does not have any holding company.

Associate company

As on the date of this Preliminary Placement document, our Company does not have any associate company.

Our Joint Ventures

As on the date of this Preliminary Placement Document, our Company does not have any joint ventures.

Subsidiaries

As of the date of this Preliminary Placement Document, our Company has one wholly owned Subsidiary, namely, JTL Tubes Limited.

Details of our Subsidiary

Set forth hereunder are brief details of our Subsidiary:

JTL Tubes Limited was incorporated on January 5, 2022 and is a wholly owned subsidiary of JTL Industries Limited. JTL Tubes is currently engaged in the business of manufacturing, buying, selling, import, export of various types of pipes and tubes, including steel pipes, conduit pipes, seamless pipes and galvanized pipes. However, it has not commenced its operations yet.

As on the date of this Preliminary Placement Document, we do not have any material subsidiary in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, the SEBI Listing Regulations and our Articles of Association. In accordance with the Articles of Association, our Company is required to have not less than three and not more than 15 Directors, unless otherwise determined in a general meeting of our shareholders.

As on the date of this Preliminary Placement Document, our Board comprises of ten Directors, comprising of five Executive Directors, five Non-Executive Directors of which four are Independent Directors, including one woman Independent Director and one Non-Executive Non-Independent Director.

The following table sets forth details regarding our Board of Directors as on the date of this Preliminary Placement Document:

S. No.	Name, age, date of birth, address, occupation, period of directorship, DIN and nationality	Designation and term
1.	**Sukhdev Raj Sharma** **Age**: 69 years **Date of birth**: June 1, 1955 **Address**: 308, R.C.S Society, Sector 48A, Chandigarh-160047, India **Occupation**: Retired individual **DIN**: 02135083 **Nationality**: Indian	**Designation**: Independent Director & Chairperson **Current term**: From June 30, 2020 to June 29, 2025
2.	**Madan Mohan** **Age**: 59 years **Date of birth**: September 7, 1964 **Address**: House number 105, Sector-28A, Chandigarh-160002, India **Occupation**: Business **DIN**: 00156668 **Nationality**: Indian	**Designation**: Managing Director **Current term**: From May 30, 2020 to May 29, 2025
3.	**Dhruv Singla** **Age**: 33 years **Date of birth**: August 4, 1990 **Address**: House number 105, Sector-28A, Chandigarh-160002, India **Occupation**: Business **DIN**: 02837754 **Nationality**: Indian	**Designation**: Whole time Director **Current term**: From August 18, 2021 to August 17, 2026 and liable to retire by rotation
4.	**Pranav Singla** **Age**: 26 years **Date of birth**: February 15, 1998 **Address**: House number 105, Sector-28A, Chandigarh-160002, India	**Designation**: Whole time Director **Current term**: From August 18, 2021 to August 17, 2026 and liable to retire by rotation

	Occupation: Business **DIN**: 07898093 **Nationality**: Indian	
5.	**Rakesh Garg** **Age**: 54 years **Date of birth**: January 8, 1970 **Address**: House number 116, Sector 9, Panchkula, Haryana-134109, India **Occupation**: Business **DIN**: 00184081 **Nationality**: Indian	**Designation**: Whole time Director **Current term**: From May 30, 2020 to May 29, 2025
6.	**Sanjeev Gupta** **Age**: 52 years **Date of birth**: November 14, 1971 **Address**: House number 161, Street No. 4, Adarsh Nagar, Tehseel Derabassi, S.A.S Nagar (Mohali)-140507, India **Occupation**: Service **DIN**: 10396875 **Nationality**: Indian	**Designation**: Whole time Director **Current term**: From November 20, 2023 to November 19, 2028 and liable to retire by rotation
7.	**Mithan Lal Singla** **Age**: 82 years **Date of birth**: April 1, 1942 **Address**: House number 105, Sector-28A, Chandigarh-160002, India **Occupation**: Business **DIN**: 00156885 **Nationality**: Indian	**Designation**: Non-Executive Non-Independent Director **Current term**: From May 30, 2023 to May 29, 2028 and liable to retire by rotation
8.	**Ashok Goyal** **Age**: 69 years **Date of birth**: April 29, 1955 **Address**: 2342, Astha Apartments, Sector-48 C, Chandigarh-160047, India **Occupation**: Profession **DIN**: 08930828 **Nationality**: Indian	**Designation**: Independent Director **Current term**: From July 29, 2023 to July 28, 2028
9.	**Preet Kamal Kaur Bhatia** **Age**: 42 years **Date of birth**: March 23, 1982	**Designation**: Independent Director **Current term**: From January 13, 2020 to January 12, 2025

	Address: House number 152, Golden Avenue, Near Har Krishan Public School, Amritsar, Punjab-143001, India **Occupation**: Profession **DIN**: 07070977 **Nationality**: Indian	
10.	**Rakesh Mohan Garg** **Age**: 65 years **Date of birth**: December 11, 1958 **Address**: H-38 3rd Floor, Green Park Extension, Green Park Market, South Delhi, Delhi-110016, India **Occupation**: Retired individual **DIN**: 08970794 **Nationality**: Indian	**Designation**: Independent Director **Current term**: May 13, 2023 to May 12, 2028

Relationship between our Directors

Except as disclosed below, none of our Directors are related to each other:

S. No.	Names of Directors	Relationship
1.	Mithan Lal Singla and Madan Mohan	Father and son
2.	Madan Mohan and Dhruv Singla	Father and son
3.	Mithan Lal Singla and Dhruv Singla	Grandson
4.	Mithan Lal Singla and Pranav Singla	Grandson
5.	Madan Mohan and Pranav Singla	Uncle and nephew
6.	Madan Mohan and Rakesh Garg	Cousins
7.	Dhruv Singla and Pranav Singla	Cousins

Brief Biographies of Directors

Sukhdev Raj Sharma is an Independent Director and Chairperson on the Board of Directors of our Company. He holds a bachelor’s degree in science from Guru Nanak University and is a certified associate of the Indian Institute of Bankers. He holds a master’s degree in business administration from Punjab Agricultural University. He has previously served as the Managing Director of Punjab National Bank (International) Limited and has also worked as an advisor to Unified Vision Capital Private Limited. He has over 40 years of experience in the banking, finance, funds and corporate credit sectors.

Madan Mohan is the Managing Director of our Company. He holds a bachelor’s degree in arts from Panjab University. He has approximately 33 years of experience in the steel and pipes industry and setting up of galvanised and ERW steel tubes and pipes, scaffolding fittings and systems, hollow sections, channels plants and units.

Dhruv Singla is a Whole-Time Director on the Board of Directors of our Company. He holds a master’s degree in international management from King’s College, London. He has also previously served as the chief financial officer of the Company. He has approximately nine years of experience in financial, accounting, taxation, fund management, auditing and allied matters.

Pranav Singla is a Whole-Time Director on the Board of Directors of our Company. He holds a master’s degree in project management, finance and risk from City College, University London. He has approximately 3 years of experience in accounting, finance, production management, strategic planning, cost management, plants set up and expansions.

Rakesh Garg is a Whole-Time Director on the Board of Directors of our Company. He holds a bachelor’s degree in arts from Punjabi University. He has approximately 33 years of experience in the steel industry, trade and commercial operations, industrial projects, engineering and management affairs.

Sanjeev Gupta is a Whole-Time Director on the Board of Directors of our Company. He holds a bachelor's degree in engineering (electronics and communication) from Gulbarga University. He has previously worked at Bhushan Power and Steel Limited and Avon Tech Tube Private Limited. He has over 27 years of experience in commissioning new projects, setting up of plant and machinery and research and development initiatives.

Mithan Lal Singla is the Non-Executive Non-Independent Director on the Board of Directors of our Company. He has around 33 years of experience in the steel and pipes industry.

Ashok Goyal is an Independent Director on the Board of Directors of our Company. He holds a bachelor's degree in commerce from Panjab University and has completed his bachelor's degree in law from the Faculty of Law, Tantia University, Sri Ganganagar. He is also an independent director on the board of directors of Primo Chemicals Limited, a listed entity and has previously served as a member of senate of university & syndicate, Panjab University. He has approximately 28 years of experience in general administration, human resources, academics, and strategic planning.

Preet Kamal Kaur Bhatia is an Independent Director on the Board of Directors of our Company. She has obtained a certificate of practice from the Institute of Chartered Accountants of India. She is currently an independent director on the board of directors of Pentagon Rubber Limited and A B Cotspin India Limited, a listed entity and is a proprietor of Preet Kamal & Co, Chartered Accountants. She has approximately 17 years of experience as a practicing chartered accountant and experience in taxation, corporate finance, accounts and audit.

Rakesh Mohan Garg is an Independent Director on the Board of Directors of our Company. He holds a bachelor's degree in arts from Guru Nanak Dev University and holds a master's degree in business administration from Panjab University. He is also on the board of directors of BLS E-Services Limited and has previously served as a consultant at Dhani Services Limited. He has served for 35 years in the Indian Revenue Services and retired in 2018 as the Principal Chief Commissioner of Income Tax, Delhi. He has extensive experience in handling international taxation, finance and accounts, among others.

Borrowing powers of our Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a special resolution passed by our shareholders at their annual general meeting held on August 30, 2023, our Board has been authorized to borrow and raise such sum or sums of monies, notwithstanding that the moneys to be borrowed by our Company together with monies already borrowed (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed, at any time, our Company's aggregate paid-up share capital and free reserves, provided that the total amount of money so borrowed by the Board shall not at any time exceed a sum of ₹ 70,000 lakhs or equivalent amount in any other foreign currency.

Terms of appointment of our Directors

a) **Terms of employment and remuneration of our Executive Directors**

Madan Mohan, Managing Director

Madan Mohan has been re-appointed as the Managing Director for a period of five years with effect from May 30, 2020 until May 29, 2025, pursuant to a resolution of our Nomination and Remuneration Committee and our Board, each dated May 13, 2020, and a resolution of our shareholders dated September 30, 2020.

Dhruv Singla, Whole Time Director

Dhruv Singla was appointed as the Whole Time Director and Chief Financial Officer for a period of five years with effect from August 18, 2021 until August 17, 2026, pursuant to a resolution of our Nomination and Remuneration Committee and our Board, each dated August 18, 2021, and a resolution of our shareholders dated September 22, 2021. Subsequently, he resigned from the designation of Chief Financial Officer with effect from January 12, 2024. However, he continues to be one of the Whole Time Directors of the Company.

Pranav Singla, Whole Time Director

Pranav Singla has been appointed as the Whole Time Director for a period of five years with effect from August 18, 2021 until August 17, 2026, pursuant to a resolution of our Nomination and Remuneration Committee and our Board, each dated August 18, 2021, and a resolution of our shareholders dated September 22, 2021.

Rakesh Garg, Whole Time Director

Rakesh Garg has been re-appointed as the Whole Time Director for a period of five years with effect from May 30, 2020 until May 29, 2025, pursuant to a resolution of our Nomination and Remuneration Committee and our Board, each dated May 13, 2020, and a resolution of our shareholders dated September 30, 2020.

Sanjeev Gupta, Whole Time Director

Sanjeev Gupta has been appointed as the Whole Time Director of the Company with effect from November 20, 2023 and his appointment is liable to rotation, pursuant to a resolution of our Nomination and Remuneration Committee and our Board, each dated November 20, 2023, and a resolution of our shareholders dated January 18, 2024.

Remuneration paid to our Executive Directors

The following table sets forth the remuneration paid by our Company to the Executive Directors, during the three months period ended June 30, 2024, Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

S.No.	Name of Director	Three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Madan Mohan	7.50	30.00	30.00	24.00
2.	Dhruv Singla	6.00	24.00	24.00	12.00
3.	Pranav Singla	6.00	24.00	24.00	12.00
4.	Rakesh Garg	7.50	30.00	30.00	24.00
5.	Sanjeev Gupta*	2.95	4.37	-	-

** Sanjeev Gupta was appointed as a Director on the Board with effect from November 20, 2023.*

b) **Sitting fee details for our Non-Executive Directors**

Our Board, pursuant to resolution dated April 17, 2023, has approved the payment of sitting fees of ₹ 0.5 lakh, per quarter per Non-Executive Director, with effect from April 1, 2023. Our Non-Executive Directors do not receive any other remuneration.

The following table sets forth the sitting fees paid to each of our Non-Executive Directors during the three months period ended June 30, 2024, and Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

S.No.	Name of Director	Three months period ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Sukhdev Raj Sharma	Nil	1.95	0.60	0.60
2.	Preet Kamal Kaur Bhatia	Nil	2.00	0.40	0.40
3.	Mithan Lal Singla	Nil	2.00	Nil	Nil

4.	Rakesh Mohan Garg*	Nil	1.75	Nil	Nil
5.	Ashok Goyal^	Nil	1.33	Nil	Nil

** Rakesh Mohan Garg was appointed as a Director on the Board of our Company with effect from May 13, 2023.*
^ Ashok Goyal was appointed as a Director on the Board of our Company with effect from July 29, 2023.

Payment or benefit to Directors

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period.

Shareholding of Directors in our Company

The following table sets forth the shareholding of our Directors in our Company:

S. No.	Names of Directors	Number of Equity Shares held
1.	Dhruv Singla	45,45,000
2.	Madan Mohan	2,61,08,934
3.	Mithan Lal Singla	43,96,714
4.	Pranav Singla	21,94,034
5.	Rakesh Garg	1,31,39,336
6.	Sanjeev Gupta	2
7.	Sukhdev Raj Sharma	Nil
8.	Ashok Goyal	Nil
9.	Preet Kamal Kaur Bhatia	Nil
10.	Rakesh Mohan Garg	Nil

Interest of Directors

Our Independent Directors may be deemed to be interested to the extent of the sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "– *Payment or benefits to Directors*" on page 210.

Our Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any in the Company and Subsidiary. Further, our Directors may also be interested to the extent of benefits arising out of such shareholding or to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship, or to the extent the Equity Shares that may be subscribed by or allotted to them or the companies, firms, HUFs and trusts, in which they are interested as directors, members, partners, karta, trustees or promoters, as applicable, pursuant to this Issue. Our Directors may also be deemed to be interested to the extent of dividend payable to them and other distributions in respect of such Equity Shares and to the extent of their interest in the property held by them and utilised by the Company as its Registered and Corporate Office.

Except for Mithan Lal Singla, Madan Mohan, and Rakesh Garg, who are the Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. No payments have been made to them in respect of any such contracts, agreements or arrangements, or are proposed to be made with them.

Further, except as disclosed below, our Company has neither availed of any loans from nor extended any loans to our Directors, which are currently outstanding:

S. No.	***Director***	***Particulars***
1.	Mithan Lal Singla	Granted an unsecured loan to the Company for an amount of ₹ 321.30 lakhs as on June 30, 2024

Related Party Transactions

For details in relation to the related party transactions entered into by the Directors with our Company during the last three Fiscals immediately preceding the year of circulation of this Preliminary Placement Document, please see "*Related Party Transactions*" on page 44.

Corporate Governance

Our Board presently consists of ten Directors. In compliance with the requirements of the SEBI Listing Regulations, there are five Independent Directors on our Board, including a woman Director.

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable SEBI Regulations in respect of corporate governance, including constitution of the Board and committees thereof. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The committees of our Board are:*

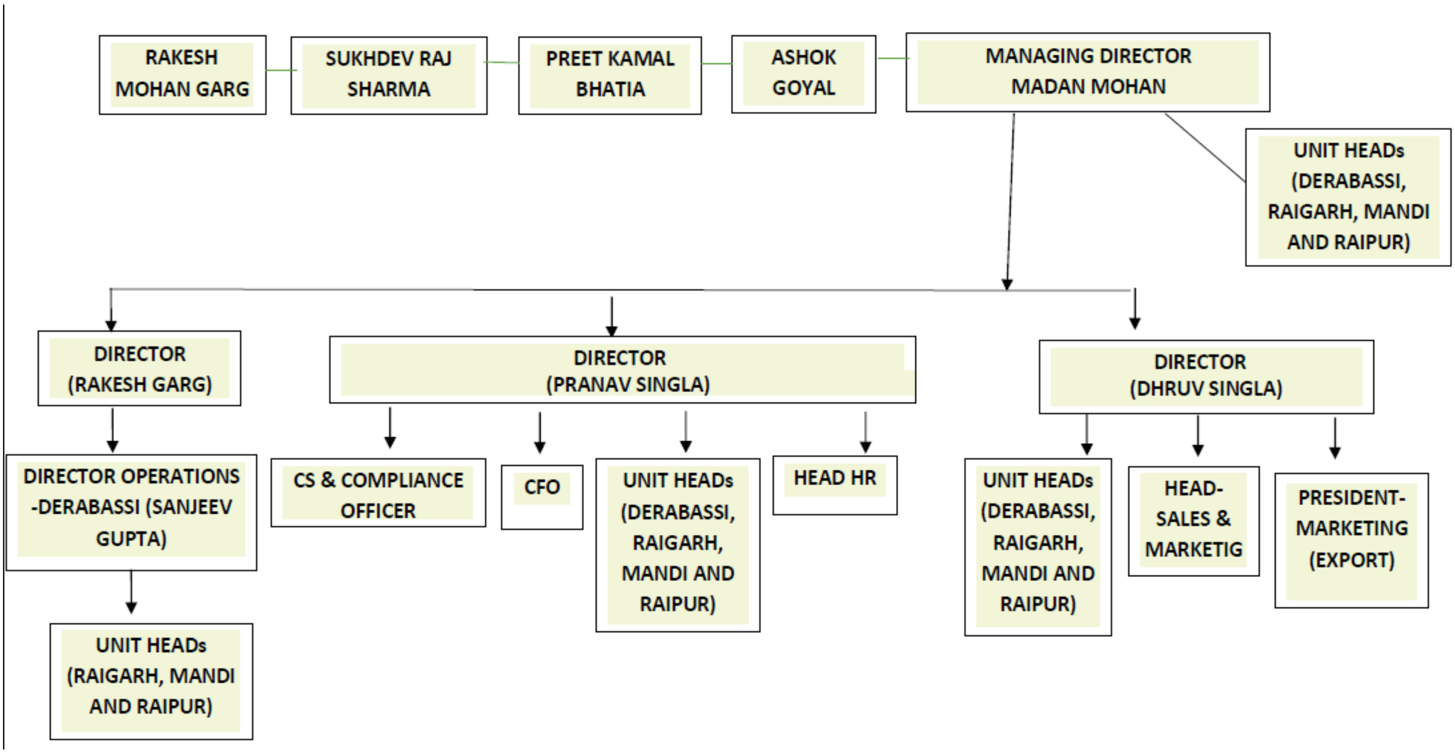
(a) Audit Committee;
(b) Nomination and Remuneration Committee;
(c) Stakeholders' Relationship Committee;
(d) Corporate Social Responsibility Committee;
(e) Risk Management Committee; and
(f) Securities Issue and Allotment Committee.

** Further, the Company has also constituted a sub-committee of Directors to look into miscellaneous matters, which comprises Mithan Lal Singla (Chairperson), Preet Kamal Kaur Bhatia and Rakesh Garg as its members.*

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

S. No.	Committee	Members
1.	Audit Committee	Preet Kamal Kaur Bhatia (Chairperson), Rakesh Garg, Sukhdev Raj Sharma, Rakesh Mohan Garg, Ashok Goyal
2.	Nomination and Remuneration Committee	Preet Kamal Kaur Bhatia (Chairperson), Mithan Lal Singla, Rakesh Mohan Garg, Ashok Goyal
3.	Stakeholders' Relationship Committee	Preet Kamal Kaur Bhatia (Chairperson), Mithan Lal Singla, Rakesh Garg, Rakesh Mohan Garg
4.	Corporate Social Responsibility Committee	Preet Kamal Kaur Bhatia (Chairperson), Mithan Lal Singla, Rakesh Garg
5.	Risk Management Committee	Mithan Lal Singla (Chairperson), Rakesh Garg, Preet Kamal Kaur Bhatia, Sukhdev Raj Sharma
6.	Securities Issue and Allotment Committee	Mithan Lal Singla (Chairperson), Rakesh Garg, Preet Kamal Kaur Bhatia, Sukhdev Raj Sharma

Management Organisation Structure



Key Managerial Personnel

In addition to Madan Mohan, Dhruv Singla, Pranav Singla, Rakesh Garg, and Sanjeev Gupta, our Whole-time Directors, our other Key Managerial Personnel as on the date of this Preliminary Placement Document are as set forth below:

S. No.	Key Managerial Personnel	Designation
1.	Amrender Kumar Yadav	Company Secretary & Compliance Officer
2.	Atul Garg	Chief Financial Officer

Senior Management Personnel

In addition to Amrender Kumar Yadav and Atul Garg, who are our Key Managerial Personnel, the details of our other Senior Management Personnel, as on the date of this Preliminary Placement Document, are as set forth below:

S. No.	Senior Management Personnel	Designation
1.	Narender Singh	Plant Head – Raipur, Chhattisgarh
2.	Soman K G	Plant Head – Raigad, Maharashtra
3.	Ashutosh Sharma	President – Marketing (Export)
4.	Ramesh Kumar Kalia	Head – Human Resources and Administration
5.	Ajay Tyagi	Head – Sales & Marketing

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Relationship of Key Managerial Personnel and Senior Management Personnel

Except as disclosed in *"– Relationship between our Directors"* on page 206, none of our Key Managerial Personnel and Senior Management Personnel are related to each other or to the Directors of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel

Except as disclosed under "– *Shareholding of Directors in our Company*" on page 209 and except as disclosed below, none of the Key Managerial Personnel and Senior Management Personnel hold any Equity Shares as on the date of this Preliminary Placement Document:

S. No.	Name	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Atul Garg	415	Negligible

Interests of Key Managerial Personnel and Senior Management Personnel

Except as stated in " – *Interest of Directors*", our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel and Senior Management Personnel. None of the Key Management Personnel or Senior Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

They may also be regarded as interested in the Equity Shares held by them or by their relatives, if any or to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which they hold directorship, or to the extent the Equity Shares that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees or promoters, as applicable, pursuant to this Issue.

Except as provided in "*Related Party Transactions*" on page 44, our Key Managerial Personnel and Senior Management Personnel do not have any interest in our Company.

Other Confirmations

Except as otherwise stated above in "– *Interest of our Directors*", "– *Interest of Key Managerial Personnel and Senior Management Personnel*", none of our Directors, Promoters, Key Managerial Personnel or Senior Management Personnel have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have been identified as wilful defaulter or fraudulent borrower.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI. Further, none of our Promoters or Directors is a fugitive economic offender.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management Personnel of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of internal procedures and conduct for the fair disclosure of unpublished price sensitive information and the prevention of insider trading. In compliance with the same, our Company has adopted a code of conduct to regulate, monitor and report trading by insiders, as approved by our Board on March 25, 2019, which lays down the procedure for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information. Our Company Secretary acts as the compliance officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The following tables present information regarding the ownership of Equity Shares by the shareholders as of June 30, 2024:

Table I – Summary statement holding of specified securities:

Category (I)	Category of Shareholder (II)	No of Shareholders (III)	No. of fully paid Equity Share Held (IV)	Total Nos. Shares Held (VII) = IV+V+VI	Shareholding as a % of total number of Shares *(calculated as per SCRR 1957)* (VIII) as a % of (A+B+C2)	No of Voting Rights	Total as a % of (A+B+C)	No of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted equity capital) (XI)=VII+X as a % of (A+B+C2)	No. of Locked in Shares (XII)		No. of Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares Held in Dematerialized form (XIV)
										Number of Equity Shares (a)	As a % of total Shares held (b)	Number of Equity Shares (a)	As a % of total Shar es held (b)	
(A)	Promoter & Promoter Group	13	9,61,18,918	9,61,18,918	54.24	9,61,18,918	54.24	2,00,00,000	55.10	4,38,13,736	45.58	0	0.0000	9,61,18,918
(B)	Public	77,330	8,10,91,912	8,10,91,912	45.76	8,10,91,912	45.76	1,35,45,027	44.90	69,03,246	8.51	1,53,88,132	18.98	7,51,50,212
(C)	Non Promoter - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Share Held By Employees Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total A+B+C1+C2	**77,343**	**17,72,10,830**	**17,72,10,830**	**100.0000**	**17,72,10,830**	**100.0000**	**3,35,45,027**	**100.0000**	**5,07,16,982**	**28.62**	**1,53,88,132**	**8.6835**	**17,12,69,130**

Table – II - Statement showing shareholding pattern of the Promoter and Promoter Group:

S.No.	Category & Name of the Shareholder (I)	Entity type	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	Total Nos. Shares Held (VII) = IV+V+VI	Shareholding as a % of total number of Shares *(calculated as per SCRR 1957)* (VIII) as a % of (A+B+C2)	No. of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	No. of Locked in Shares (XII)		No. of Equity Shares Held in Dematerialized form (XIV)
							No. of voting rights	Total as a % of total voting rights		No. (a)	As a % of total shares held (b)	
(1)	**Indian**											
(a)	**Individuals/Hindu Undivided Family**		13	9,61,18,198	9,61,18,198	54.24	9,61,18,198	54.24	2,00,00,000	4,38,13,736	45.58	7,86,11,294
	Chetan Singla	Promoter Group	1	4,38,000	4,38,000	0.25	4,38,000	0.25	0	0	0	4,38,000
	Deepak Garg	Promoter Group	1	6,27,000	6,27,000	0.35	6,27,000	0.35	0	0	0	6,27,000
	Dhruv Singla	Promoter Group	1	45,45,000	45,45,000	2.56	45,45,000	2.56	50,00,000	45,45,000	100.00	45,45,000
	Madan Mohan	Promoter	1	2,61,08,934	2,61,08,934	14.73	2,61,08,934	14.73	0	0	0	2,61,08,934
	Mithan Lal Singla	Promoter	1	43,96,714	43,96,714	2.48	43,96,714	2.48	0	0	0	43,96,714
	Nikita Singla	Promoter Group	1	2,62,35,366	2,62,35,366	14.80	2,62,35,366	14.80	50,00,000	2,62,35,366	100.00	2,62,35,366
	Pranav Singla	Promoter Group	1	21,94,034	21,94,034	1.24	21,94,034	1.24	50,00,000	18,94,034	86.33	21,94,034
	Rakesh Garg	Promoter	1	1,31,39,336	1,31,39,336	7.41	1,31,39,336	7.41	50,00,000	1,11,39,336	84.78	1,31,39,336
	Shukla Singla	Promoter Group	1	5,51,910	5,51,910	0.31	5,51,910	0.31	0	0	0	5,51,910
	Sweety Garg	Promoter Group	1	3,75,000	3,75,000	0.21	3,75,000	0.21	0	0	0	3,75,000
	Vijay Singla	Promoter Group	0	0	0	0	0	0	0	0	0	0
	Madan Mohan (HUF)	Promoter Group	1	14,71,824	14,71,824	0.83	14,71,824	0.83	0	0	0	14,71,824
	Prem Kumar & Sons HUF	Promoter Group	1	7,48,800	7,48,800	0.42	7,48,800	0.42	0	0	0	7,48,800

	Rakesh Garg (HUF)	Promoter	1	1,52,87,000	1,52,87,000	8.63	1,52,87,000	8.63	0	0	0	1,52,87,000
(c)	**Central Govt /state Govt/ President of India**		0	0	0	0	0	0	0	0	0	0
(d)	**Financial Institutions/Banks**		0	0	0	0	0	0	0	0	0	0
(e)	**Any other**											
	Other - Body Corporate		0	0	0	0	0	0	0	0	0	0
	Jagan Industries Private Limited	Promoter Group	0	0	0	0	0	0	0	0	0	0
	Sub – Total (A1)		**13**	**9,61,18,918**	**9,61,18,918**	**54.24**	**9,61,18,918**	**54.24**	**2,00,00,000**	**4,38,13,736**	**45.58**	**9,61,18,918**
(2)	**Foreign (A2)**		0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promotor Group (A1+A2)		**13**	**9,61,18,918**	**9,61,18,918**	**54.24**	**9,61,18,918**	**54.24**	**2,00,00,000**	**4,38,13,736**	**45.58**	**9,61,18,918**

Table III - Statement showing shareholding pattern of the Public shareholder:

Category and Name of the shareholder	No. of shareholders	No. of fully paid-up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	No. of locked in shares		No. of equity shares held in dematerialized form
									No.	As a % of total shares held	
B1) Institutions	0	0	0	0	0	0	0	0	0	0	0
B2) Institutions (Domestic)	0	0	0	0	0	0	0	0	0	0	0
Mutual Funds	3	5,40,208	5,40.208	0.30	5,40,208	0.30	0	0.26	0	0	5,40,208
Sub Total B2	3	5,40,208	5,40,208	0.30	5,40,208	0.30	0	0.26	0	0	5,40,208
B3) Institutions (Foreign)	0	0	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors Category I	15	47,78,385	47,78,385	2.70	47,78,385	2.70	47,78,385	2.27	0	0	47,78,385
Foreign Portfolio Investors Category II	2	55,20,825	55,20,825	3.12	55,20,825	3.12	18,01,700	3.47	55,20,000	99.99	825
Shares in abeyance	1	55,20,000	55,20,000	3.11	55,20,000	3.11	6,01,700	2.90	55,20,000	100	0
Sub Total B3	17	1,02,99,210	1,02,99,210	5.81	1,02,99,210	5.81	18,01,700	5.74	55,20,000	53.60	47,79,210
B4) Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0	0	0
B5) Non-Institutions											
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	73,528	3,36,85,128	3,36,85,128	19.01	3,36,85,128	19.01	14,52,095	16.67	6,17,710	1.83	3,34,63,428
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	49	2,10,09,834	2,10,09,834	11.86	2,10,09,834	11.86	0	9.97	0	0	2,10,09,834
Laxmi Kant Swami	1	27,51,019	27,51,019	1.55	27,51,019	1.55	0	1.31	0	0	27,51,019
Kusum Bansal	1	25,27,277	25,27,277	1.43	25,27,277	1.43	0	1.20	0	0	25,27,277
Non-Resident Indians (NRIs)	2,319	29,51,375	29,51,375	1.67	29,51,375	1.67	1,70,000	1.48	0	0	29,51,375
Bodies Corporate	369	1,00,14,768	1,00,14,768	5.65	1,00,14,768	5.65	88,62,232	8.96	7,15,536	7.14	98,14,768
Aakarshan Tracom Private Limited	1	21,33,368	21,33,368	1.20	21,33,368	1.20	0	1.01	0	0	21,33,368
Any Other (specify)	1,045	25,91,389	25,91,389	1.46	25,91,389	1.46	12,59,000	1.83	50,000	1.93	25,91,389
Unclaimed or Suspense or Escrow Account	1	2,21,800	2,21,800	0.13	2,21,800	0.13	0	0.11	0	0	2,21,800
Clearing Members	3	39,306	39,306	0.02	39,306	0.02	0	0.02	0	0	39,306
HUF	1,040	23,19,861	23,19,861	1.31	23,19,861	1.31	12,59,000	1.70	50,000	2.16	23,19,861
Trusts	1	10,422	10,422	0.01	10,422	0.01	0	0		0.00	10,422
Sub Total B5	77,310	7,02,52,494	7,02,52,494	39.64	7,02,52,494	39.64	1,17,43,327	38.91	13,83,246	1.97	6,98,30,794
B=B1+B2+B3+B4+B5	77,330	8,10,91,912	8,10,91,912	45.76	8,10,91,912	45.76	1,35,45,027	44.90	69,03,246	8.51	7,51,50,212

Table – IV - Statement showing shareholding pattern of the Non Promoter - Non Public shareholder

Category and Name of the shareholders (I)	No. of shareholders (III)	No. of fully paid-up equity shares held (IV)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of equity shares held in dematerialized form (IX)
C1) Custodian / DR Holder	0	0	0	0	0
C2) Employee Benefit Trust	0	0	0	0	0
C = C1 + C2	**0**	**0**	**0**	**0**	**0**

Table – V - Details of disclosure made by the trading members holding 1.00% or more of the total number of shares of our Company as on June 30, 2024

S. No	Name of the trading member	Name of the beneficial owner	Number of shares held	% of total number of shares	Date of reporting by the trading member
-	NIL	NIL	NIL	NIL	NIL

Table – VI - Details of the significant beneficial owners as of June 30, 2024

S. No.	Details of the SBO (I)		Details of the registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect: (III)					Date of creation / acquisition of significant beneficial interest (IV)
	Name	Nationality	Name	Nationality	Whether by virtue of:					
					Shares	Voting rights (%)	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1.	Madan Mohan	India	Madan Mohan (HUF)	India	16	16		Yes	Yes	31/03/2023
2.	Rakesh Garg	India	Rakesh Garg HUF	India	16	16		Yes	Yes	31/03/2023

Table – VII – Statement showing foreign ownership limits

	Approved Limits (%)	Limits Utilized (%)
As on shareholding date	100.00	4.92
As on the end of previous 1st quarter	100.00	1.01
As on the end of previous 2nd quarter	100.00	4.12
As on the end of previous 3rd quarter	100.00	3.00
As on the end of previous 4th quarter	100.00	6.08

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Manager and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 236 and 237, respectively.

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single 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 Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, our Company may issue equity shares to Eligible QIBs provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP, and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to seek approval of our Shareholders for the above-mentioned special resolution. This is not applicable to such companies who propose to undertake qualified institutional placement for complying with the minimum public shareholding requirements specified in the SCRR;

- invitation to apply in the Issue must be made through a private placement offer-cum-application form, serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer made, except as permitted under the Companies Act, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- in accordance with the SEBI ICDR Regulations, the Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited

- our Promoters and Directors have not been declared as 'wilful defaulters' or 'fraudulent borrowers' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India; and

- our individual Promoter and Directors are not Fugitive Economic Offenders.

At least 10.00% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise their Bids downwards after the Bid / Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated December 18, 2023, and our Shareholders by way of a special resolution dated January 18, 2024, have authorised our Board to decide the quantum of discount of up to five percent of the Floor Price at the time of determination of the Issue Price. The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as per the provisions under Regulation 176(4) of the SEBI ICDR Regulations.

The "relevant date" referred to above means the date of the meeting in which the Board or a duly authorized committee decides to open the Issue and "Stock Exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue, being January 18, 2024, and also within 60 days from the date of receipt of Bid Amount from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹25,000 lakhs; and
- five, where the issue size is greater than ₹25,000 lakhs.

No single Allottee shall be Allotted more than 50.00% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "– *Bid Process - Application Form*" on page 226.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on December 18, 2023, and our Shareholders by way of a special resolution on January 18, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, outside India, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 236. The Equity Shares are transferable only in accordance with the restrictions described under "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 236 and 237, respectively.

Issue Procedure

1. On the Bid / Issue Opening Date, our Company and the Book Running Lead Manager shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have

been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by our Company in consultation with the Book Running Lead Manager. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid / Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid / Issue Closing Date. In case of an upward revision before the Bid / Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the application form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid / Issue Period to the Book Running Lead Manager.

5. Bidders will be required to indicate the following in the Application Form:

   - a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S, and it has agreed to certain other representations set forth in the "*Representations by Investors*", on page 3, "*Selling Restrictions*" on page 236 and "*Purchaser Representations and Transfer Restrictions*" on page 237 and certain other representations set forth in the Application Form;

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

   NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the 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 for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund.*

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

6. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "*JTL INDUSTRIES LIMITED – QIP ESCROW ACCOUNT 2024*" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid / Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 231.

7. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid / Issue Closing Date. In case of an upward revision before the Bid / Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid / Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid / Issue Closing Date, our Company shall, in consultation with Book Running Lead Manager determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Manager on behalf of our Company will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid / Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Book Running Lead Manager.**

9. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it.

10. Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the 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.

11. Upon determination of the Issue Price and issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Manager, shall, on our behalf, send a serially numbered

Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

13. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "– *Refunds*" on page 231.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue (not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations) and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds, VCFs, AIFs, each registered with SEBI;
- pension funds with minimum corpus of ₹25,000.00 lakhs registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25,000.00 lakhs;

- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies; and
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF THE FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) should not exceed 10.00% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding of each FPI or an investor group shall be below 10.00% of the post-issue total paid-up Equity Share capital of our Company on a fully diluted basis. Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Company, currently being 100.00% under the automatic route.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed CDSL as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars / public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 236 and 237, respectively.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company on a fully diluted basis. Other non-residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being our Promoters, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the Book Running Lead Manager and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10.00% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made all the following representations and warranties, acknowledgements and undertakings, and the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 3, 236 and 237, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or members of the Promoter Group or persons related to the Promoters;

3. Each Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets;

5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Bidder confirms that in the event it is resident outside India, it is not an FVCI;

9. Each Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. Each Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid / Issue Closing Date;

11. Each Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Manager. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. Each Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

13. Each Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50.00% of the Issue. For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. Each Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

15. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

16. Each Eligible QIB acknowledges, represents and agrees that its total voting rights in our Company does not exceed 10.00% of the total issued share capital of our Company.

17. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) in our Company does not exceed 10.00% of the post-Issue paid-up capital of our Company on a fully diluted basis.

18. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

19. The Eligible QIB confirms that:

    (a) It is outside the United States and is subscribing to the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

    (b) It has agreed to the representations set forth in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 236 and 237, respectively, and other representations made in the Application Form.

ELIGIBLE QIBs MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID / ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form, whether signed or not, and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the Book Running Lead Manager) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address(s):

Name	Address	Contact Person	Website and Email	Phone
Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*)	801 - 804, Wing A, Building No 3, Inspire BKC, G Block Bandra Kurla Complex, Bandra East Mumbai – 400 051 Maharashtra, India	Manish Tejwani/ Pari Vaya	Website: www.nuvama.com E-mail: jtl@nuvama.com	Tel: +91 22 4009 4400

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the duly completed Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*JTL INDUSTRIES LIMITED– QIP ESCROW ACCOUNT 2024*" with the Escrow Agent, in terms of the Escrow Agreements. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*JTL INDUSTRIES LIMITED - QIP ESCROW ACCOUNT 2024*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "*– Refunds*" on page 231.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than

5% of the Floor Price in accordance with the approval of our Shareholders, accorded by way of a special resolution dated January 18, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board or a duly authorized committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Manager. Such Bids cannot be withdrawn or revised downwards after the Bid / Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10.00% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, Company in consultation with Book Running Lead Manager has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the details of amount to be refunded, if any, probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the Book Running Lead Manager.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5.00% of the Equity Shares offered in the Issue, namely, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid / Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12.00% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the Income Tax Act, 1961. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to reject applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "– *Bid Process*" and "– *Refunds*" on pages 227 and 232, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement

The Book Running Lead Manager has entered into the Placement Agreement with our Company, pursuant to which the Book Running Lead Manager has agreed to manage the Issue and to act as placement agent in connection with the proposed Issue and, subject to certain conditions procure subscription for the Equity Shares to be issued pursuant to the Issue, on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Book Running Lead Manager and its affiliates may engage in transactions with and perform services for our Company and our Subsidiary or affiliates 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 our Subsidiary or affiliates, for which they would have received compensation and may in the future receive compensation.

Affiliates of the Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. See "*Offshore Derivative Instruments*" and "*Representations by Investors*" on pages 9 and 3, respectively.

This Preliminary Placement Document have not been, and will not be, registered as a prospectus with the RoC, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

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

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager and its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager and its affiliates may hold long or short positions in the Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of Offshore Derivative Instruments. Please see "*Offshore Derivative Instruments*" on page 9. From time to time, the Book Running Lead Manager and its affiliates and associates have engaged in or may in the future engage in transactions with and perform services, including but not limited to, investment banking, advisory, banking, trading services for our Company, our Subsidiary, affiliates and the Shareholders, as well as for their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates. For further details, see "*Use of Proceeds*" on page 82.

Lock-up

Our Company undertakes, that it will not, for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the BRLM, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to (i) the issuance of Equity Shares pursuant to the Issue; (ii) issuance of equity shares pursuant to conversion of warrants; and (iii) any transaction required by law or an order of a court of law or a statutory authority. .

Promoter Lock-up

Our Promoters have undertaken that they or any of the members of their Promoter Group will not, for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the BRLM, , directly or indirectly, (a) offer, sell, pledge, issue, encumber, contract to issue, grant any option, right or warrant for the issuance (a) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Lock-up Shares, or any securities convertible into or exercisable or exchangeable for Lock-up Shares or file nay registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Lock-up Shares or any securities convertible into or exercisable or exchangeable for Lock-up Shares; (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Lock-up Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Lock-up Shares, or such other securities, in cash or otherwise. Further the provisions of this paragraph will not be applicable for (a) any pledge or non-disposal undertaking of any of the Lock-up Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the Company; or (b) acquisition of equity shares pursuant to conversion of warrants; (c) any sale, transfer or disposition of any of the Lock-up Shares by the undersigned with prior written consent of the Placement Agent to the extent such sale, transfer or disposition is required by Applicable law.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and "*Notice to Investors*", "*Representations by Investors"* and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 3 and 237, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the BSE or the NSE. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 236.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- You are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the Book Running Lead Manager and its respective affiliates shall have any responsibility in this regard.

- You acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in compliance with, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- You certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- You are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

Other jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the SEBI Act, SEBI Listing Regulations and various guidelines and regulations issued by the SEBI and the stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

Pursuant to the provisions of the SCRR, all listed companies (except public sector undertakings) are required to ensure a minimum public shareholding at 25.00%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25.00% at any time, such company is required to bring the public shareholding to 25.00% within a maximum period of 12 months from the date of such fall. However, every public sector listed company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10.00%, 15.00% and 20.00%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time / price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

SEBI Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"). The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, employees and directors, with respect to their shareholding in the company, and the changes therein. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Insider Trading Regulations prescribe that the board of directors or head(s) of listed companies shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorised share capital of our Company is ₹55,00,00,000 divided into 27,50,00,000 Equity Shares, having a face value of ₹2.00 each. For further details please see "*Capital Structure*" on page 90. The Equity Shares are listed on the BSE, the NSE and the MSE.

Dividends

Under the Companies Act, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. In addition, declaration and payment of dividends would be subject to our Company's dividend policy, adopted by our Board on August 18, 2021 ("**Dividend Policy**"). The dividend, if any, will depend on a number of factors, including but not limited to the growth of our Company, the cash flow position of our Company, accumulated reserves, business cycles, economic environment, changes in the government policies, industry specific rulings and regulatory provisions and other factors considered relevant by our Board.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. Bonus shares cannot be issued in lieu of dividend.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of Profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company subject to approval of shareholders in a general meeting to issue fully paid up bonus shares to its members out of (a) the free reserves of the company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalise its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus, and (e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

According to the Articles of Association, our Company may by a resolution passed in a general meeting of the Shareholders, upon a recommendation by the Board, resolve to capitalise any part of the amount for the time being standing to the credit of any of our Company's reserve accounts or to the credit of the statement of profit and loss or otherwise available for distribution and that such sum be available for distribution amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions. The aforesaid sum shall not be paid in cash but shall be applied on behalf of such shareholders in paying up any amounts for the time being unpaid on any Equity Shares held by such Shareholders and/or in paying up in full, unissued shares of our Company to be allotted and distributed, credited as fully paid up in the proportion aforesaid, provided that a share premium account and a capital redemption reserve fund may, be applied in the paying up of any unissued shares to be issued to members of our Company as fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to (1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its share capital by such sum, to be divided into shares of 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 denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. Further, our Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account;

General meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95.00% of the shareholders entitled to vote. Further, a general meeting, other than an annual general meeting may be called after giving a shorter notice if consent is received, by the majority in number of shareholders of the company who are entitled to vote and who represent not less than 95.00% of the paid up share capital of the company. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with, unless exempted by appropriate authority.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Pursuant to the terms of our Articles of Association, and subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member holding equity shares present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to their share in the paid-up equity share capital of our Company.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than three and not more than 15. The Articles of Association also permit our Directors to appoint any person as an additional director to the Board but so that the total number of Directors shall not at any time exceed the maximum number of 15, as fixed under the Articles of Association. However, any director so appointed shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Companies Act..

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act.

Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Liquidation Rights

In the event of our winding up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. The liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

Date: July 18, 2024

To,

Board of Directors
JTL Industries Limited
(formerly known as JTL Infra Limited)
Corporate Identification Number L27106CH1991PLC011536
SCO 18-19, First Floor,
Sector 28 C,
Chandigarh – 160 002, India

Nuvama Wealth Management Limited
(*Formerly known as Edelweiss Securities Limited*)
801 - 804, Wing A, Building No. 3,
Inspire BKC, G Block
Bandra Kurla Complex, Bandra East
Mumbai
Maharashtra – 400 051, India (hereinafter referred to as the "**Placement Agent**")

Subject: **Qualified institutions placement of equity shares of face value ₹ 2 each ("Equity Shares") by JTL Industries Limited (the "Company") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the "Issue").**

Independent Practitioner's Report on possible special tax benefits.

Dear Sir/ Madam,

We, N. Kumar Chhabra and Co., Chartered Accountants, statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the applicable direct tax laws i.e., Income Tax Act, 1961, as amended (the "**IT Act**") and applicable Indirect Tax Laws (as defined in the Annexure A and Annexure B), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-2024, presently in force in India, in the enclosed statement at **Annexure A and Annexure B**.

Several of these stated tax benefits/ consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed Annexure A and Annexure B cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and Annexure B, and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement. The Company does not have any material subsidiaries and hence the possible tax benefits with respect to its subsidiary have not been included in the Statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. 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; or
iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Preliminary Placement Document and Placement Document to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), the Securities and Exchange Board of India, and the Registrar of Companies, Punjab and Chandigarh, and any other authority and such other documents as may be prepared in connection with the Issue.

We confirm that the information in this certificate is true, fair, and accurate, and is in accordance with the requirements of the Companies Act, 2013 as amended, the SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This statement is prepared for inclusion in the Preliminary Placement Document and Placement Document (PD) in connection with the Issue and may accordingly be furnished to the Stock Exchanges or any other judicial, statutory, and regulatory authorities as required. The aforesaid information contained herein and in **Annexure A and Annexure B** can also be shared with and relied on by the Placement Agent, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

We undertake to immediately inform in writing to the Placement Agent and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Preliminary Placement Document or Placement Document.

Yours sincerely,

for **N. Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 000837N

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083

Place: Chandigarh
Date: July 18, 2024
UDIN: 24507083BKBLYU7030

CC:
Domestic Legal Counsel to the Issue
J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza, Hudco Place,
August Kranti Marg,
New Delhi – 110049, India

Annexure A

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws
1.	Income Tax Act, 1961 and Income Tax Rules, 1962
2.	The Central Goods and Services Tax Act, 2017 / The Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 along with the Central Goods and Services Tax Rules, 2017/ the Integrated Goods and Services Tax Rules, 2017 and the applicable State Goods and Services Tax Rules, 2017 and Securities Transaction Tax under Chapter VII of the Finance (No. 2) Act, 2004.
3.	The Customs Act, 1962, the Customs Tariff Act, 1975 and its relevant Rules.

for and on behalf of Board **of J T L Industries Limited** (formerly known as JTL Infra Limited)
CIN: L27106CH1991PLC011536

Authorised Signatory

Place: Chandigarh
Date: July 18, 2024

Annexure B

Statement of Possible Special Tax Benefits available to JTL Industries Limited ('The Company'), its Shareholders, and its material Subsidiaries under the Direct and Indirect Taxes ("Tax Laws")

A. <u>Company and its shareholders</u>

Direct Taxation

The following are the possible special tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This portion of the statement is as per the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2023 read with the relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

1. Possible Special income-tax benefits available to the Company

i. Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (pertaining to specified category of employees) incurred in the course of business in the financial year, for 3 assessment years including the assessment year relevant to the financial year in which such employment is provided. Said deduction shall be available subject to satisfaction of specified conditions.

ii. As per the provisions of section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in an Indian subsidiary, it may avail above-mentioned benefit under section 80M of the Act.

iii. Section 115BAA of the Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. The Company has opted for section 115BAA. The Company may claim such beneficial tax rate in future years subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.

2. Possible Special Income-tax Tax Benefits available to the Shareholders of the Company.

Resident Shareholders:

(i) There are no possible income-tax special tax benefits available to the shareholders of the Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes (arising from sale of equity shares of the Company).

(ii) Section 112A of the Act provides for a concessional rate of tax with effect from April 1, 2019 (i.e. AY 2019-20). Any income, exceeding INR 1,00,000/- arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity-oriented fund wherein Securities

Transaction Tax is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

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

(iv) Separately, any dividend income received by shareholders would be subject to tax deduction at source by the Company under section 194 of the Act @ 10%. However, in the case of individual shareholders, this would apply only in case the dividend income exceeds INR 5,000. Further, dividend income is now taxable in the hands of shareholders.

Non-Resident Shareholders:

(i) In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident shareholder has fiscal domicile. Further, any dividend income received by a non-resident shareholders would be subject to tax deduction at source by the Company under section 195 of the Act.

(ii) Apart from the tax benefits available to each class of shareholders as such, there are no possible special income tax benefits available to the shareholders under the provisions of the Act for investing in the shares of the Company.

Indirect Taxation

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), The Customs Act, 1962 ("Customs Act"), the Customs Tariff Act, 1975 ("Customs Tariff Act"), as amended by the Finance Act 2022, and Securities Transaction Tax under Chapter VII of the Finance (No. 2) Act, 2004 including the relevant rules, regulations, notifications and circulars issued there under, applicable for the Financial Year 2023-24, presently in force in India.

1. Possible Special indirect-tax benefits available to the Company

- **Possible Special Indirect Tax Benefits available under the GST Acts:**

  a. The Company exports goods without payment of GST under a Letter of Undertaking.

  b. The goods supplied by the Company in domestic market which attract GST at the prescribed rates.

  c. The Company is availing the benefit of concessional rate of GST on merchant export transactions under Notification No. 40/ 2017 – Central Tax (Rate) dated October 23, 2017.

  d. Apart from the above, no other possible special Indirect tax benefits by availed by the Company under the GST Acts in India.

- **Possible Special indirect tax benefits available under Customs Act and Customs Tariff Act:**

  ➢ The Company has received duty drawback under All Industry Rate (AIR) of Duty Drawback under Section 75 of the Customs Act, 1962 during the Financial Year 2022-23.

  ➢ Apart from the above, no other possible special Indirect tax benefits are availed by the Company under the Customs Act and Tariff Act.

2. Possible Special Indirect Tax Benefits available to the Shareholders of the Company

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

The Shareholders ought to pay Security Transaction Tax (STT) on sale and purchase of the shares from the recognised stock exchange.

Apart from above, the shareholders of the Company are not eligible for any possible special tax benefits under the provisions of the GST Acts, Customs Act, Customs Tariff Act, as amended by the Finance Act 2022, including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement sets out only the possible special tax benefits available under the current provisions of Indian Taxation Laws.
2. The above Statement of possible special tax benefits sets out the provisions of the Indian Taxation Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership, and disposal of equity shares of the Company.
3. The tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Taxation Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
4. The tax benefits discussed in the Statement are not exhaustive and are only intended to provide general information to the investors and hence, are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
5. This part A of the statement (Company and its Shareholders) does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.
6. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

- the Company or its shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been/ would be met with; and
- the revenue authorities/courts will concur with the view expressed herein.

7. The above views are based on the existing provisions of Indian Taxation Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

for and on behalf of Board **of J T L Industries Limited** (formerly known as JTL Infra Limited)
CIN: L27106CH1991PLC011536

Authorised Signatory

Place: Chandigarh
Date: July 18, 2024

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of tax disputes, criminal proceedings, civil proceedings or regulatory proceedings, which are pending before various adjudicating forums.

As on date of this Preliminary Placement Document, except as disclosed below, there are no outstanding: (i) criminal proceedings involving our Company, Subsidiary, Promoters and Directors; (ii) actions by statutory or regulatory authorities involving our Company, Subsidiary, Promoters and Directors; (iii) claims related to direct and indirect taxes involving our Company, Subsidiary, Promoters and Directors; (iv) civil litigation proceedings involving our Company, Subsidiary, Promoters and Directors, determined as material in accordance with our Company's '*Policy for determination of material events or information*' framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**"); and (v) other civil proceedings involving our Company, Subsidiary, Promoters and Directors wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iv) above, which if results in an adverse outcome would have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company. In accordance with the Materiality Policy, all outstanding legal proceedings involving our Company, Subsidiary, Promoters and/or Directors, where the amount involved exceeds ₹ 440.34 lakhs (being 5% of the average of absolute value of profit or loss after tax in Fiscals 2024, 2023 and 2022 in accordance with our Audited Consolidated Financial Statements) is disclosed in this section. It is clarified that any outstanding litigation, which has been disclosed to the Stock Exchanges, has been disclosed in the Preliminary Placement Document, irrespective of whether the amount involved meets the Materiality Threshold.

Further, as on date of this Preliminary Placement Document, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company and Subsidiary, under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and Subsidiary; (iii) our Company has no defaults in repayment of (a) statutory dues, (b) debentures and interest thereon, (c) deposits and interest thereon and (d) loans from any bank or financial institution and interest thereon (except where there is dispute under litigation); (iv) our Company has not made any default in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material fraud committed against our Company in the last three years preceding the issue of this Preliminary Placement Document; and (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the year of the issue of this Preliminary Placement Document**.**

Except as stated in "*Management's Discussion And Analysis Of Financial Condition And Results of Operations – Auditor's Observations*" on page 118, there are no reservations, qualifications or adverse remarks of auditors for the last five Fiscals immediately preceding the year of the issue of this Preliminary Placement Document.

Tax proceedings

We have disclosed claims relating to direct and indirect taxes involving our Company, Subsidiary, Promoters and Directors as on the date of this Preliminary Placement Document, giving details of number of cases and the total amount involved in such claims, to the extent quantifiable.

Nature of cases	Number of cases	Amount involved* (in ₹ lakhs)
Company		
Direct tax	12	369.28
Indirect tax	3	40.24
Subsidiary		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

Nature of cases	Number of cases	Amount involved* (in ₹ lakhs)
Promoters		
Direct tax	2	825.89
Indirect tax	Nil	Nil
Directors (other than Promoters)		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	**17**	**1,235.41**

I. Litigation involving our Company

Criminal proceedings against our Company

1. The Government Labour Officer and Inspector, Raigad ("**Labour Officer**") issued a show cause notice dated May 29, 2023 to our Company and some of our Directors, viz. Madan Mohan, Mithan Lal Singla, Rakesh Garg, Sukhdev Raj Sharma, Rakesh Mohan Garg, Preet Kamal Kaur Bhatia, Pranav Singla and Dhruv Singla (collectively referred to as the "**Accused**"), under the provisions of the Minimum Wages Act, 1948, Payment of Wages Act, 1936 read with Maharashtra Minimum Wages Rules, 1963 and the Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975. Subsequently, the Labour Officer filed a complaint number 429/2023 dated September 4, 2023, before the Judicial Magistrate First Class, Mangaon, Raigad alleging offences under various sections of the Payment of Wages Act, 1936 read with the Maharashtra Minimum Wages Rules, 1963, against the Accused. It is alleged in the complaint that in an inspection of our Company's premises, various violations of the Acts mentioned above were noticed, following which the complaint case was filed. The matter is currently pending.

2. The Government Labour Officer and Inspector, Raigad ("**Labour Officer**") issued a show cause notice dated May 29, 2023 to our Company and some of our Directors, viz. Madan Mohan, Mithan Lal Singla, Rakesh Garg, Sukhdev Raj Sharma, Rakesh Mohan Garg, Preet Kamal Kaur Bhatia, Pranav Singla and Dhruv Singla (collectively referred to as the "**Accused**"), under the provisions of the Minimum Wages Act, 1948, Payment of Wages Act, 1936 read with Maharashtra Minimum Wages Rules, 1963 and the Payment of Bonus Act, 1965 read with Payment of Bonus Rules, 1975. Subsequently, the Labour Officer filed a complaint number 430/2023 dated September 4, 2023, in the Court of the Judicial Magistrate Mangaon, Raigad, alleging offences under various sections of the Minimum Wages Act, 1948 read with the Maharashtra Minimum Wages Rules, 1963, against the Accused. It is alleged in the complaint that in an inspection of our Company's premises, various violations of the Acts mentioned above were noticed, following which the complaint case was filed. The matter is currently pending.

Criminal proceedings by our Company

NIL

Material civil proceedings against our Company

NIL

Material civil proceedings by our Company

1. Our Company filed a claim petition, Claim Petition MSEFC No. 79 of 2020, against the Executive Engineer, PHE Mechanical Procurement Division, Jammu, under the Micro, Small and Medium Enterprises Development Act, 2006, before the Chairman, District Level Micro & Small Enterprises Facilitation Council ("**Facilitation Council**") at SAS Nagar for recovery of ₹ 1,380 lakhs with interest. During the pendency of the claim petition, the principal amount was duly paid, and the Company pursued the petition for the interest. The Facilitation Council, in its award dated June 1, 2023, awarded ₹ 524 lakhs as interest up to May 31, 2023 and future interest from June 1, 2023 till the actual realization of the awarded amount in favour of our Company. As neither the award amount was received nor an appeal against the award was filed, our Company filed an execution petition seeking execution of the award dated June 1, 2023 along with litigation expenses of ₹ 55,000 under Section 36 of Arbitration and Conciliation Act, 1996, read with section 151 and Order 21

Rule 30 of Code of Civil Procedure, 1908 and other relevant provisions of the law. The matter is currently pending.

2. Our Company filed a claim petition, Claim Petition No. 90 of 2020, against the Executive Engineer, PHE Mechanical Procurement Division, Srinagar, under the Micro, Small and Medium Enterprises Development Act, 2006, before the Chairman, District Level Micro & Small Enterprises Facilitation Council ("**Facilitation Council**") at SAS Nagar for recovery of ₹ 1,153 lakhs with interest. During the pendency of the claim petition, part payment was received by the Company, and it continued to pursue the claim for the remaining money along with interest. The Facilitation Council, in its award dated June 1, 2023, awarded of ₹ 1,153 lakhs which including the principal amount and interest amount up to June 1, 2023 and future interest from thereon until actual realization of the awarded amount in favour of our Company. As neither the award amount was received nor an appeal against the award was filed, our Company filed an execution petition seeking execution of the award dated June 1, 2023 along with litigation expenses under Section 36 of Arbitration and Conciliation Act, 1996, read with section 151 and Order 21 Rule 30 of Code of Civil Procedure, 1908 and other relevant provisions of the law. The matter is currently pending.

Regulatory matters involving our Company

For details of regulatory matters involving the Company, please refer to "- *Criminal proceedings against our Company*" on page 253 of this Preliminary Placement Document.

II. Litigation involving our Subsidiaries

Criminal proceedings involving our Subsidiaries

NIL

Material civil proceedings involving our Subsidiaries

NIL

Regulatory matters involving our Subsidiaries

NIL

III. Litigation involving our Directors

Criminal proceedings involving our Directors

1. On February 21, 2018, the Deputy Registrar of Companies, Punjab & Chandigarh, filed a criminal complaint bearing no. 9636/18 before the Court of Chief Judicial Magistrate, Chandigarh against M/s Mirage Infra Limited ("**Mirage Infra**") and its directors Madan Mohan, Vijay Singla and Chetan Singla, alleging violations of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 ("**Deposit Rules**"). It was alleged, among other things, that Mirage Infra has taken certain loans which are in contravention of the relevant statutory mandate. On May 4, 2022, Mirage Infra and the above named directors filed a discharge application, among other things, on the grounds that the loans do not fall within the ambit of the definition of "deposits" under the Deposit Rules. The Chief Judicial Magistrate, Chandigarh rejected the discharge application against which revision petition bearing no. 3773 of 2023 along with an application seeking condonation of delay in the filing of the revision petition was filed in the Court of Session Judge, Chandigarh. The matter is currently pending adjudication.

2. For further details of criminal proceedings involving our Directors, please see " – *Criminal proceedings against our Company*"

Material civil proceedings involving our Directors

NIL

Regulatory matters involving our Directors

For details of regulatory matters involving our Directors, please see " – *Criminal proceedings against our Company*"

IV. Litigation involving our Promoters

Criminal proceedings involving our Promoters

For details of criminal proceedings involving our Promoters, please see " – *Criminal proceedings against our Company*" and " – *Criminal proceedings involving our Directors*"

Material civil proceedings involving our Promoters

NIL

Regulatory matters involving our Promoters

For details of regulatory matters involving our Promoters, please see " – *Criminal proceedings against our Company*"

Inquiries, inspections, or investigations initiated or conducted under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiary, and any prosecutions filed (whether pending or not), fines imposed, or offences compounded in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries

As on the date of this Preliminary Placement Document, there have neither been any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013, against our Company and its Subsidiary, nor any prosecutions filed, fines imposed, or offences compounded in the last three years immediately preceding the year of issue of this Preliminary Placement Document. However, the following penalties were imposed on our Company in the last three years immediately preceding the filing of this Preliminary Placement Document:

(i) BSE and MSE had, vide email and letter dated December 14, 2022 each, imposed fines in relation to non-compliance of regulation 44(3) of the SEBI Listing Regulations, for non-submission of voting results within the period provided under the relevant provisions of the SEBI Listing Regulations. Accordingly, the Company had duly deposited the fine with BSE and MSE, amounting to ₹ 10,000 each, plus applicable taxes, and intimated BSE and MSE of the payment details vide email dated December 23, 2022.

(ii) MSE had, vide letter dated May 16, 2022, imposed a fine in relation to non-compliance of regulation 29 of the SEBI Listing Regulations for non-filing of intimation of Board meeting. Accordingly, the Company had duly deposited the fine with MSE, amounting to ₹ 10,000 plus applicable taxes, on May 24, 2022 and intimated MSE of the payment details vide email dated June 23, 2022.

(iii) MSE had, vide email dated July 15, 2024, imposed a fine in relation to non-compliance of regulation 23(9) of the SEBI Listing Regulations in relation to Related Party transactions for the 6 months ended March 31, 2024. Accordingly, the Company had duly deposited the fine with MSE, amounting to 245,000 plus applicable taxes, on July 16, 2024 and intimated MSE of the payment details vide email dated July 16, 2024.

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any

Except as disclosed under "- *Regulatory matters involving our Promoters*", there are no litigations or legal actions pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Placement Document.

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

There have been no material frauds committed against the Company in the last three years preceding the date of this Placement Document.

Details of default, if any, including the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon

The Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

Details of defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder

As on the date of this Placement Document, the Company has not made any default in their respective annual filings under the Companies Act, 2013 and the rules made thereunder.

Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations

As on the date of this Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.

OUR STATUTORY AUDITORS

Our Company's Statutory Auditors, N. Kumar Chhabra & Co., Chartered Accountants, are independent auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the ICAI. They were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the annual general meeting held on August 30, 2023 for a period of five years, commencing from Fiscal 2024 to Fiscal 2028.

N. Kumar Chhabra & Co., Chartered Accountants have audited the Audited Consolidated Financial Statements, performed a review of the Unaudited Consolidated Financial Results for the three months period ended June 30, 2024 and have issued review report dated July 10, 2024 on the Unaudited Consolidated Financial Results, which are included in this Preliminary Placement Document in "*Financial Statements*" on page 260.

GENERAL INFORMATION

- Our Company was incorporated as "Jagan Tubes Private Limited" on July 29, 1991, at Chandigarh as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Subsequently, it was converted to a public limited company, pursuant to the fresh certificate of incorporation dated May 31, 1993 issued by Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh at Jalandhar. Thereafter, the name of our Company was changed to "JTL Infra Limited" pursuant to a special resolution dated March 12, 2008 passed by our shareholders and a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Punjab & Chandigarh ("**RoC**") dated April 4, 2008. Further, the name of our Company was changed to "JTL Industries Limited", pursuant to Rule 29 of the Companies (Incorporation) Rules, 2014 and a fresh certificate of incorporation dated October 10, 2022 was issued by the RoC.

  In the year 2021, our Company filed a scheme of amalgamation under the Companies Act, 2013 for amalgamation of Chetan Industries Limited with our Company ("**Scheme**") with an appointed date of April 1, 2021. The Scheme was approved by way of order of the Hon'ble National Company Law Tribunal, Chandigarh ("**NCLT Chandigarh**") dated March 30, 2023. The effective date of the Scheme was March 31, 2023, being the date on which the order of NCLT Chandigarh was filed with the RoC. Further, in consideration for the aforesaid Scheme, our Company isued and allotted to each of the sharehoders of Chetan Industries Limited, shares in proportion of 117 equity shares of face value of ₹ 2 each in our Company for every 100 equity shares of face value ₹ 1 each held by the shareholdrs in Chetan Industries Limited.

- The Registered and Corporate Office of our Company is located at S.C.O. 18-19, Sector 28-C, Chandigarh 160002, India

- The CIN of our Company is L27106CH1991PLC011536 .

- The authorized share capital of our Company is ₹55,00,00,000 divided into 27,50,00,000 Equity Shares, having a face value of ₹2.00 each.

- The Issue has been approved by the Board of Directors on December 18, 2023. Subsequently, our Shareholders, by way of postal ballot concluded on January 18, 2024, approved the Issue.

- The Equity Shares are listed on BSE, NSE and MSE since July 31, 2012, June 12, 2023 and December 4, 2017, respectively.

- The website of our Company is www.jtl.one.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE, NSE and MSE, on July 18, 2024, respectively. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 AM and 5:00 PM on any working day (except public holidays) at our Registered Office and Corporate Office.

- Other than as disclosed in the section "*Risk Factors – Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, results of operations and financial condition*" on page 52, our Company has obtained all material consents, approvals and authorisations required in connection with the Issue.

- No change in control in our Company will occur consequent to the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2024, the date of the latest audited financial statements prepared in accordance with Ind AS included in this Preliminary Placement Document.

- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 252.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and the SCRR.

- The Floor Price is ₹ 221.57 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders accorded through a special resolution passed by way of a postal ballot concluded on January 18, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

- Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

- Amrender Kumar Yadav is the Company Secretary, Legal and Compliance Officer of our Company. His contact details are as follows:

  Amrender Kumar Yadav
  S.C.O, 18-19, Sector 28-C
  Chandigarh – 160002, India
  Telephone: +91 172 4668 000
  Email: contact@jtl.one

FINANCIAL STATEMENTS

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of JTL Industries Limited (formerly known as JTL Infra Limited)

1. We have reviewed the accompanying Statement of unaudited consolidated financial results ('the Statement') of **JTL Industries Limited (formerly known as JTL Infra Limited)** (the "Holding Company") and its subsidiary (the Holding company and its subsidiary together referred to as 'the Group') for the quarter ended **30 June, 2024**, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We have conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that cause us to believe that the accompanying statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the interim financial results of JTL Tubes Limited, subsidiary, which has not been reviewed by its auditor, whose interim financial results reflect total revenues of ₹ Nil, net profit after tax of ₹ Nil, total comprehensive income of ₹ Nil, for the quarter ended on 30 June 2024, as considered in the Statement. The same has been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial results certified by the Board of Directors.

6. The comparative financial information of the Group for the quarter ending 30 June, 2023, prepared in accordance with Ind AS included in the statement was reviewed by the predecessor auditor vide their unmodified reports dated 29th July, 2023, whose report has been furnished to us by the management and which have been relied upon for the purpose of our review of the statement.

   Our conclusion is not modified in respect of this matter.

for **N Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm registration Number 00837N

ASHISH CHHABRA
Digitally signed by ASHISH CHHABRA
Date: 2024.07.10 17:25:10 +05'30'

CA. Ashish Chhabra
FCA., Partner
Membership Number 507083
Place: Chandigarh
Date: 10 July 2024

UDIN: 24507083BKBLXZ3150

JTL INDUSTRIES LIMITED
(Formerly known as JTL Infra Limited)
STEEL PIPES

Registered & Corporate Office:
S.C.O. 18-19, Sector 28-C,
Chandigarh 160002, India
CIN: L27106CH1991PLC011536

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E contact@jtl.one
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Statement of Consolidated unudited Financial Results for period enend 30th June, 2024 **(Rs. in Lakhs except EPS data)**

Sr. No.	Particulars	Quarter Ended			F.Y. Ended
		30-Jun-2024	31-Mar-2024	30-Jun-2023	31-Mar-2024
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	**Income**				
	a) Revenue from operations	51,537.88	46,593.98	50,480.20	2,04,022.89
	b) Other Income	417.90	393.14	76.76	866.90
	Total Income	**51,955.78**	**46,987.13**	**50,556.97**	**2,04,889.79**
2.	**Expenses**				
	a) Cost of materials consumed	44,122.75	34,288.21	42,770.04	1,69,489.56
	b) Purchases of stock-in-trade	1,032.80	6,298.46	-	9,912.82
	c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates	(86.47)	(813.93)	2,476.71	424.57
	d) Employee benefits expense	618.03	669.62	529.59	2,116.94
	e) Finance costs	125.68	95.24	124.28	509.38
	f) Depreciation and amortization expense	188.64	155.08	115.24	555.75
	g) Other expenses	1,882.21	2,478.07	1,150.77	6,859.95
	Total Expenses	**47,883.63**	**43,170.77**	**47,166.63**	**1,89,868.98**
3.	**Profit Before Exceptional Items and Tax (1-2)**	**4,072.15**	**3,816.36**	**3,390.33**	**15,020.81**
4.	**Exceptional Items**	-	-		-
5.	**Profit Before Tax (3 +/- 4)**	**4,072.15**	**3,816.36**	**3,390.33**	**15,020.81**
6.	**Tax Expense**				
	a) Current Tax	995.17	939.90	853.35	3,710.50
	b) Deferred Tax	6.88	(154.02)	-	(66.77)
	c) Previous period Tax	-	75.94	-	75.94
	Total Tax Expenses	**1,002.05**	**861.83**	**853.35**	**3,719.67**
7.	**Profit for the Year / Period (5-6)**	**3,070.10**	**2,954.54**	**2,536.99**	**11,301.14**
8.	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to profit or loss	(102.00)	(1,166.44)	-	(782.56)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	25.67	262.71	-	166.36
	B (i) Items that will be reclassified to profit or loss	2.52	10.10	-	10.10
	(ii) Income tax relating to items that will be reclassified to profit or loss	(0.64)	(2.54)	-	(2.54)
	Total Other Comprehensive Income	**(74.44)**	**(896.18)**	**-**	**(608.65)**
9.	**Total Comprehensive Income (7 +/- 8)**	**2,995.66**	**2,058.36**	**2,536.99**	**10,692.50**
10.	**Profit For The Year / Period Attributable To**				
	I) Owner of the Parent	3,070.10	2,954.54	2,536.99	11,301.14
	Ii) Non Controlling Interest	-	-		-
	Other Comprehensive Income Attributable To				
	I) Owner of the Parent	(74.44)	(896.18)	-	(608.65)
	Ii) Non Controlling Interest	-	-		-
11.	**Total Comprehensive Income For The Year / Period Attributable To**				
	Owners Of The Parent	2,995.66	2,058.36	2,536.99	10,692.50
	Non-Controlling Interests	-	-		-
10.	**Paid Up Equity Share Capital(Face Value Rs. 2/- each)**	3,544.22	3,540.22	1,686.84	3,540.22
11.	Other Equity	77,441.11	73,935.59	41,825.56	73,935.59
12.	Net Worth	**80,985.33**	**77,475.81**	**41,825.57**	**77,475.81**
13.	**Earnings Per Share *(Not Annualised)***				
	a) Basic (Rs.)	1.73	1.71	1.50	6.63
	b) Diluted (Rs.)	1.65	1.68	1.31	6.52

NOTES:

1. These Standalone and Consolidated financial results have been prepared in accordance with the recognition and measurement principle of applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013. The above un-audited Standalone and Consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in its meeting held on 10th day of July, 2024 at the Registered Office of the Company. The Statutory Auditors have issued Auditors' Report on the same, with unmodified opinion.
2. The Parent Company has become a partner in an already existing Partnership firm, M/s Nabha Steels & Metals, from 9th April, 2024 having 67% share in the Profit/Loss in the partnership firm.
3. The Group operates in one reportable business segment i.e., manufacturing of 'Steel Tubes, Pipes and Structures' there are no separate reportable segment pursuant to IND AS-108.
4. During the quarter, the Parent Company has allotted 100,000 shares against warrants convertible into equal number of shares, to non-promoter, public category.
5. The Group has not discontinued any of its operations during the period under review/ audit.
6. Figures for the previous year/ quarters have been reclassified/ regrouped wherever necessary.
7. The results of the Group are also available for investors at www.jtl.one,www.bseindia.com, www.nseindia.com and www.msei.in.

***for* and on behalf of the Board of Directors**

PRANAV SINGLA
Digitally signed by PRANAV SINGLA
Date: 2024.07.10 17:53:33 +05'30'

Pranav Singla
Whole Time Director
DIN: 07898093

Date: 10-07-2024
Place : Chandigarh

INDEPENDENT AUDITOR'S REPORT

To the members of

JTL Industries Limited
(formerly known as JTL Infra Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JTL Industries Private Limited (formerly known as JTL Infra Limited) ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred as the 'Group'), which comprise the consolidated Balance Sheet as at 31st March, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the Statement of consolidated Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2024, its profit including other comprehensive income, its cash flow and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 51 of the accompanying statement which states that "The Group has carried out exercise of balances confirmation of trade receivable, trade payable, advances given, and other financial and non-financial assets and liabilities and have received confirmations in most of the cases. In few cases, such balances are subject to confirmation/ reconciliation and their balances are stated as per books of accounts. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact."

Our opinion is not qualified in respect of the matter as stated in the Emphasis of Matter paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no Key Audit Matters reportable as per SA 701 issued by ICAI.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company(ies)and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. The financial statements of the Group for the year ended 31st March, 2023, were audited by another auditor who expressed an unmodified opinion on those statements through his report dated 26th April, 2023.

b. We did not audit the financial statements and other financial information, in respect of the subsidiary i.e., JTL Tubes Limited, whose financial statements include total assets of ₹ 59.07 Lakhs as at March 31, 2024, and revenue from operation of ₹ Nil, net profit after tax ₹ 44.69 Lakhs and net cash inflows of ₹ 0.40 lakhs for the year ended on that date. These financial statements and other financial information have been audited by the other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, based on our audit, to the best of our information and according to explanations given to us and on the consolidation of the reports of the other auditors, referred to in other matters, on separate/ consolidated financial statements of the subsidiary, we report that the holding Company and one subsidiary company incorporated in India whose financial statements has been audited under the Act, have paid remuneration to its

Directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

2. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditor in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors *except* for the matter stated in paragraph 3(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

   (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   (e) The matter described in the Emphasis of Matters, in our opinion, may have an adverse effect on the functioning of the Company.

   (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on

31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(g) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph 3(i)(vi) below on reporting under Rule 11(g).

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matters' paragraph:

   i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group. Refer note 41 to the consolidated financial statements.

   ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

   iv. (a) The respective management of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary that, to the best of its knowledge and belief, as disclosed in note 50(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) The respective management of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary have represented that, to the best of its knowledge and belief, as disclosed in note 50(j) to the consolidated financial statements, no funds have been received by the respective Holding Company or subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary, which is a Company incorporated in India whose financial statements has been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under subclause (a) and (b) contain any material mis-statement.

v. The final dividend proposed in the previous year, declared and paid by the Holding Company during the year ended 31st March, 2024 is in accordance with section 123 of the Act, as applicable.

As stated in note 46 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31st March, 2024 which is subject to the approval of the members at the ensuing Annual General

Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Group has used an accounting software for maintaining its books of accounts which has a features of recording Audit Trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled at the database level and certain master fields (Asset Master, Customer Master and Vendor Master) for users with certain privileged access rights as it related to the accounting software. Further, during the course of our Audit we did not come across any instance of the Audit Trail feature being tampered with. (Refer note 51 to the financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for **N. Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 00837N

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295

Place of Signature: Chandigarh
Date: 10th May, 2024

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of **JTL Industries Limited (formerly known as JTL Infra Limited)** (hereinafter referred to as the "Holding Company") as of and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary company, which is a Company incorporated in India, is based on the corresponding reports of the auditor of such Company incorporated in India.

Our opinion is not modified in respect of this matter.

for **N. Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 00837N

CA. Ashish Chhabra
FCA, Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295

Place of Signature: Chandigarh
Date: 10th May, 2024

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Balance Sheet as at 31st March, 2024

₹ in Lakhs

Particulars	Note	As at 31-Mar-2024	As at 31-Mar-2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	11,134.29	6,536.20
Capital work-in-progress	6	600.47	440.10
Financial assets			
Investments	7	579.53	1,616.88
Other non-current assets	8	6,118.24	424.64
Total Non-current Assets		**18,432.53**	**9,017.82**
Current Assets			
Inventories	9	15,043.15	16,773.80
Financial Assets			
Trade receivables	10	19,266.12	14,124.87
Cash and cash equivalents	11	10,122.87	5,008.51
Bank balances other than cash and cash equivalents	12	477.77	305.59
Loans	13	4,160.39	2,959.67
Other current assets	14	16,846.33	8,155.40
Total Current Assets		**65,916.62**	**47,327.84**
Total Assets		**84,349.15**	**56,345.66**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,540.22	1,686.84
Other equity	16	73,935.59	39,024.42
Total Equity		**77,475.81**	**40,711.27**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	-	912.57
Other financial liabilities	18	19.61	7.42
Provisions	19	190.60	168.94
Deferred tax liabilities	20	185.85	416.45
Total Non-current Liabilities		**396.06**	**1,505.38**
Current liabilities			
Financial liabilities			
Borrowings	21	2,000.53	9,764.81
Trade payables	22		
Total outstanding dues of micro and small enterprises		1.07	-
Total outstanding dues of creditors other than micro and small enterprises		2,448.79	2,862.23
Other financial liabilities	23	265.36	159.23
Other current liabilities	24	1,301.57	496.32
Provisions	25	31.23	42.47
Current tax liabilities (net)	26	428.72	803.96
Total Current Liabilities		**6,477.27**	**14,129.02**
Total Equity and Liabilities		**84,349.15**	**56,345.66**
The notes referred to above form an integral part of the consolidated financial statements.	1 to 56		

This is the consolidated balance sheet referred to in our report of even date.

for **N. Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 00837N

CA. Ashish Chhabra
FCA., Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295
Place : Chandigarh
Date : May 10, 2024

for and on behalf of the Board of Directors of **J T L Industries Limited (Formerly Known as JTL Infra Limited)**

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Amrender Kumar Yadav
Company Secretary
Membership Number: A41946

Atul Garg
Chief Financial Officer
PAN: ALZPG9915G

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Statement of Profit and Loss for year ended 31st March, 2024

₹ in Lakhs

Particulars	Note	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Revenue from operations	27	2,04,022.89	1,54,991.88
Other income	28	866.90	493.75
Total Income (I)		**2,04,889.79**	**1,55,485.63**
EXPENSES			
Cost of materials consumed	29	1,69,489.56	1,34,564.87
Purchases of stock-in-trade	30	9,912.82	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31	424.57	(552.53)
Employee benefits expense	32	2,116.94	1,981.72
Finance costs	33	509.38	634.93
Depreciation and amortisation expense	34	555.75	425.50
Other expenses	35	6,859.95	6,061.31
Total Expenses (II)		**1,89,868.98**	**1,43,115.81**
Profit before exceptional items and tax (I-II)		15,020.81	12,369.82
Exceptional items			
Profit/(loss) on sale of investments		-	(108.21)
Profit before tax		**15,020.81**	**12,261.61**
Tax Expenses	36		
Current tax		3,710.50	3,051.00
Income tax of earlier years		75.94	70.46
Deferred tax		(66.77)	127.38
Total Tax Expense		**3,719.67**	**3,248.84**
Profit for the years		**11,301.14**	**9,012.78**
Other Comprehensive Income :			
Items that will be reclassified to Profit and Loss			
Re-measurement gains/ (losses) on defined benefit obligations		10.10	3.78
Income tax related to item that will be reclassified to profit and loss		(2.54)	(0.95)
Items that will not be reclassified to Profit and Loss			
Fair valuation of financial instruments through OCI		(782.56)	397.53
Income tax related to item that will not be reclassified to profit and loss		166.36	(100.06)
Total Other Comprehensive Income		**(608.65)**	**300.30**
Total Comprehensive Income		**10,692.50**	**9,313.08**
Earnings per Equity Share of ₹ 2 each	37		
Basic		6.63	5.35
Diluted		6.52	4.64
The notes referred to above form an integral part of the consolidated financial statements.	1 to 56		

This is the consolidated statement of profit and loss referred to in our report of even date.

for **N. Kumar Chhabra and Co.**
Chartered Accountants
ICAI Firm Registration Number 00837N

CA. Ashish Chhabra
FCA., Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295
Place : Chandigarh
Date : May 10, 2024

for and on behalf of the Board of Directors of **J T L Industries Limited (Formerly Known as JTL Infra Limited)**

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Amrender Kumar Yadav
Company Secretary
Membership Number: A41946

Atul Garg
Chief Financial Officer
PAN: ALZPG9915G

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)
Consolidated Statement of Change in Equity for the year ended 31st March, 2024

A. Equity Share Capital

Particulars	₹ in Lakhs
Balance as at 31-Mar-2022	**1,183.74**
Share capital of transferor company	160.73
Balance as at 01-Apr-2022	**1,344.47**
Increase/(decrease) during the year	503.10
Share capital of transferor company	(160.73)
Balance as at 31-Mar-2023	**1,686.84**
Increase/(decrease) during the year	83.27
Issue of bonus share	1,770.11
Balance as at 31-Mar-2024	**3,540.22**

Share capital of transferor company (i.e., M/s Chetan Industries Limited) of ₹ 160.73 Lakhs (Face value of ₹ 1 per share) and shares issued by the transferee company of ₹ 376.10 Lakhs (face value of ₹ 2 per Share) to the shareholders of the transferor company (i.e., Chetan Industries Limited).

B. Other Equity ₹ in Lakhs

Particulars	Reserve and Surplus					Equity Instruments through OCI	Fair valuation of Equity Instruments through OCI	Money received against share warrants	Total other equity
	Capital Reserve	Merger Capital Reserve	General Reserve	Securities Premium	Retained Earnings				
Balance as at 01-Apr-2022	300.11	-	200.60	3,922.13	13,381.48	9.19	34.78	574.50	18,422.79
Money received against share warrants	-	-	-	-	-	-	-	9,607.79	9,607.79
Reserve received from transferor company	-	-	-	-	311.64	-	-	-	311.64
Share capital of transferor company less share capital issued by transfer company*	-	(215.37)	-	-	-	-	-	-	(215.37)
Issued of shares by conversion of warrants	-	-	-	2,159.00	-	-	-	(574.50)	1,584.50
Profit for the year	-	-	-	-	9,012.78	-	297.47	-	9,310.25
Other comprehensive income	-	-	-	-	2.83	-	-	-	2.83
Dividend paid	-	-	-	-	-	-	-	-	-
Balance as at 31-Mar-2023	**300.11**	**(215.37)**	**200.60**	**6,081.13**	**22,708.73**	**9.19**	**332.25**	**9,607.79**	**39,024.42**
Money received against share warrants	-	-	-	-	-	-	-	26,242.48	26,242.48
Conversion of Share warrant into Capital	-	-	-	-	-	-	-	(12,489.97)	(12,489.97)
Money Refund against warrant	-	-	-	-	-	-	-	(1.52)	(1.52)
Issued of shares by conversion of warrants	-	-	-	12,406.70	-	-	-	-	12,406.70
Bonus share issued	-	-	-	(1,770.11)	-	-	-	-	(1,770.11)
Profit for the year	-	-	-	-	11,301.14	-	-	-	11,301.14
Other comprehensive income	-	-	-	-	7.55	-	(616.20)	-	(608.64)
Dividend paid	-	-	-	-	(168.91)	-	-	-	(168.91)
Balance as at 31-Mar-2024	**300.11**	**(215.37)**	**200.60**	**16,717.73**	**33,848.51**	**9.19**	**(283.95)**	**23,358.77**	**73,935.59**

* In addition to above share capital of transferor company (i.e., Chetan Industries Limited) of ₹ 160.73 lakh (face value of ₹ 1 per share) and shares issued by the transferee company of ₹ 376.10 Lakhs (face value of ₹ 2 per Share) to the shareholders of the transferor company (i.e., Chetan Industries Limited) have resulted into debit balance of Merged Capital Reserve.

The notes referred to above form an integral part of the consolidated financial statements. 1 to 56

This is the Consolidated statement of changes in equity referred to in our report of even date.

for N. Kumar Chhabra and Co.
Chartered Accountants
ICAI Firm Registration Number 00837N

CA. Ashish Chhabra
FCA., Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295
Place : Chandigarh
Date : May 10, 2024

for and on behalf of the Board of Directors of **J T L Industries Limited**
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Amrender Kumar Yadav
Company Secretary
Membership Number: A41946

Atul Garg
Chief Financial Officer
PAN: ALZPG9915G

J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Cash Flow Statement for the year ended 31st March, 2024

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Cash Flow from Operating Activities		
Profit before tax	15,020.81	12,261.61
Adjustment for :		
Depreciation and amortisation Expense	555.75	425.50
Interest income	(500.28)	(98.33)
Proceeds from sale of current investments	(182.41)	-
Finance costs	509.38	634.91
Dividend income	(0.01)	(3.94)
Net unrealized foreign exchange (gain)	(54.57)	(13.96)
(Gain) / Loss on sale of property, plant and equipment (net)	-	(5.50)
Operating Profit before working Capital Changes :	15,348.67	13,200.29
Movements in Working Capital :		
(Increase)/decrease in trade receivables	(5,086.68)	(3,099.72)
(Increase)/decrease in inventories	1,730.65	(4,846.82)
Increase/(decrease) in trade payables	(412.36)	707.57
Increase/(decrease) in other liabilities and provisions	944.08	4,176.24
(Increase)/decrease in other financial assets and other assets	(10,575.27)	(7,132.80)
Cash generated from Operations :	1,949.10	3,004.75
Direct taxes paid	(4,161.69)	(2,607.80)
Net Cash flow from/(used in) Operating Activities	(2,212.59)	396.96
Cash Flow from Investing Activities		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(10,324.38)	(1,891.71)
Proceeds from sale of property, plant and equipment	-	5.50
Proceeds from sale of investments valued through profit and loss	254.79	(389.38)
Movement in Non Current Assets	-	331.41
Movement bank deposit not considered as cash and cash equivalent	(172.19)	(150.93)
Dividend Received	0.01	3.94
Proceeds from sale of current investments valued through other comprehensive income	182.41	-
Interest received	500.47	98.33
Net Cash flow from/(used in) Investing Activities	(9,558.89)	(1,992.84)
Cash Flow from Financing Activities		
Proceeds from/ (repayment of) long-term borrowings	(1,124.21)	(189.52)
Proceeds from issue of equity share capital	83.27	127.00
Proceeds from securities premium received	12,406.70	2,159.00
Money received/(refund) against share warrants	13,750.98	9,033.28
Proceeds from/ (repayment of) in short-term borrowings	(7,552.64)	(3,926.94)
Dividend paid	(168.91)	-
Other Long Term Provisions	-	10.63
Finance costs paid	(509.38)	(634.91)
Net Cash flow from/(used) in Financing Activities	16,885.81	6,578.54
Net Increase/Decrease in Cash and Cash Equivalents	5,114.34	4,982.66
Cash and Cash equivalents at the beginning of the year	5,008.51	25.85
Cash and Cash equivalents at the end of the year	10,122.87	5,008.51

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J T L INDUSTRIES LIMITED (Formerly known as JTL Infra Limited)

Consolidated Cash Flow Statement for the year ended 31st March, 2024

Notes:

(i) Components of Cash and Cash Equivalents

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Cash on hand (including imprest)	28.90	40.84
Balance with Scheduled Banks :		
- in current accounts	401.90	3.56
- in cash credit accounts	2,791.28	-
Investment in commercial papers	-	4,964.11
Cheques in hand	4,614.01	-
Deposit with remaining maturity for less than 3 months	2,286.78	-
Cash and Cash Equivalents	**10,122.87**	**5,008.51**

(ii) Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

(iii) Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year

(iv) Figures in brackets indicate cash outflows.

(v) Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes under Para 44A as set out in Ind AS 7 "Statement of Cash Flows" under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is as under:

Particulars	Non-current borrowings	Current borrowings	Total
As at 1st April, 2022	1,336.81	8,094.51	9,431.32
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings (including current maturities) (net)	(212.61)	-	(212.61)
Proceeds/ (Repayment) of current borrowings (net)	-	1,458.66	1,458.66
As at 31st March, 2023	**1,124.20**	**9,553.17**	**10,677.37**
Proceeds from non-current borrowings	-	-	-
Repayment of non-current borrowings (including current maturities) (net)	(1,124.20)	-	(1,124.20)
Proceeds/ (Repayment) of current borrowings (net)	-	(7,552.64)	(7,552.64)
As at 31st March, 2024	**-**	**2,000.53**	**2,000.53**

(vi) Figures for the Previous year have been reclassified/regrouped wherever necessary to confirm to current year's classification.

This is the Consolidated cash flow statement referred to in our report of even date.

for N. Kumar Chhabra and Co.
Chartered Accountants
ICAI Firm Registration Number 00837N

for and on behalf of the Board of Directors of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

CA. Ashish Chhabra
FCA., Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295
Place : Chandigarh
Date : May 10, 2024

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Amrender Kumar Yadav
Company Secretary
Membership Number: A41946

Atul Garg
Chief Financial Officer
PAN: ALZPG9915G

1. Group information

JTL Industries Limited ("the Company" or "the Holding Company") formally known as J T L Infra Limited is a public limited company incorporated in India on July 07, 1991, under the Companies Act with Corporate Identification Number L27106CH1991PLC011536 and listed on the National Stock Exchange (NSE), Bombay Stock Exchange ('BSE'), and Metropolitan Stock Exchange. The registered office of the Holding Company is situated at SCF 18-19, First Floor, Sector 28 C, Chandigarh – 160 002, India. The Company has only one subsidiary i.e., JTL Tubes Limited.

The Group is primarily engaged in the business of manufacture and sale of Iron and Steel products. The Holding Company is an integrated manufacturer and supplier of steel tubes, pipes and allied products having manufacturing facilities in India. The Holding Company has four manufacturing facilities *viz.* Derabassi and Mandi Gobindgarh, Punjab and Raipur, Chhattisgarh and Mangaon, Maharashtra. The Holding Company together with its subsidiary is hereinafter referred to as the "Group".

2. Basis of preparation and measurement

I Basis of preparation:

(i) Compliance with Ind AS

These consolidated financial statements ('financial statements') have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India (SEBI).

Items included in the financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (i.e. the "functional currency"). the financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Group as well.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

1. Certain financial assets and liabilities that are measured at fair value;
2. Defined benefit plans - plan assets measured at fair value;

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months;
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non- current classification of assets and liabilities.

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(iv) Key accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property and plant and equipment, provisions, valuation of deferred tax liabilities, contingent liabilities and fair value measurements of financial instruments as discussed below.

Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Continuous evaluation is done on the estimation. Actual results may differ from these estimates.

3. Principles of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary (the "Group"), being the entities that it controls. The financial statements of subsidiary are prepared for the same reporting year as the parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. Intra-Group balances and transactions, and any unrealized profit arising from intra-Group transactions, are eliminated. Unrealized losses are eliminated unless costs cannot be recovered.

4. Material Accounting Policies followed by the Group

(a) Property, Plant and Equipment (PPE) (including Capital Work-in-Progress)

Free hold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- Purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- Any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.
- The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

Capital work in progress

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as "Capital work-in-progress".

Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs.

The useful life is as follows:

Sr. No.	Nature of Asset	Useful Life (Years)
1.	Buildings	30
2.	Plant and Machinery	15
3.	Other Equipment	3 to 5
4.	Vehicles	8
5.	Furniture/ Fittings	10

The residual value for all the above assets are retained at 5% of the cost.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

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(b) Intangibles

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the Group and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any.

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. The estimated useful lives of intangible assets are assessed as 10 years.

(c) Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Group has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking.

Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

(d) Inventories

Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs and applicable manufacturing overheads incurred in bringing them to their present location and condition.

Raw materials
Raw materials are valued at cost of purchase net of duties and includes all expenses incurred in bringing such materials to the location of its use.

Work-in-progress and finished goods
Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials.

Stores, spares and tools
Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(e) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
- Initial Recognition and measurement
  All financial assets are recognised at fair value.

- Cash and cash equivalents
  - Cash and cash equivalent comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These balances with banks are unrestricted for withdrawal and usage.
  - Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

- Recoverability of trade receivable
  Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the worth of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

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- Derivative financial instruments and Hedge Accounting

  The Group uses various derivative financial instruments such as forwards contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

  Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

- Impairment of financial assets

  The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Financial Liabilities

- Initial Recognition and measurement

  All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

- Subsequent measurement

  Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

- Derecognition

  A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expire.

(f) Impairment of non-financial assets

At each balance sheet date, the carrying amount of fixed assets is reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (recoverable amount is the higher of an asset's net selling price or value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the assets and from their disposal are discounted to their present value using a pre discounted rate that reflects the current market assessment of time value of money and risks specific to the asset.
Reversal of impairment loss is recognised immediately as income in the statement of profit and loss.

(g) Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the provisions of Income-tax Act. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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(h) Provision and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(i) Revenue recognition

Sale of products

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer and there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably. Revenue from operations is disclosed exclusive of goods and services tax (GST).

Government Grants

Export incentive entitlements are recognised as income when there is reasonable assurance to receive that Company will comply with the conditions attached to them and it is established that incentive will be received.

Government grants relating to income are recognised in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which grants are intended to compensate.

Other Income

Other income is accounted for on accrual basis as and when the right to receive arises.

(j) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees. The Company makes specified contributions towards the following schemes:

Employees' State Insurance (ESI)

The Company has a scheme of state insurance for its employees, registered with the regional state insurance commissioner. The Company's contribution to the state insurance is charged to the statement of profit and loss every year.

Employees' Provident Fund (EPF)

All directly recruited employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan. Both employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary and dearness allowance. These contributions to provident fund are administered by the provident fund commissioner. Employer's Contribution to provident fund is expensed in the statement of profit and loss as and when incurred.

Labour Welfare Fund

The Company makes contribution to labour welfare fund scheme in accordance with Labour Welfare Fund Act. The Company's contribution to the welfare fund is charged to the statement of profit and loss every year.

Retirement benefit obligations

Retirement benefit obligations are classified into defined benefits plans and defined contribution plans as under:

Defined Gratuity Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

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Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Re-measurement

Benefit plans in respect of retirement benefits are charged to the Other Comprehensive Income.

The Company's retirement benefit obligation is subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

(k) Finance costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Interest free loan taken from promoters and others has been derived on basis of fair value based on market rate of interest prevailing when loan and derived to the total tenure of loan. The interest for the period is charged to the statement of profit and loss.

(l) Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Group.
For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(m) Dividends

The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders, However, Board of Directors of a Group may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

(n) Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(o) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31-Mar-2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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₹ in Lakhs

5. Property, Plant and Equipment

A. Property, plant and equipment

Particulars	Land	Building	Computers and Printer	Furniture and Fixtures	Telephone and Mobiles	Office Equipment	Electricals Appliance	Plant and Machinery	Miscellaneous Assets	Vehicles	Total
Gross Block											
Opening Cost as at 1-Apr-2022	627.90	1,589.59	18.78	84.14	7.08	28.77	399.28	3,569.89	388.86	574.46	**7,288.75**
Additions	441.56	-	1.27	4.06	2.86	20.46	-	1,043.79	-	321.88	**1,835.87**
Sales/ Adjustments	-	-	-	-	-	-	-	(44.30)	-	-	**(44.30)**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31-Mar-2023	**1,069.45**	**1,589.59**	**20.05**	**88.19**	**9.94**	**49.22**	**399.28**	**4,569.38**	**388.86**	**896.34**	**9,080.32**
Additions	673.83	2,155.90	16.14	2.91	-	74.50	2.00	1,594.22	-	634.33	**5,153.84**
Sales/ Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31-Mar-2024	**1,743.28**	**3,745.49**	**36.19**	**91.10**	**9.94**	**123.73**	**401.28**	**6,163.61**	**388.86**	**1,530.67**	**14,234.15**
Accumulated Depreciation											
Balance as at 1-Apr-2022	-	448.80	13.19	13.51	1.30	12.47	322.75	1,031.85	331.60	254.80	**2,430.26**
Charge for the period	-	45.16	2.62	7.57	1.68	6.10	7.40	269.84	-	85.12	**425.50**
Deductions/ Adjustments	-	(141.99)	-	-	-	(0.06)	(6.37)	(147.17)	34.47	(50.51)	**(311.63)**
As at 31-Mar-2023	**-**	**351.97**	**15.81**	**21.08**	**2.98**	**18.51**	**323.78**	**1,154.52**	**366.07**	**289.41**	**2,544.12**
Charge for the period	-	91.63	3.72	7.99	1.91	14.91	8.16	309.21	-	118.22	**555.75**
Deductions/ Adjustments	-	-	-	-	-	-	-	-	-	-	**-**
As at 31-Mar-2024	**-**	**443.59**	**19.53**	**29.07**	**4.89**	**33.43**	**331.94**	**1,463.72**	**366.07**	**407.62**	**3,099.87**
Net carrying Value											
As at 31-Mar-2024	1,743.28	3,301.89	16.66	62.04	5.05	90.30	69.34	4,699.89	22.79	1,123.05	**11,134.29**
As at 31-Mar-2023	1,069.45	1,237.62	4.24	67.11	6.96	30.71	75.50	3,414.87	22.79	606.93	**6,536.20**
As at 31-Mar-2022	627.90	1,140.79	5.59	70.63	5.78	16.30	76.53	2,538.04	57.26	319.67	**4,858.49**

Note: For lien/ charge against property, plant and equipment refer note 17 and 21.

B. Regulatory Information

Immovable Property

- The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed under Property, plant and equipment are held in the name of the Group except for the followings:

Description of Property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Land at Mangaon, Maharashtra, India	192.29	Mr. Vijay Singla	Relative of director	Purchased in 2019	The Group authorised Mr. Vijay Singla to purchase the land on behalf of the Group to overcome some legal complications involved in the transaction. The Group has secured ownership through long term lease in its name.
Land at Mangaon, Maharashtra, India	116.74	Mr. Vijay Singla	Relative of director	Purchased in 2024	
Total	309.04				

6. Capital Work-in-Progress

₹ in Lakhs

Particulars	As at 31-Mar-24	As at 31-Mar-23
Building under construction	36.91	19.96
Plant and machinery under erection	563.57	420.14
Total	**600.47**	**440.10**

The following is the movement in capital work-in-progress

₹ in Lakhs

Particulars	As at 31-Mar-24	As at 31-Mar-23
Balance at the beginning	440.10	339.96
Addition	160.37	546.40
Capitalised during the year	-	(446.26)
Balance at the closing	600.47	440.10

Capital work-in-progress aging schedule

₹ in Lakhs

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects-in-progress					
March 31, 2024	160.37	440.10	-	-	600.47
March 31, 2023	440.10	-	-	-	440.10
Projects temporarily suspended					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	-

7. Non-Current Investments

₹ in Lakhs

Particulars	No of shares Current Year (Previous	Face Value	As at 31-Mar-2024	As at 31-Mar-2023
Investments in Equity Instruments (fully paid up unless otherwise stated)				
A. Other Non-current Investments				
Carried at fair value through other comprehensive income				
Quoted investments (at fully paid)-carried at fair value				
Tiger Logistics (India) Limited	469150 (472000)	1	215.81	171.48
M K Proteins Limited	3666910 (5940000)	1	362.29	1,445.40
Share India Securities Limited	89 (-)	10	1.43	-
Total			**579.53**	**1,616.88**

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Aggregate amount of book value in unquoted investments	-	-
Aggregate amount of market value of quoted investments	579.53	1,616.88

8. Others Non-Current Assets

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured, considered good unless otherwise stated)		
Security deposits	969.44	286.01
Advance for capital goods	5,148.79	138.63
Total	**6,118.24**	**424.64**

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9. Inventories

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Raw materials	8,825.10	10,077.50
Finished goods	5,429.74	5,917.28
Consumables	570.92	624.61
Scrap and wastage	217.38	154.41
Total	**15,043.15**	**16,773.80**

All inventories have been pledged/ mortgaged to secure borrowings of the Group refer note 17 and 21.

10. Trade Receivables

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Trade receivables considered good - unsecured	19,266.12	14,124.87
Total	**19,266.12**	**14,124.87**

All book debts have been hypothecated/ mortgaged to secure borrowings of the Group refer note 17 and 21.

Ageing for trade receivables as at 31-Mar-2024:

₹ in Lakhs

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
Undisputed trade receivables – considered good	15,099.59	1,440.53	2,469.06	19.28	2.10	214.10	19,244.65
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	6.99	14.48	21.47
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
							-
Total	**15,099.59**	**1,440.53**	**2,469.06**	**19.28**	**9.08**	**228.58**	**19,266.12**
Less: Allowance for doubtful trade receivables							-
Balance							**19,266.12**

Ageing for trade receivables as at 31-Mar-2023:

₹ in Lakhs

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
Undisputed trade receivables – considered good	13,655.39	11.82	24.46	32.29	386.06	0.37	14,110.39
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired							-
Disputed trade receivables – considered good	-	-	-	-	-	14.48	14.48
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**13,655.39**	**11.82**	**24.46**	**32.29**	**386.06**	**14.85**	**14,124.87**
Less: Allowance for doubtful trade receivables							-
Balance							**14,124.87**

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11. Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Cash in hand (including imprest)	20.27	40.84
Balance with banks		
- in current accounts	401.90	3.56
- in cash credit accounts	2,791.28	-
Investment in commercial papers	-	4,964.11
Cheques in hand	4,622.65	-
Deposit with remaining maturity for less than 3 months*	2,286.78	-
Total	10,122.87	5,008.51

* Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/ Letter of Credit's established by the bank.

12. Bank Balances other than Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Other bank balances - in earmarked account		
Deposits with remaining maturity for less than 12 months*	472.20	303.37
Unpaid dividend account	5.57	2.22
Total	477.77	305.59

* Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/ Letter of Credit's established by the bank.

13. Current Loans

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Unsecured, considered good		
Advance to employees	5.66	9.65
Advance to others	4,154.73	2,950.02
Total	4,160.39	2,959.67

14. Other Current Assets

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Advance to suppliers	14,654.18	8,303.85
Prepaid expenses	6.59	6.83
Balance with government authorities		
GST receivables	2,181.03	(424.99)
Income tax recoverable	1.89	13.97
Interest accrued on term deposits	1.60	1.79
Others receivables	1.04	19.75
Cheque pending for realisation	-	234.20
Total	16,846.33	8,155.40

15. Equity Share Capital

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Authorised		
275000000 (As at 31-Mar-2023 - 120000000) Equity shares of ₹ 2/- each	5,500.00	2,400.00
Total	5,500.00	2,400.00
Issued, subscribed and fully paid up		
177010830 (As at 31-Mar-2023 - 84342092) Equity shares of ₹ 2/- each	3,540.22	1,686.84
Total	3,540.22	1,686.84

During the year, the Holding Company has increased its authorised share capital from ₹ 2,400.00 Lakhs to ₹ 5,500.00 Lakhs.

15. Equity Share Capital (Contd.)

Notes:

(a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Issued, subscribed and fully paid up and equity share capital				
Balance at the beginning of the year	84342092	1,686.84	59187150	1,183.74
Fresh issue of equity shares on conversion of Warrants (refer note 1 and 2 below)	4163323	83.27	6350000	127.00
Issue of bonus shares (refer note 1 below)	84852092	1,697.04	-	-
Issue of Bonus shares in the ratio of 1:1 upon the warrants converted after record date of Bonus i.e., 07-Sep-2023	3653323	73.07	-	-
Fresh issue of equity shares on Merger in accordance with Sanctioned Scheme of Amalgamation (Refer note 2 below)	-	-	18804942	376.10
		-		
Total	**177010830**	**3,540.22**	**84342092**	**1,686.84**

1. As at 31-Mar-2024: Out of the 12808350 warrants allotted by the Holding Company on 03-Mar-2023, total 4163323 equity shares were issued pursuant to conversion of warrants at a face value of ₹ 2/- each during the financial year 2023-24. On 11-Sep-2023, the Holding Company had allotted 84852092 bonus equity shares to the members who were shares of the Holding Company on record date i.e., on 07-Sep-2023 in the ratio of 1:1 and reserved the Bonus shares for outstanding convertible securities in the same ratio. As a result, the paid up share capital of the Holding Company rose to ₹ 3,540.22 Lakhs divided into 177010830 Equity shares of face value of ₹ 2/- each as at the end of financial year 2023-24.
2. As at 31-Mar-2023: Out of warrants allotted by the Holding Company on 17-Mar-2021, the Holding Company had allotted a total of 6350000 shares of face value of ₹ 2/- each, during the financial year 2022-23, upon conversion of warrants already issued on preferential basis, into equity shares. As a Result, the paid up share capital of the Holding Company stood increased to ₹ 1310.74 Lakhs divided into 65537150 equity shares of face value of ₹ 2/- each. Further, during the financial year 2022-23, the Holding Company had allotted 18804942 Equity shares of face value of ₹ 2/- to the Shareholders of Transferor Company viz. Chetan Industries Limited as a consideration of Merger in accordance with the Scheme of Amalgamation duly sanctioned by Hon'ble NCLT, Chandigarh. As a result, the paid up share capital of the Holding Company rose to ₹ 1686.84 Lakhs divided into 84342092 Equity shares of face value of ₹ 2/- each as at the end of financial year 2022-23.

(b) Terms of Rights, preferences and restrictions attached to equity shares:

The Holding Company has only one class of equity shares having a face value of ₹ 2/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 2 each fully paid				
Nikita Singla	26235366	14.82%	7451256	8.83%
Madan Mohan Singla	26108934	14.75%	13054467	15.48%
Rakesh Garg (HUF)	15287000	8.64%	7643500	9.06%
Rakesh Garg	13139336	7.42%	5569668	6.60%
Vijay Singla	-	-	5666427	6.72%

As per records of the Holding Company, including its register of shareholders/ members, the above shareholding represents legal and beneficial ownerships of share

(d) Details of last five years equity share transactions

Particulars	During the financial year				
	2023-24	2022-23	2021-22	2020-21	2019-20
Bonus Shares*	88505415	-	-	-	-
Preferential Allotment of shares	-	-	-	-	600000
Conversion of warrants	4163323	6350000	6150000	-	-
Scheme of Amalgamation	-	18804942	-	-	-
Shares Forfeited	-	-	-	-	-
ESOP	-	-	-	-	-

* Includes bonus shares issued in the ratio of 1:1 upon the warrants converted after record date of Bonus i.e., 07-Sep-2023.

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15. Equity Share Capital (Contd.)

Notes:

(e) the Holding Company has issued bonus shares in the ratio of 1:1 during the financial year 2023-24.

(f) the Holding Company has not made any buy back of shares during the 5 years preceding March 31, 2024.

(g) There are no (Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital. There are nil number of shares (Previous year Nil) in respect of each class in the Holding Company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

(h) As on 31-Mar-2024, out of total 12808350 convertible warrants allotted on 03-03-2023, 8645027 convertible warrants allotted on preferential basis, were outstanding and pending conversion into equity shares of the Holding Company. Further the Holding Company made another allotment of 25000000 convertible warrants to the Promoter and Non-promoter public category on 02-02-2024 which were outstanding and pending conversion into equity shares as on 31-Mar-2024.

(i) Shareholding of Promoters / Promoters Group:

Name of the Promoter/ Member of Group	Shareholding as at 31-Mar-2024	% of Shareholding as at 31-Mar-2024	Shareholding as at 31-Mar-2023	% of Shareholding as at 31-Mar-2023	Change in Shareholding % during the year.
1. Chetan Singla	438000	0.25%	219000	0.26%	-4.70%
2. Deepak Garg	627000	0.35%	313500	0.37%	-4.70%
3. Dhruv Singla	4545000	2.57%	2272500	2.69%	-4.70%
4. Madan Mohan	26108934	14.75%	13054467	15.48%	-4.70%
5. Mithan Lal Singla	4396714	2.48%	2198357	2.61%	-4.70%
6. Nikita Singla	26235366	14.82%	7451256	8.83%	67.77%
7. Pranav Singla	2194034	1.24%	490000	0.58%	113.35%
8. Rakesh Garg	13139336	7.42%	5569668	6.60%	12.41%
9. Santosh Rani	-	0.00%	1000000	1.19%	-100.00%
10. Shukla Singla	551910	0.31%	275955	0.33%	-4.70%
11. Sweety Garg	375000	0.21%	187500	0.22%	-4.70%
12. Vijay Singla	-	0.00%	5666427	6.72%	-100.00%
13. Madan Mohan (HUF)	1471824	0.83%	735912	0.87%	-4.70%
14. Prem Kumar & Sons HUF	748800	0.42%	374400	0.44%	-4.70%
15. Rakesh Garg (HUF)	15287000	8.64%	7643500	9.06%	-4.70%
Total Holding	**96118918**	**54.30%**	**47452442**	**56.26%**	

Name of the Promoter/ Member of Group	Shareholding as at 31-Mar-2023	% of Shareholding as at 31-Mar-2023	Shareholding as at 31-Mar-2022	% of Shareholding as at 31-Mar-2022	Change in Shareholding % during the year.
1. Chetan Singla	219000	0.26%	219000	0.37%	-29.82%
2. Deepak Garg	313500	0.37%	313500	0.53%	-29.82%
3. Dhruv Singla	2272500	2.69%	2272500	3.84%	-29.82%
4. Madan Mohan	13054467	15.48%	7198500	12.16%	27.26%
5. Mithan Lal Singla	2198357	2.61%	2983500	5.04%	-48.29%
6. Nikita Singla	7451256	8.83%	-	0.00%	100.00%
7. Pranav Singla	490000	0.58%	490000	0.83%	-29.82%
8. Rakesh Garg	5569668	6.60%	-	0.00%	100.00%
9. Santosh Rani	1000000	1.19%	1402500	2.37%	-49.96%
10. Shukla Singla	275955	0.33%	262500	0.44%	-26.23%
11. Sweety Garg	187500	0.22%	-	0.00%	100.00%
12. Vijay Singla	5666427	6.72%	7338000	12.40%	-45.81%
13. Madan Mohan (HUF)	735912	0.87%	720000	1.22%	-28.27%
14. Prem Kumar & Sons HUF	374400	0.44%	525000	0.89%	-49.96%
15. Rakesh Garg (HUF)	7643500	9.06%	7643500	12.91%	-29.82%
15. Mithan Lal And Sons (HUF)	-	-	506000	0.85%	-100.00%
15. Vijay Kumar Singla (HUF)	-	-	645000	1.09%	-100.00%
15. Sweety Garg	-	-	187500	0.32%	-100.00%
Total Holding	**47452442**	**56.26%**	**32707000**	**55.26%**	

(j) Shares held by Holding Company, its Subsidiaries and Associates

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Equity Shares held by :		
Holding company	-	-
Subsidiaries and Associates of Holding Company	-	-

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16. Other Equity

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
General reserve	200.60	200.60
Securities premium	16,717.73	6,081.13
Retained earnings	33,848.51	22,708.73
Share warrants outstanding amount	23,358.77	9,607.78
Capital reserve	300.11	300.11
Merger capital reserve	(215.37)	(215.37)
Equity Instruments through other comprehensive income	(274.76)	341.44
Total	**73,935.59**	**39,024.42**

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
General reserve		
Balance at the beginning of the year	200.60	200.60
Add: Transferred from retained earnings	-	-
Balance at the end of the year	**200.60**	**200.60**
Securities Premium		
Balance at the beginning of the year	6,081.13	3,922.13
Add: Issued of shares by conversion of warrants	12,406.70	2,159.00
Less: Bonus share issued	(1,770.11)	-
Balance at the end of the year	**16,717.73**	**6,081.13**
Retained Earnings		
Balance at the beginning of the year	22,708.73	13,381.48
Add: Reserve received from transferor company	-	311.64
Add: Profit for the year	11,301.14	9,012.78
Add: Remeasurements of the net defined benefit plans	7.55	2.83
Less: Transferred to General Reserve	-	-
Less: Dividend on equity shares	(168.91)	-
Balance at the end of the year	**33,848.51**	**22,708.73**
Money received against share warrants		
Balance at the beginning of the year	9,607.78	574.50
Add: Addition during the year	26,242.48	9,607.78
Less: Transfer to securities premium account	(12,489.97)	-
Less: Transfer to share capital	-	-
Less: Refund against warrants	(1.52)	-
Less: Issued of shares by conversion of warrants	-	(574.50)
Balance at the end of the year	**23,358.77**	**9,607.78**
Capital Reserve		
Balance at the beginning of the year	300.11	300.11
Add: Reserve received from transferor company	-	-
Balance at the end of the year	**300.11**	**300.11**
Merger Capital Reserve		
Balance at the beginning of the year	(215.37)	-
Add: Share capital of transferor company less share capital issued by transfee company*	-	(215.37)
Balance at the end of the year	**(215.37)**	**(215.37)**
Equity Instruments through other comprehensive income		
Balance at the beginning of the year	341.44	43.97
Add: Fair value gain/(loss) on investments in equity instruments carried at fair value through other comprehensive income	(616.20)	297.47
Balance at the end of the year	**(274.76)**	**341.44**

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Description of the Purposes of Each Reserve Within Equity

a) General Reserve
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. General reserves represents the free profits of the Group available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Group distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.

b) Securities Premium
This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

c) Retained Earnings
Retained earnings are the profits that the Group has earned till date, less any transfer to general reserve, dividends or other distribution or the distributions paid to the shareholders.

d) Share warrants

During the financial year 2022-23, on 03-Mar-2023 the Holding Company had allotted 12808350 convertible warrants at a face value of ₹ 2/- each, out of which total 4163323 equity shares have been issued pursuant to conversion of such warrants and balance 8654027 warrants are still pending for conversion as on 31-Mar-2024. During the FY 2023-24, the Holding Company further came up with another preferential issue of 25000000 fully convertible warrants allotted on 02-Feb-2024 at a price of ₹ 270/- per warrant aggregating to ₹ 675 Crores. During the year 2023-24, the Holding Company has realized 25% amount payable upon allotment of said warrants aggregating to ₹ 168.75 Crores. Care Ratings Limited was appointed as Monitoring Agency to monitor the utilization of the funds raised through preferential issue, in accordance with the provisions of Regulation 162A of the SEBI ICDR Regulations. The funds so raised on allotment of convertible warrants were fully utilized for Investment in Mega Project, Capital Expenditure towards development, refurbishment and renovation of Assets, either through wholly owned subsidiaries/subsidiaries/associates; Working Capital Requirements; General Corporate Purposes, including financing of Business Opportunities (either organic or inorganic), and any other cost incurred towards the objects of the Holding Company, brand building, acquisition of Offices, Retail Spaces and Warehouses etc. to expand the Holding Company's distribution network pan- India and strengthen the business operations; Issue Related Expenses thus, for the purpose for which these were raised and in accordance with the objectives of the said preferential issue stated in the explanatory statement to the notice of Postal ballot dated 18-Dec-2023 and there had been no deviation or variation in the use of the proceeds/ funds so raised. As on 31-Mar-2024, all 25000000 warrants allotted on preferential basis to Promoter/ Promoter group and Non-promoter category were outstanding and pending to be converted into equity shares within a period of 18 months from the date of allotment.

e) Capital Reserve
Capital reserve is utilised in accordance with provision of the Act

f) Merger Capital Reserve
Reserve arises on merger of Chetan Industries Limited.

g) Equity Instruments through other comprehensive income
The Holding Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

17. Non-Current Borrowings

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Secured		
Vehicle Loans from Banks and NBFC	-	68.15
Less: Current Maturities (refer note 20)	-	26.01
Term loan from NBFC	-	354.80
Less: Current Maturities (refer note 20)	-	-
WCTL under GECL from Bank	-	701.25
Less: Current Maturities (refer note 20)	-	185.63
Non-current borrowings	**-**	**912.57**

Note:
Term Loans from bank are secured by first pari-passu charge on all movable fixed assets of the Holding Company, present and future, first pari-passu charge on immovable fixed assets of the Holding Company's units at (a) Derabassi (Punjab), (b) Mangaon, Raigad (Maharashtra), (c) Mandi Gobingarh (Punjab) and (d) Raipur (Chhattisgarh), second pari-passu charge on all current assets of the Holding Company, present and future.
Vehicle loans secured against Hypothecation of respective vehicles.
The loans are also secured by Personal Guarantees of Mithan Lal Singla, Madan Mohan, Vijay Singla, and Deepak Garg.
During the year, the Holding Company has repaid all the long-term borrowing.

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18. Other Non-Current Financial Liabilities

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Creditors for capital goods	19.61	7.42
Total	**19.61**	**7.42**

19. Non-Current Provisions

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Provisions for employee benefits:-		
- Provision for gratuity	167.13	142.19
- Provision for compensated absences	23.47	26.75
Total	**190.60**	**168.94**

The provision for employee benefits includes gratuity, compensated. Relevant factors related to provision are explained in note 40.

20. Deferred Tax Liabilities

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Deferred tax liabilities arising on account of		
Difference between written down value of property, plant and equipment as per the books of accounts and income tax act, 1961	292.46	293.76
Unrealised gain on investments carried at fair value through other comprehensive income	-	112.84
Deferred tax assets arising on account of		
Provision for employee benefits - gratuity and leave encashment	50.75	(24.76)
Unrealised loss on investments carried at fair value through other comprehensive income	53.54	-
Expenses allowed for tax purposes when paid	2.33	14.91
Deferred tax liabilities	**185.85**	**416.45**

21. Current Borrowings

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Secured		
Working capital cash credit limit from banks	1,679.23	4,141.89
Others	-	197.28
Unsecured		
Loan from directors	321.30	5,214.00
Current Maturities of long-term borrowings	-	211.64
Total	**2,000.53**	**9,764.81**

Terms of repayment of current borrowings

Working capital facilities are availed from Punjab National Bank, HDFC Bank Limited, Standard Chartered Bank and Axis Bank Limited. Working capital facilities are repayable on demand.

The loans are also secured by Personal Guarantees of Mithan Lal Singla, Madan Mohan, Vijay Singla, and Deepak Garg.

Terms of security:

Secured Working Capital loans: These are secured by a first pari-passu charge on all the current assets of the Holding Company, both present and future, wherever the same may or be held and have a second pari-passu charge on all movable and immovable fixed assets of the Holding Company, present and

The working capital loans are also secured by (a) Equitable mortgage of Residential property located at Panchkula (Haryana) owned by one of the director and his relative (b) Land located at Motia Khan, Mandi Gobindgarh (Punjab) owned by one of the related enterprise, and (c) Registered office located at Chandigarh.

The loans are also secured by Personal Guarantees of Deepak Garg, Vijay Singla, Mithan Lal Singla, Madan Mohan, Rakesh Garg, and Dhruv Singla.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

The Holding Company has not defaulted in repayment of loans and interest during the period.

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22. Trade Payables

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Total outstanding dues of micro enterprises and small enterprises	1.07	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,448.79	2,862.23
Total	**2,449.86**	**2,862.23**

Ageing for trade payables as at 31-Mar-2024:

₹ in Lakhs

Particulars	Not Due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables							
Undisputed - MSME	1.07	-	-	-	-	-	1.07
Undisputed - Others	1,948.57	19.35	125.09	337.15	8.61	10.01	2,448.79
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	**1,949.64**	**19.35**	**125.09**	**337.15**	**8.61**	**10.01**	**2,449.86**

Ageing for trade payables as at 31-Mar-2024:

₹ in Lakhs

Particulars	Not Due	Outstanding for the following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade Payables							
MSME	-	-	-	-	-	-	-
Others	2,759.77	-	57.56	11.06	9.21	24.63	2,862.23
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
	2,759.77	**-**	**57.56**	**11.06**	**9.21**	**24.63**	**2,862.23**

23. Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Salary and wages payable	155.66	73.58
Bonus payable	40.23	32.47
Dividend payable	5.57	2.22
Other payables	63.89	50.96
Total	**265.36**	**159.23**

24. Other Current Liabilities

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Advances from customers	1,165.55	413.61
Statutory dues payable	130.92	82.71
Auditor fees payable	5.10	-
Total	**1,301.57**	**496.32**

25. Current Provisions

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Provisions for employee benefits :		
- Provision for gratuity	27.20	42.47
- Provision for compensated absences	4.03	-
Total	**31.23**	**42.47**

The provision for employee benefits includes gratuity, compensated. Relevant factors related to provision are explained in note 40.

26. Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Provision for income tax [Net of advance income tax / TDS/ TCS]	428.72	803.96
Total	**428.72**	**803.96**

27. Revenue from Operations

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Sale of products	2,04,009.93	1,54,991.88
Other operating revenue	12.96	-
Total	**2,04,022.89**	**1,54,991.88**

Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers

A. Disaggregation of revenue information

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Sale of products - Domestic	1,91,354.74	1,39,480.26
Sale of products - Export	12,655.19	15,511.62
Other operating revenue	12.96	-
Total	**2,04,022.89**	**1,54,991.88**
Revenue from contracts with customers disaggregated based on geography		
Home market	1,91,354.74	1,39,480.26
Export	12,655.19	15,511.62
Total	**2,04,009.93**	**1,54,991.88**

B. Timing of revenue recognition

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024		For the Year ended 31-Mar-2023	
	At a point in time	Over a period of time	At a point in time	Over a period of time
Sale of products	2,04,009.93	-	1,54,991.88	-
Other operating revenue	12.96		-	-
Total	**2,04,022.89**	**-**	**1,54,991.88**	**-**

C. Contract balances

The following table provides information about receivables and contract liabilities from contract with customers:

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Contract liabilities		
Advances from customers	1,165.55	413.61
Total	**1,165.55**	**413.61**
Receivables		
Trade receivables	19,266.12	14,124.87
Less : Allowances for expected credit loss	-	-
Total	**19,266.12**	**14,124.87**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance.

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27. Revenue from Operations (Contd.)

D. Significant changes in the contract liabilities balances during the year are as follows

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Opening balance	413.61	774.12
Amount received against contract liability/ performance obligation satisfied in current year	751.94	(360.51)
Closing Balance	**1,165.55**	**413.61**

28. Other Income

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Interest income earned on		
Fixed deposits with banks	23.57	9.91
Unsecured loans	274.41	78.09
Other	202.30	10.33
Other non-operating income		
Gain on sale of short-term investments	182.41	-
Net gain on foreign currency transaction and translation	171.92	375.99
Other income	12.28	15.49
Dividend	0.01	3.94
Total	**866.90**	**493.75**

29. Cost of Material Consumed

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Opening stock	10,702.10	6,315.94
Add: Purchases	1,68,183.48	1,38,951.04
Less: Closing stock	9,396.03	10,702.11
Cost of material consumed	**1,69,489.56**	**1,34,564.87**

30. Purchase Stock-In-Trade

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Purchase stock-in-trade	9,912.82	
Total	**9,912.82**	-

31. Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Opening stock of inventory		
Finished Goods	6,071.69	5,519.16
Closing stock of inventory		
Finished Goods	5,647.12	6,071.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	**424.57**	**(552.53)**

32. Employee benefit expenses

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Salary and wages	1,755.65	1,654.46
Directors remuneration	112.37	150.20
Contribution to provident fund and other funds	56.72	42.64
Staff welfare expenses	65.62	23.71
Other benefits	126.58	110.71
Total	**2,116.94**	**1,981.72**

The provision for employee benefits includes gratuity, compensated. Relevant factors related to provision are explained in note 40.

33. Finance Costs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
		₹ in Lakhs
Interest on		
Term loan	42.27	64.06
Vehicle loans	5.37	5.28
Working capital loans	347.92	413.79
Loss on foreign currency transaction and translation	-	0.01
Bank charges	94.86	148.43
Other borrowing costs	18.97	3.36
Total	**509.38**	**634.93**

34. Depreciation and Amortisation Expense

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
		₹ in Lakhs
Depreciation on property, plant and equipment	555.75	425.50
Total	**555.75**	**425.50**

35. Other Expenses

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
		₹ in Lakhs
Manufacturing Expenses		
Repairs and maintenance - machinery	434.33	210.60
Service charges	529.97	130.34
Other manufacturing expenses	4,211.64	4,245.24
	5,175.94	**4,586.18**
Selling and Distribution Expenses		
Clearing, forwarding and freight	621.94	797.47
Discount allowed	101.46	107.03
Business promotion expense	16.23	15.60
Brokerage and commission	39.76	35.58
Selling and marketing expenses	-	20.96
Tour and travelling expense	157.64	113.08
	937.03	**1,089.72**
Establishment Expenses		
Auditors remuneration	10.00	4.20
Advertisement and publicity expenses	3.60	4.15
Recruitment expenses	1.20	-
Computer expenses	1.23	0.59
Office expenses	5.57	27.00
Insurance expense	16.69	14.23
Corporate social responsibilities (CSR) (Refer 45)	160.71	32.00
Festival expenses	21.64	2.86
Miscellaneous expenses	3.33	1.73
Donation	0.53	1.61
Postage expenses	2.16	3.70
Printing and stationary	10.01	5.15
Fee and taxes	186.17	117.23
Repairs and maintenance - building	40.87	-
Repairs and Maintenance - electrical	7.27	-
Repairs and maintenance - others	33.85	52.61
Telephone and internet charges	14.81	12.80
Vehicle running and maintenance	27.10	23.07
Professional and legal expense	152.36	44.56
Rent	27.76	23.95
Water expenses	10.20	11.96
Bad debts	-	1.11
Director sitting fee	9.93	0.90
	746.98	**385.41**
Total	**6,859.95**	**6,061.31**

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35. Other Expenses

Auditors' Remuneration

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
As auditors		
- Audit fee	4.00	3.70
- Limited review	6.00	0.50
Total	**10.00**	**4.20**

36. Tax Expenses

(A) Current Tax And Deferred Tax

(i) Income tax expense recognised in statement of profit and loss

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
(i) Current Tax:		
- in respect of current year	3,710.50	3,051.00
- in respect of earlier years	75.94	70.46
Total (A)	**3,786.44**	**3,121.46**
(ii) Deferred Tax:	(66.77)	127.38
Total (B)	**(66.77)**	**127.38**
Total income tax expense (A+B)	**3,719.67**	**3,248.84**

(ii) Income tax recognised in other Comprehensive income

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Deferred tax credit/(charge) related to items recognised in other comprehensive income during the year on:		
- Remeasurement loss/(gains) of defined benefit obligations	(2.54)	(0.95)
- Remeasurement of revaluation of shares	166.36	(100.06)
Total deferred tax credit / (charge) recognised in other comprehensive income	**163.82**	**(101.01)**
Classification of income tax recognised in other comprehensive income:		
- Income taxes related to items that will be reclassified to profit or loss	(2.54)	(0.95)
- Income taxes related to items that will not be reclassified to profit or loss	166.36	(100.06)
Total tax credit / (charge) recognised in other comprehensive income	**163.82**	**(101.01)**

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Group's domestic tax rate:

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Profit before tax as per statement of profit and loss	15,020.81	12,261.61
Income tax expense calculated at 25.168%	3,780.44	3,086.00
Tax effect of		
Income tax impact on disallowances of items of permanent nature	161.60	113.72
Tax pertaining to prior years	(75.94)	(148.73)
Others	(146.42)	197.84
Income tax expense recognised in the statement of profit and loss	**3,719.67**	**3,248.84**

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36. Tax Expenses (Contd.)

(B) Movement in Deferred Tax Balances

₹ in Lakhs

Particulars	Year ended 31-Mar-2023	Recognised in statement of profit and loss	Recognised in OCI	Year ended 31-Mar-2024
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	293.76	(1.30)	-	292.46
Total deferred tax liabilities (A)	**293.76**	**(1.30)**	**-**	**292.46**
Tax effect of items constituting deferred tax assets				
Provision for employee benefits - Gratuity and leave encashment	(24.76)	78.05	2.54	50.75
Expenses allowed for tax purposes when paid	14.90	(12.58)	-	2.32
Unrealised gain/(loss) on investments carried at fair value through other comprehensive income	(112.83)	-	(166.38)	53.54
Total deferred tax liabilities (B)	**(122.69)**	**65.47**	**(163.83)**	**106.61**
Net deferred tax liabilities (A-B)	416.45	(66.77)	163.83	185.85

₹ in Lakhs

Particulars	Year ended 31-Mar-2022	Recognised in statement of profit and loss	Recognised in OCI	Year ended 31-Mar-2023
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	162.42	131.34	-	293.76
Total deferred tax liabilities (A)	**162.42**	**131.34**	**-**	**293.76**
Tax effect of items constituting deferred tax assets				
Provision for employee benefits - Gratuity and leave encashment	(17.32)	(6.49)	0.95	(24.76)
Expenses allowed for tax purposes when paid	7.65	7.25	-	14.90
Others	(3.21)	3.21		
Unrealised gain/(loss) on investments carried at fair value through other comprehensive income	(12.77)	-	100.06	(112.83)
Total deferred tax liabilities (B)	**(25.64)**	**3.96**	**101.01**	**(122.69)**
Net deferred tax liabilities (A-B)	188.06	127.38	(101.01)	416.45

(C) The Group had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the year ended 31-Mar-2020. Accordingly, the Group had recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said Section.

37. Earning Per Share

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
Profit after tax as per statement of profit and loss (₹ in Lakhs)	11,301.14	9,012.78
Weighted average number of equity shares outstanding during the year used for computing basic earnings per share	170482535	168684184
Weighted average number of equity shares outstanding during the year used for computing diluted earnings per share	173417934	194300884
Face value per share (₹)	2.00	2.00
Basic earnings per share	6.63	5.35
Diluted earnings per share	6.52	4.64

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38. Financial Instruments

Capital Management

For the purpose of Group's capital management, capital includes Issued Equity capital and all reserves attributable to equity holders of the Group.

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern.
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Group compared to last year.
- Debt-to-equity ratio as of 31-Mar-2024 and 31-Mar-2023 is as follows:

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Net debt (A) *	-	5,668.87
Total equity (B)	77,475.81	40,711.27
Net debt to equity ratio (A/B)	N. A.	0.14

* The Group includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents.

* Other Bank Balances are Margins against contingent liabilities, hence not considered under cash and cash equivalents

Fair Values and its categories:

The category wise details as to the carrying value and fair value of the Group's financial assets and financial liabilities including their levels in the fair value hierarchy are as follows:

₹ in Lakhs

Categories of financial instruments	As at 31-Mar-2024	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Non-current				
Investments in quoted equity shares	579.53	579.53	-	-
Current				
Trade receivables	19,266.12	-	-	-
Cash and bank balances	10,122.87	-	-	-
Bank balances other than cash and cash equivalents	477.77	-	-	-
Loans	4,160.39	-	-	-
Total	**34,606.68**	**579.53**	**-**	**-**
Financial liabilities				
Non-current				
Borrowings	-	-	-	-
Other financial liabilities	19.61	-	-	-
Current				
Borrowings	2,000.53	-	-	-
Trade payables	2,449.86	-	-	-
Other financial liabilities	265.36	-	-	-
Total	**4,735.36**	**-**	**-**	**-**

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38. Financial Instruments (Contd.)

₹ in Lakhs

Categories of financial instruments	As at 31-Mar-2023	Fair Value Level 1	Level 2	Level 3
Financial assets				
Non-current				
Investments in quoted equity shares	1,616.88	1,616.88	-	-
Current				
Trade receivables	14,124.87	-	-	-
Cash and bank balances	5,008.51	-	-	-
Bank balances other than cash and cash equivalents	305.59	-	-	-
Loans	2,959.67	-	-	-
Total	**24,015.52**	**1,616.88**	**-**	**-**
Financial liabilities				
Non-current				
Borrowings	912.57	-	-	-
Other financial liabilities	7.42	-	-	-
Current				
Borrowings	9,764.81	-	-	-
Trade payables	2,862.23	-	-	-
Other financial liabilities	159.23	-	-	-
Total	**13,706.25**	**-**	**-**	**-**

Notes:

1. The carrying value of cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
2. The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.
3. The fair value of the Financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level of hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial investments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between Level 1, Level 2 and Level 3 during the year

* The fair value of the investment appearing under Level 3 approximates the carrying value and hence, the valuation technique and inputs with sensitivity analysis has not been given.

39. Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Group's risk assessment and management policies and processes.

The Group's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Group manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.

39. Financial Risk Management Objectives and Policies

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade receivables and other financial assets

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business and through regular monitoring of conduct of accounts.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, the Group's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period. The Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

With regards to all other financial assets with contractual cash flows management believes these to be high quality assets with negligible credit risk. Thus, no provision for expected cash loss has been provided on these financial assets.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings, lease liabilities and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There have been no significant changes to the Group’s exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s debt obligations with floating interest rates. The borrowings as at 31-Mar-2024 is ₹ 1,679.23 Lakhs (previous year ₹ 5,463.38 Lakhs) which are interest bearing and interest rates are variable.

Interest rate sensitivity

For the year ended 31-Mar-2024, every 1 percentage increase/ decrease in weighted average bank interest rate might have affected the Group’s incremental margins (profit as a percentage to revenue) approximately by 0.35% (previous year 0.54%).

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group’s exposure to currency risk relates primarily to the Group’s operating activities and borrowings when transactions are denominated in a different currency from the Group’s functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Amounts in Lakhs

Currency	Liabilities as at		Assets as at	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
USD	6.35	-	25.80	10.43
GBP	-	-	9.09	2.29
Euro	-	-	0.05	5.16

Foreign Currency sensitivity analysis

A change of 5% in foreign currency would have following Impact on profit before tax

₹ in Lakhs

Currency	31-03-2024		31-03-2023	
	5% Increase	5% Decrease	5% Increase	5% Decrease
USD	1.47	(1.47)	0.60	(0.60)
GBP	1.25	(1.25)	0.00	(0.00)
Euro	0.01	(0.01)	0.10	(0.10)

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39. Financial Risk Management Objectives and Policies

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group has mature liquidity risk management processes covering short-term, mid-term and long-term funding. Liquidity risk is controlled through maintaining sufficient reserves, adequate amount of committed credit facilities and loan funds.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments based on contractual undiscounted payments.

₹ in Lakhs

Particulars	Carrying Amount	Less than one year	More than one year	Total
As at March 31, 2024				
Borrowings	2,000.53	2,000.53	-	2,000.53
Other financial liabilities	284.97	284.97	-	284.97
Trade payables	2,449.86	2,449.86	-	2,449.86
Total	**4,735.36**	**4,735.36**	**-**	**4,735.36**
As at March 31, 2023				
Borrowings	10,677.38	9,764.81	912.57	10,677.38
Other financial liabilities	166.65	166.65	-	166.65
Trade payables	2,862.23	2,862.23	-	2,862.23
Total	**13,706.25**	**12,793.69**	**912.57**	**13,706.25**

(d) Capital Risk Management Policies and Objectives

The Group's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital and to maximise shareholders value. In order to maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt, etc.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements and the requirements of the financial covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Debt	2,000.53	10,677.38
Less: Cash and cash Equivalents*	10,122.87	5,008.51
Net debt	**-**	**5,668.87**
Total equity	77,475.81	40,711.27
Total capital including debt	77,475.81	46,380.13
Net debt to equity ratio (Times)	**N. A.**	**0.12**

* Other bank balances are held as margins money bank guarantee, considered as contingent liabilities, hence not considered under cash and cash equivalents.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

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40. Employee Benefit Plans

1. Expense recognised for Defined Contribution

Defined Contribution Plans

The Group makes contribution towards employees' state insurance, employees' provident fund, and Labour welfare fund. Under the schemes, the Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes. The Group recognized ₹ 56.72 Lakhs (March 31, 2023 ₹ 42.64 Lakhs) during the year as expense towards contribution to these plans.

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Employer's contribution to Employee State Insurance (ESI)	19.66	12.19
Employer's contribution to Provident Fund (EPF)	36.25	29.89
Employer's contribution to Labour welfare fund	0.81	0.56
Total	**56.72**	**42.64**

2. Defined Benefit Plans

Gratuity

The Group has a defined benefit gratuity plan as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity and compensated absences.

Leave Encashment

The Group has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

Movement in the present value of the defined benefit obligation are as follows

₹ in Lakhs

Particulars	Compensated Absences		Gratuity	
	As at 31-Mar-2024	As at 31-Mar-2023	As at 31-Mar-2024	As at 31-Mar-2023
Present value of obligation as at the beginning of the period	-	-	154.15	114.49
Past service cost	14.99	-	-	-
Current service cost	12.51	-	44.74	41.38
Interest cost	-	-	11.34	8.23
Benefits paid	-	-	(5.81)	(4.09)
Actuarial loss/ (gain) on obligation	-	-	(10.10)	(5.86)
Present value of obligation as at the end of the period	27.50	-	194.33	154.15

Movement in Plan Assets - Gratuity

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Fair value of plan assets at beginning of year	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Expected return on plan assets	-	-
Employer contributions	5.81	4.09
Benefits paid	(5.81)	(4.09)
Actuarial gain/ (loss)	-	-
Fair value of plan assets at end of year	-	-
Present value of obligation	-	-
Net funded status of plan	-	-
Actual return on plan assets	-	-

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40. Employee Benefit Plans (Contd.)

Recognised in statement of profit and loss

₹ in Lakhs

Particulars	Compensated Absences As at 31-Mar-2024	Compensated Absences As at 31-Mar-2023	Gratuity As at 31-Mar-2024	Gratuity As at 31-Mar-2023
Employee Benefit Expenses:				
Current service cost	12.51	-	44.74	41.38
Past service cost	14.99	-	-	-
Interest cost	-	-	11.34	8.23
Total	27.50	-	56.09	49.61

Recognised in other comprehensive income - Gratuity

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Remeasurement - Actuarial loss/(gain) on	(10.10)	(5.86)
Net (Income) / Expense recognised in OCI	-	(3.78)
Net (Income) / Expense recognised in OCI	(10.10)	(9.64)

The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:

Weighted average actuarial assumptions	Compensated Absences As at 31-Mar-2024	Compensated Absences As at 31-Mar-2023	Gratuity As at 31-Mar-2024	Gratuity As at 31-Mar-2023
Financial/Economic				
Discount rate (per annum)	7.21%	-	7.21%	7.36%
Salary escalation rate (per ann	5.50%	-	5.50%	5.50%
Demographic Assumptions				
Retirement age	60 years	-	60 years	60 years
Mortality table	100% of IALM (2012-14)	-	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal Rates Ages (years)				
Up to 30 Years	5.00%	-	5.00%	5.00%
From 31 to 44 years	3.00%	-	3.00%	3.00%
Above 44 years	2.00%	-	2.00%	2.00%

Notes:

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at 31-Mar-2024. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion and other relevant factors on long term basis.

Sensitivity Analysis

The sensitivity of the overall plan obligations to changes in the key assumptions are:

₹ in Lakhs

Particulars	Compensated Absences As at 31-Mar-2024	Compensated Absences As at 31-Mar-2023	Gratuity As at 31-Mar-2024	Gratuity As at 31-Mar-2023
a) Impact of the change in discount rate				
Present Value of Obligation at the end of the period	27.50	-	194.33	98.37
(a) Impact due to increase of 0.50%	(1.56)	-	(9.15)	(4.87)
(b) Impact due to decrease of 0.50 %	1.73	-	10.03	5.32
			-	-
b) Impact of the change in salary increase			-	-
Present Value of Obligation at the end of the period	27.50	-	194.33	98.37
(a) Impact due to increase of 0.50%	1.75	-	9.70	5.39
(b) Impact due to decrease of 0.50 %	(1.59)	-	(8.95)	(4.97)

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40. Employee Benefit Plans (Contd.)

Maturity profile of defined benefit obligation

₹ in Lakhs

Particulars	Compensated Absences As at 31-Mar-2024	Compensated Absences As at 31-Mar-2023	Gratuity As at 31-Mar-2024	Gratuity As at 31-Mar-2023
Weighted average duration of the defined benefit obligation				
Expected benefit payments within next				
0 to 1 Year	4.03	-	27.20	8.05
1 to 2 Year	1.02	-	7.33	1.54
2 to 3 Year	1.09	-	8.25	4.01
3 to 4 Year	1.76	-	11.50	6.73
4 to 5 Year	0.94	-	8.35	7.72
5 to 6 Year	0.97	-	19.90	6.78
6 Year onwards	17.69	-	111.79	63.54

Employee benefit provision

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
Gratuity	194.33	184.66
Compensated Absences	27.50	26.75
Total	**194.33**	**184.66**

Current and non current provision for Gratuity and Compensated Absences

₹ in Lakhs

Particulars	Compensated Absences As at 31-Mar-2024	Compensated Absences As at 31-Mar-2023	Gratuity As at 31-Mar-2024	Gratuity As at 31-Mar-2023
Current provision	4.03	-	27.20	11.96
Non current provision	23.47	26.75	167.13	142.19
Total provision	**27.50**	**26.75**	**194.33**	**154.15**

41. Contingent liabilities and commitments (to the extent not provided for)

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
I) Contingent liabilities		
A. Claims against the Group not acknowledged as debts		
a) Disputed excise duty, custom duty, GST and service tax cenvat credit	69.23	69.23
b) Income tax demands against which group has preferred appeals	369.28	309.83
c) Civil cases	61.00	61.00
B. Guarantees		
a) Letters of credits	3,444.63	-
b) Unexpired bank guarantees	3,895.34	2,101.53
II) Capital and other commitments		
Estimated amounts of contracts remaining to be executed on capital account, net of advances	550.39	-

The income tax, sales tax and Goods and Services Tax (GST) liabilities have been provided based on the return filled with the authorities. The additional liabilities, if any arising at the timing of finalisation of assessment year will be provided in the year of completion of assessment proceedings.

It is not possible to predict the outcome of the pending litigations with accuracy, the Group believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Group.

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42. Segment Information

The Group's business operations predominantly relate to manufacture of single product i.e., ERW pipes for selling worldwide. In view of this there may be product as primary segment and geography as secondary Segment. All the machines, building, other infrastructure, materials and consumables are used commonly/ interchangeably and it is not possible and practical to allocate revenue, profit/ loss, assets or liabilities to any particular size, customer market etc. nor the specified parameters are applicable to any particular size, customer, market etc. distinguishing it as a reportable item under specified headings. However, revenue from export (outside India) and home (within India) is given under geographical segment as under.

Geographical information:

The geographical segments considered for disclosure are based on markets, broadly as under

1. India
2. Rest of the World

Revenue from external customers

₹ in Lakhs

Particulars	For the Year ended 31-Mar-2024	For the Year ended 31-Mar-2023
India	1,91,354.74	1,39,480.26
Rest of the world	12,655.19	15,511.62
Total	**2,04,009.93**	**1,54,991.88**

Information about major customer :

- There are no major customers contributing to more than 10% of the total revenue.

43. Related Party Disclosure:

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Name of related party and nature of related party relationship

(i) Key Management Personnel (KMP) and their relatives

Name	Designation
Madan Mohan	Managing Director
Rakesh Garg	Executive Director
Pranav Singla	Whole Time Director
Dhruv Singla	Whole Time Director cum Chief Financial Officer (Resigned as CFO on January 12, 2024)
Gurinder Makkar	Company Secretary and Compliance Officer (Appointed w.e.f. February 02, 2023 and Resigned w.e.f. October 23, 2023)
Amrender Kumar Yadav	Company Secretary (Appointed w.e.f. November 20, 2023)
Mithan Lal Singla	Non-Executive Director
Atul Garg	Chief Financial Officer (Appointed w.e.f. January 12, 2024)
Sanjeev Gupta	Whole Time Director (Appointed w.e.f. November 20, 2023)
Mohinder Singh	Company Secretary and Compliance Officer (Resigned on February 02, 2023)
Sanjeev Vaid	Chief Financial Officer (Appointed w.e.f. April 21, 2022 and Resigned w.e.f. April 17, 2023)

(ii) Enterprises significantly influenced by key managerial personnel

- Jagan Industries Private Limited
- JTL Green Energy Limited
- Mirage Infra Limited

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43. Related Party Disclosure:

₹ in Lakhs

B. The following table summarizes related-party transactions included in the financial statements for the year ended and as at March 31, 2024:

Particulars	KMP and their Relatives		Enterprises significantly influenced by key managerial personnel		Wholly owned Subsidairy (WOS)	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Sale of goods						
Jagan Industries Private Limited	-	-	7,878.89	2,752.77	-	-
Purchases						
Jagan Industries Private Limited	-	-	5,195.73	129.25	-	-
Interest income on unsecured loan given	-	-	99.87	-	-	-
Unsecured loan received/ (paid) from/to directors	(4,892.70)	5,214.00	-	-	-	-
Salary and compensatation paid*	127.68	184.80	-	-	-	-
Rent to director's relative	2.53	-	-	-	-	-

* The amounts does not include provision for gratuity and compensated absences, as the same is determined for the Group as a whole based on an actuarial valuation.

₹ in Lakhs

C. The following table summarizes related-party balances included in the financial statements for the year ended and as at March 31, 2024:

Particulars	KMP and their Relatives		Enterprises significantly influenced by key managerial personnel		Wholly owned Subsidairy (WOS)	
	As at 31-Mar-2024	As at 31-Mar-2023	As at 31-Mar-2024	As at 31-Mar-2023	As at 31-Mar-2024	As at 31-Mar-2023
Trade receivables						
Jagan Industries Private Limited	-	-	-	4,086.67	-	-
Salary Payable	3.21	-	-	-	-	-
Unsecured loan from directors	321.30	5,214.00	-	-	-	-
Advances to Suppliers						
Jagan Industries Private Limited	-	-	2,157.76	-	-	-
Loan and advacnes						
Mirage Infra Limited	-	-	1,054.73	-	-	-
JTL Green Energy Limited	-	-	-	7.00	-	-

44. Details of dues to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
(a) The principal amount and the interest due thereon remaining unpaid at the end of the year		
Principal amount	1.07	-
Interest due thereon	-	-
(b) Payments made to suppliers beyond the appointed day during the year		
Principal Amount	-	-
Interest Due thereon	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

* The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with the Group.

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45. Expenditure incurred on Corporate Social Responsibilities (CSR)

₹ in Lakhs

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
a) Gross amount required to be spent by the Holding Company during the year	160.60	89.66
b) Amount spent during the year on the following:		
(i) Construction/ acquisition of asset	-	-
(ii) On purpose other than (i) above	160.71	32.00
c) Shortfall/ (excess) at the end of the year	(0.11)	57.66
d) Total of previous years shortfall/ (excess)	-	(59.17)
e) Net shortfall/ (excess) at the end of the year	-	-
f) Details of related party transactions, e.g., contribution to a section 8 company controlled by the Holding Company in relation to CSR expenditure as per relevant Accounting Standard	-	-
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	-	-

Nature of CSR activities:
The CSR activity focus areas are education, Skill Development and Technical Education and other key allied social initiatives.

Note: The set off available in the succeeding years is not recognised as an asset as a matter of prudence.

46. Dividend Distribution Made/Proposed

The Board of Directors of the Holding Company at their meeting held on 10-May-2024, considered and recommended a final dividend @ 12.50% i.e., ₹ 0.25 per share, which shall be payable subject to declaration of the same in the annual general meeting, to the shareholder as on record date for the purpose (final dividend paid for previous financial year ended 31-Mar-2023 was ₹ 168.91 Lakhs @ ₹ 0.20 per share of nominal value of ₹ 2 per share).

47. Disclosure as per Ind AS 36 'Impairment of Assets'

The Group has reviewed the carrying amount of its tangible and intangible assets (being a cash generating unit) with its future present value of cash flows and there has been no indication of impairment of the carrying amount of the Group's such Assets taking consideration into external and internal sources of information.

48. Disclosure as per Ind AS 10 Event occurring after reporting date

No adjusting or significant non-adjusting events have occurred between 31-Mar-2024 and the date of authorisation of the Group's financial statements.

49. Financial Ratios

Sr. No.	Ratio	Numerator	Denominator	As at 31-Mar-2024	As at 31-Mar-2023	% Change
1.	Current ratio (in times)(Note a)	Current assets	Current liabilities	10.18	3.35	203.81%
2.	Debt-equity ratio (in times)(Note b)	Total debt (including current maturities of long-term debts)	Total equity	0.03	0.26	-90.15%
3.	Debt service coverage ratio (in times)(Note c)	EBITDA	Interest + Principle paid	9.85	16.29	-39.55%
4.	Return on equity ratio (in %)(Note d)	Net profit after tax	Total equity	14.59%	22.14%	-34.11%
5.	Inventory turnover ratio (in days)(Note e)	Inventory X 365	Revenue from operations	27	40	-31.87%
6.	Trade receivable turnover ratio (in days)	Debtors X 365	Revenue from operations	34	33	3.62%
7.	Trade payable turnover ratio (in days)(Note f)	Trade payable X 365	Revenue from operations	4	7	-34.98%
8.	Net capital turnover ratio (in times)(Note g)	Net working capital	Revenue from operations	29.13%	21.42%	36.01%
9.	Net profit ratio (in %)	Net profit after tax	Revenue from operation	5.54%	5.82%	-4.74%
10.	Return on capital employed (in %)(Note h)	Earning before interest and taxes (EBIT)	Total assets - current liabilities	19.94%	30.55%	-34.72%

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49. Financial Ratios (Contd.)

Reasons for variances:

a. Due to increase in current assets and decrease in current liabilities.
b. Due to increase in total equity and lowering dependence of debt.
c. Due to increase in EBITDA and reduction of interest expense and debt.
d. Due to increase in shareholders fund.
e. Due to increase in turnover and decrease in inventory.
f. Due to increase in turnover and decrease in trade payables.
g. Due to increase in turnover and increase in working capital.
h. Due to total assets increased but EBIT not increasing in same order.

50. Additional disclosures relating to the requirement of Schedule III

a. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
b. The Group has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
c. The Group has not carried out revaluation of items of property, plant and equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 is not applicable.
d. The Group does not have any transactions with companies which are struck off under Section 288 of the Companies Act 2013 or Section 560 of Companies Act, 1956 during the year ended 31-Mar-2024 and the year ended 31-Mar-2023.
e. During the financial year, there is no delay by the Group in the registration of charges or satisfaction with Registrar of Companies beyond statutory period *except* in the following cases which are disclosed as under:

Brief description of the charges or satisfaction	Location of the Registrar	Reason for delay in registration
Satisfaction of charge for Working Capital Loan of ₹ 2,100.00 Lakhs from HDFC Bank Limited	Chandigarh	Transferred in the name of the Holding Company post-merger of Chetan Industries Limited. The Holding Company is in the process to vacate it.
Satisfaction of charge for Vehicle Loan of ₹ 80.00 Lakhs from HDFC Bank Limited	Chandigarh	Charge is pending for satisfaction due to non-receipt of No Objection Certificate (NOC). The Holding Company is in the continuous follow up and will file the charge satisfaction e-form with MCA, as and when it receives NOC from the respective charge holders.
Satisfaction of charge for Vehicle Loan of ₹ 25.00 Lakhs from Toyota Financial Services India Limited	Chandigarh	Charge is pending for satisfaction due to non-receipt of No Objection Certificate (NOC). The Holding Company is in the continuous follow up and will file the charge satisfaction e-form with MCA, as and when it receives NOC from the respective charge holders.

f. Quarterly returns or statements of current assets filed by the Holding Company with banks and financial institutions are in agreement with the books of
g. During the financial year 2022-23, In accordance with the sanctioned scheme of amalgamation, Chetan Industries Limited was merged with the Company.
h. The Holding Company has compiled with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.
i. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities(intermediaries), with the understanding that the intermediary shall;
   - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (Ultimate Beneficiaries), or
   - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
j. The Group has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company shall;
   - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate beneficiaries), or
   - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
k. The Group does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
l. The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

51. The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level and certain master fields (Asset Master, Customer Master and Vendor Master) for users with certain privileged access rights as it related to the accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the software.

52. The Group has carried out exercise of balances confirmation of trade receivable, trade payable, advances given, and other financial and non-financial assets and liabilities and have received confirmations in most of the cases. In few cases, such balances are subject to confirmation/ reconciliation and their balances are stated as per books of accounts. Adjustments, if any will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.

53. Disclosure as per Ind AS 1 'Presentation of financial statements' and Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Certain changes have also been made in the policies for improved disclosures. There is no impact on the financial statements due to these changes.

54. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

Interests in subsidiary company

List of subsidiary company as at 31st March, 2024 in which the Company has interest, is as below. The entity has share capital consisting of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of subsidiary	Type of Interest	Country of Incorporation	Principal Activity	As at 31-Mar-2024	As at 31-Mar-2023
JTL Tubes Limited	Wholly Owned Subsidiary	India	Manufacture of Steel Pipes	100%	100%

55. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:

Name of the entity	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or loss	Amount (₹ in Lakhs)	As % of consolidated other comprehensive income	Amount (₹ in Lakhs)	As % of total comprehensive income	Amount (₹ in Lakhs)
Parent								
JTL Industies Limited								
31st March, 2024	99.94%	77,430.73	99.60%	11,256.45	100.00%	(608.65)	99.58%	10,647.80
31st March, 2023	100.00%	40,710.90	100.00%	9,012.41	100.00%	300.30	100.00%	9,312.71
Subsidiaries								
JTL Tubes Limited								
31st March, 2024	0.06%	45.07	0.40%	44.69	0.00%	-	0.42%	44.69
31st March, 2023	0.00%	0.38	0.00%	0.38	0.00%	-	0.00%	0.38

56. The figures for the previous year have been reclassified / regrouped wherever necessary including for amendments relating to Schedule III of the Companies Act, 2013 for better understanding and comparability.

The figures of the financial statements are represented as in Indian Rupees Lakhs upto two decimal places leaving the scope of rounding up variations.

The accompanying notes from an integral part of the consolidated financial statements.

for N. Kumar Chhabra and Co.
Chartered Accountants
ICAI Firm Registration Number 00837N

CA. Ashish Chhabra
FCA., Partner
Membership Number 507083
UDIN: 24507083BKBLVY6295
Place : Chandigarh
Date : May 10, 2024

for and on behalf of the Board of Directors of J T L Industries Limited (Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Amrender Kumar Yadav
Company Secretary
Membership Number: A41946

Atul Garg
Chief Financial Officer
PAN: ALZPG9915G

To the Members of
JTL INDUSTRIES LIMITED
(Formerly known as JTL Infra Limited)

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Financial Statements of JTL Industries Limited (Formerly known as JTL Infra Limited) (hereinafter referred to as "the Holding"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss(including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of the subsidiary and associates referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

EMPHASIS OF MATTER

We draw attention to the Scheme of Arrangement ('the Scheme') for amalgamation of Chetan Industries Limited (Transferor Company) with JTL Industries Limited (Transferee Company) which has been sanctioned by Hon' ble NCLT, Chandigarh vide its order dated 30.03.2023. The Scheme had become effective from 31.03.2023. The appointed date for said Scheme of Merger is 01st April, 2021. As per the requirement of appendix C to IND AS 103 "Business Combination", the consolidated annual financial statements have been prepared incorporating the impact of merger using the "Pooling of interest method" accordingly.

Our opinion is not modified in respect of above matter.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>The Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td>Revenue Recognition

The Holding Company recognizes revenue at the point of time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.

The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.</td><td>Our key audit procedures around revenue recognition included, but were not limited to, the following:

• We performed process walk through to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.

• Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.

• We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.

• We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements.

• In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions.</td></tr>
</table>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates; for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in.

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of one subsidiary i.e. JTL Tubes Limited, whose financial statements reflect total assets of Rs. 218.49 Lakhs as at March 31, 2023, total revenues are Rs. 151.62 Lakhs, total net profit after tax of Rs. 0.38 Lakhs, cash inflows of Rs. 0.15 Lakhs for the year ended March 31, 2023, as considered in the Statement which have been audited by the respective independent auditor.

These audited financial statements of above entity have been approved and furnished to us by the Management. This financial statement has been audited by other auditor whose reports have been furnished to us by the other auditor/ Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary is based solely on the reports of such other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purposes of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2023, none of the directors of the Group is disqualified as on 31 March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Group does not have any pending litigations which would impact its financial position.

   b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

   c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended 31 March 2023.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or

      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d)(i) and (d)(ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company and its subsidiary companies incorporated in India are in compliance with section 123 of the Act.

3. With respect to the matter to be included in the Auditors' report under Section 197(16) of the Act:

   In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and it's subsidiary incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and it's subsidiary incorporated in India, is not in excess of the limit laid down under Section 197 of the Act.

For **Suresh K Aggarwal & Co,**
Chartered Accountants
FRN: 021129N

Date:26th April, 2023 **(CA Suresh Kumar Aggarwal)**
Place: Chandigarh (Partner)
UDIN: 23090064BGXCFJ8864 M.No.: 090064

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JTL INDUSTRIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023

Report on the Internal Financial Control with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To The Members of
JTL Industries Limited
(Formerly known as JTL Infra Limited)

In conjunction with our audit of the consolidated Ind AS financial statements of JTL Industries Limited (Formerly known as JTL Infra Limited) (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Suresh K Aggarwal & Co,**
Chartered Accountants
FRN: 021129N

Date:26th April, 2023	**(CA Suresh Kumar Aggarwal)**
Place: Chandigarh	(Partner)
UDIN: 23090064BGXCFJ8864	M.No.: 090064

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2023

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	6,536.20	4,858.49
Capital Work in Progress	3	440.10	339.96
Financial Assets			
Investments	4	1,616.88	1,241.87
others			
Other Non-Current Assets	5	1,751.14	1,670.64
Total Non-Current Assets		**10,344.31**	**8,110.96**
Current Assets			
Inventories	6	16,773.80	11,926.98
Financial Assets			
Loans	7	5,174.19	443.66
Trade Receivables	8	14,124.87	10,956.83
Cash and Cash Equivalents	9	5,008.51	25.85
Bank Balances other than Cash and Cash Equivalents	10	305.59	154.66
Others	11	-	-
Current Tax Assets (net)	12	-	-
Other Current Assets	13	**4,614.39**	**2,299.30**
Total Current Assets		**46,001.34**	**25,807.28**
Total Assets		**56,345.66**	**33,918.24**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	1,686.84	1,344.47
Other Equity	15	39,024.42	18,422.79
Total Equity		**40,711.26**	**19,767.26**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	16	912.57	1,035.75
Provisions	17	168.94	135.06
Deferred Tax Liabilities	18	416.45	188.06
Other Non-Current Liabilities	19	7.42	38.56
Total Non-Current Liabilities		**1,505.38**	**1,397.43**
Current Liabilities			
Financial Liabilities			
Borrowings	20	4,339.17	8,094.51
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises and	21	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,862.23	2,569.76
Other Financial Liabilities	22	211.64	301.23
Other Current Liabilities	23	5,813.26	1,351.88
Provisions	24	98.76	145.82
Income Tax Liabilities		803.97	290.36
Total Current Liabilities		**14,129.02**	**12,753.55**
Total Equity and Liabilities		**56,345.66**	**33,918.24**

Figures for the Previous year have been reclassified/regrouped wherever necessary to confirm to current year's classification

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Suresh K Aggarwal & Co.**
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Partner
M.No. 090064
UDIN: 23090064BGXCFJ8864

Place : Chandigarh
Date : April 26, 2023

For and on behalf of Board of Directors
of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Gurinder Makkar
Company Secretary
M.No.: F5124

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR PERIOD ENDED MARCH 31, 2023

(Rs. in Lacs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	25	1,54,991.88	1,35,531.74
Other Income	26	493.75	379.02
Total Income (I)		**1,55,485.63**	**1,35,910.76**
EXPENSES			
Cost of Materials Consumed	27	1,36,532.11	1,23,723.20
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work -in -Progress	28	(552.53)	(3,415.91)
Employee Benefits Expense	29	1981.72	1,759.84
Finance Costs	30	634.93	771.85
Depreciation and Amortisation Expense	31	425.50	315.06
Other Expenses	32	4,094.08	4,522.70
Total Expenses (II)		**1,43,115.81**	**1,27,676.73**
Profit Before Exceptional Items and Tax (I-II)		12,369.82	8,234.03
Exceptional Items		-108.21	-
Profit/ (Loss) Before Tax		**12,261.61**	**8,234.03**
Tax Expense/(Benefits):			
Current Tax	18	3,051.00	2,051.36
Income Tax of Earlier Years		70.46	72.46
Deferred Tax	18	127.38	3.94
Total Tax Expense		**3,248.84**	**2,127.76**
			-
Profit/ (loss) for the years		**9,012.78**	**6,106.27**
Other Comprehensive Income :			
Items that will be reclassified to Profit and Loss			
Re-measurement gains/ (losses) on defined benefit obligations		3.78	12.74
Income tax relating to items that will be reclassified to Profit & loss		(0.95)	(3.21)
Items that will not be reclassified to Profit and Loss			
Fair valuation of financial instruments through OCI		397.53	50.76
Income tax relating to items that will not be reclassified to Profit & loss		(100.06)	(15.98)
Total Other Comprehensive Income		**300.30**	**44.31**
Total Comprehensive Income		**9,313.08**	**6,150.58**
Earnings per Equity Share of Rs. 2 each			
Basic		10.69	8.45
Diluted		9.28	7.63

Figures for the Previous year have been reclassified/regrouped wherever necessary to confirm to current year's classification

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For **Suresh K Aggarwal & Co.**
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Partner
M.No. 090064
UDIN: 23090064BGXCFJ8864

Place : Chandigarh
Date : April 26, 2023

For and on behalf of Board of Directors
of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Gurinder Makkar
Company Secretary
M.No.: F5124

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023

(Rs. in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	12,261.62	8,234.03
Adjustment for :		
Depreciation & Amortisation Expense	425.50	315.06
Interest Income	(9.91)	(77.74)
Interest Expense	634.91	760.20
Dividend income	(3.94)	-
Net unrealised foreign exchange (gain)	(13.96)	(22.93)
(Gain) / Loss on Sale of Property, Plant and Equipment (net)	(5.50)	(0.19)
Operating Profit before working Capital Changes :	**13,288.72**	**9,208.42**
Movements in Working Capital :		
(Increase)/decrease in Trade Receivables	(3,099.72)	(247.57)
(Increase)/decrease in Inventories	(4,846.82)	(4,291.45)
Increase/(decrease) in Trade payables	707.57	(1,418.89)
Increase/(decrease) in Other liabilities and Provisions	4,176.24	866.56
(Increase)/decrease in Other financial assets and Other assets	(7,132.80)	234.97
Cash generated from Operations :	**3,093.18**	**4,352.05**
Direct Taxes Paid	(2,607.80)	(2,643.46)
Net Cash flow from/(used in) Operating Activities	**485.38**	**1,708.59**
Cash Flow from Investing Activities		
Purchase of property, plant and equipment including CWIP	(1,891.71)	(2,160.12)
Proceeds from sale of property, plant and equipment	5.50	0.10
Movement in Investments	(389.38)	(1,592.29)
Movement in Non Current Assets	331.41	-
Movement Bank Deposit not considered as cash & cash equivalent	(150.93)	241.46
Dividend Received	3.94	67.31
Interest Received	9.91	10.43
Net Cash flow from/(used in) Investing Activities	**(2,081.25)**	**(3,433.10)**
Cash Flow from Financing Activities		
Proceeds from/ (repayment of) Long term borrowings	(189.52)	(476.58)
Equity Share Capital received	127.00	-
Securities Premium received	2,159.00	-
Money received against share warrents	9,033.28	1,226.50
Proceeds from/ (repayment of) in Short term borrowings	(3,926.94)	1,920.04
Dividend Paid	-	(212.15)
Other Long Term Provisions	10.63	6.51
Interest Paid	(634.91)	(760.20)
Net Cash flow from/(used) in Financing Activities	**6,578.54**	**1,704.12**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023 (CONTD.)

(Rs. in Lacs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net Increase/Decrease in Cash & Cash Equivalents	**4,982.67**	**(20.39)**
Cash & Cash equivalents at the beginning of the year	**25.85**	**46.25**
Cash & Cash equivalents at the end of the year	**5,008.52**	**25.86**
Components of Cash and Cash Equivalents		
Cash in Hand	40.84	23.61
Balance with Scheduled Banks :		
Current Accounts	3.56	2.24
Investment	4,964.11	-
	5,008.51	**25.85**
Add:- Term Deposits pledged with Scheduled banks	-	-
not considered as cash and cash equivalents		
Less:- Fixed Deposits having maturity period more then 12 months	-	-
Cash & Cash Equivalents	**5,008.51**	**25.85**

Notes:

(i) Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

(ii) Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year

(iii) Figures in brackets indicate cash outflows.

Figures for the Previous year have been reclassified/regrouped wherever necessary to confirm to current year's classification

As per our report of even date attached

For **Suresh K Aggarwal & Co.**
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Partner
M.No. 090064
UDIN: 23090064BGXCFJ8864

Place : Chandigarh
Date : April 26, 2023

For and on behalf of Board of Directors
of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Gurinder Makkar
Company Secretary
M.No.: F5124

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
AS AT MARCH 31, 2023

A. EQUITY SHARE CAPITAL

Rs.in Lacs

Issued, Subscribed and fully paid up	Amount
As at April 01, 2021	**1,060.74**
Increase/(decrease) during the year	123.00
As at March 31, 2022	**1,183.74**
Share capital of transferor company	160.73
As at April 01, 2022	**1,344.47**
Increase/(decrease) during the year	503.10
Share capital of transferor company	(160.73)
As at March 31, 2023	**1,686.84**

share capital of transferor company (i.e. Chetan Industries Limited) 160.73 Lacs (face value of Rs. 1 per share) and shares issued by the Transferee Company of 376.10 Lacs (face value of Rs. 2 per Share) to the shareholders of the transferor company (i.e. Chetan Industries Limited)

B. OTHER EQUITY

Rs.in Lacs

Particulars	Reserve and Surplus						Equity Instruments through OCI	Fair valuation of Equity Instruments through OCI	Total other equity
	Capital Reserve	Merger Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Share Warrants			
Balance as at April 01, 2021	**279.00**			**984.28**	**5,804.84**	**1,562.00**	**(0.34)**		**8,629.78**
Profit for the year					6,106.26				6,106.26
Dividend on Equity shares					(212.15)				(212.15)
Other Comprehensive Income							9.53	34.78	44.31
Transferred from Statement of Profit & Loss			200.60		(200.60)				-
Re-measurements of the net defined benefit Plans									-
Reserve received from transferor company	21.11			846.85	1,883.13				2,751.09
Money received against share warrants				2,091.00		1,226.50			3,317.50
Issued of shares by conversion of warrants						(2,214.00)			(2,214.00)
Balance as at March 31, 2022	**300.11**	**-**	**200.60**	**3,922.13**	**13,381.48**	**574.50**	**9.19**	**34.78**	**18,422.79**
Profit for the year					9,012.77			297.47	9,310.24
Proposed Dividend									-
Other Comprehensive Income							2.83		2.83
Money received against share warrants						9,607.78			9,607.78

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
AS AT MARCH 31, 2023 (CONTD.)

Rs.in Lacs

Particulars	Reserve and Surplus						Equity Instruments through OCI	Fair valuation of Equity Instruments through OCI	Total other equity
	Capital Reserve	Merger Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Share Warrants			
Reserve received from transferor company					311.64				311.64
Share capital of transferor company less share capital issued by Transferee company *		(215.37)							(215.37)
Issued of shares by conversion of warrants				2,159.00		(574.50)			1,584.50
Balance as at March 31, 2023	**300.11**	**(215.37)**	**200.60**	**6,081.13**	**22,705.89**	**9,607.78**	**12.02**	**332.25**	**39,024.42**

* In addition to above share capital of transferor company (i.e. Chetan Industries Limited) 160.73 Lacs (face value of Rs. 1 per share) and shares issued by the Transferee Company of 376.10 Lacs (face value of Rs. 2 per Share) to the shareholders of the transferor company (i.e. Chetan Industries Limited) have resulted into debit balance of Merged Capital Reserve.

As per the scheme of arrangement for amalgamation of Chetan Industries Limited with JTL industries limited which has been sanctioned by Hon'ble NCLT, Chandigarh vide its order dated March 30, 2023. The scheme has become effective from March 31, 2023. The appoined date for said scheme of merger is April 01, 2021. As per the requirement of appendix C to IND AS 103 "BUSINESS COMBINATION", the consolidated annual financial results have been prepared incorporating the impact of merger using the "Pooling of interest method" accordingly

Figures for the Previous year have been reclassified/regrouped wherever necessary to confirm to current year's classification

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Suresh K Aggarwal & Co.**
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Partner
M.No. 090064
UDIN: 23090064BGXCFJ8864

Place : Chandigarh
Date : April 26, 2023

For and on behalf of Board of Directors
of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Gurinder Makkar
Company Secretary
M.No.: F5124

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

1 CORPORATE INFORMATION

JTL Industries Limited ("the Company") formerly known as J T L Infra Limited is primarily engaged in the business of manufacture and sale of Iron and Steel Products.The Company is an integrated manufacturer and supplier of steel tubes, pipes and allied products having manufacturing facilities in India.

JTL Industries Limited ("the Company") formerly known as J T L Infra Limited is a public limited company incorporated in India on July 29, 1991 under the Companies Act, 1956 and Listed on the Bombay Stock Exchange ('BSE') and Metropolition Stock Exchange. The registered office of Company is situated at SCF 18-19, First Floor, Sector-28C, Chandigarh-160002, India.

The company has four manufacturing facilities Derabassi & Mandi gobindgarh, Punjab and Raipur, Chattishgarh and Mangaon, Maharashtra

1.1 Amalgamation/Merger of Chetan Industries Limited (Transferor Company) With JTL Industries Limited (Transferee Company).

1.1(i) Chetan Industries Limited (Transferor Company) : The company is engaged in the Business of Manufacturing Steel pipes & Tubes , hollow sections and structural steel . JTL Industries Limited (Transferee Company) : The company is engaged in the Business of producing of Black & Galvanised ERW Steel pipes & Tubes , hollow sections and structural steel . Post merger "Chetan Industries Limited" will cease to exist and name and nature of the Entity i.e. JTL Industries Limited will continue.

1.1(ii) As per the scheme of arrangement for amalgamation of chetan industries limited with JTL industries limited which has been sanctioned by Hon'ble NCLT, Chandigarh Bench vide its order dated March 30, 2023. The appoined date for said scheme of merger is April 01, 2021. As per the requirement of appendix C to IND AS 103 "BUSINESS COMBINATION", the standalone annual financial results have been prepared incorporating the impact of merger using the "Pooling of interest method" accordingly. Hence Pursuant to the Scheme read with the provision of Sections 230-232 of the Companies Act ,2013,the effective date would be March 31, 2023 being the date on which the certified copy of the order(s) of the Hon'ble NCLT, Chandigarh Bench,sanctioning the said Scheme was filed with the Registrar of Companies by both the companies in relation to which the order was made.

1.1(iii) The Board of Directors of the Company have taken note of the effective date i.e. March 31, 2023 as the record date for the purpose of the ascertaining "list of eligible shareholders of the transferor Company " for the allotment of its Equity Shares each credited as fully paid up in the Exchange ratio of 117:100 as per the scheme of Arrangement. The Board has also approved allotment of 1,88,04,942 Equity shares each of face value of Rs. 2/- per share has been credited as fully paid up to the shareholders of the Transferor Company in the Exchange ratio 117:100 as per the scheme of Arrangement.

1.1(iv) All the assets, liabilities and reserves of Transferor company (i.e. Chetan Industries Limited) have been recorded at their carrying amounts and in the form in which they appeared in the financial statements as at the date of merger. The Company has combined assets, liabilities and components of other equity of the transferor on line by line basis.The financial information in the financial statement in respect of prior periods are also restated as the business combination was involving entities under common control and Upon the Scheme becoming effective the transferor company (i.e. Chetan Industries Limited) stood dissolved without being wound-up

1.1(V) (a) The carrying balances of the Chetan Industries Limited which have been added to the respective line items in the Balance Sheet of the Company are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets		
(a) Property Plant & Equipment	839.46	613.09
(b) Financial Assets		
(i) Loans	1,326.50	1,323.14
(ii) Other Financial Assets	150.80	139.78
Current assets		
(a) Inventories	2,544.43	2,672.31
(b) Financial Assets		
(i) Trade receivables	1,825.28	1,329.36
(ii) Cash and cash equivalents	13.84	11.72
(iii) Loans	109.25	171.86
(c) Other current assets	19.99	11.74
Total	**6,829.55**	**6,273.00**
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	160.73	160.73
(b) Other Equity	4,193.85	3,855.06
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	368.35	280.01
(b) Provisions	51.87	41.24
(c) Deferred Tax Liability (Net)	45.77	(37.26)
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,522.94	1,023.22
(ii) Trade payables:		
(A) Total outstanding dues of MSME's	123.84	286.07
(B) Total outstanding dues of creditors other than MSME's	65.84	318.71
(b) Other current liabilities	205.65	204.56
(c) Provisions	90.71	140.66
Total	**6,829.55**	**6,273.00**

1.1(V) (b) The impact on other equity on the effective date of merger is as follows

Rs in Lacs

Particulars	Reserve and Surplus						Equity Instruments through OCI	Fair valuation of Equity Instruments through OCI	Total other equity
	Capital Reserve	Merger Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Share Warrants			
Balance as at April 1, 2021	279.00			984.28	5,804.84	1,562.00	(0. 34)		8,629.78
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Dividend on Equity shares					(212.15)				(212.15)
Other Comprehensive Income							9.53	34.78	44.31
Transferred from Statement of Profit & Loss			200.60		(200.60)				
Re-measurements of the net defined benefit Plans									-
Reserve received from transferor company	21.11			846.85	1,883.13				2,751.09
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Balance as at March 31, 2022	**300.11**	**-**	**200.60**	**3,922.13**	**13,381.48**	**574.50**	**9.19**	**34.78**	**18,422.79**
Profit for the year					9,012.77			297.47	9,310.24
Proposed Dividend									-
Other Comprehensive Income							2.83		2.83
Money received against share warrants						9,607.78			9,607.78
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Issued of shares by conversion of warrants				2,159.00		(574.50)			1,584.50
Balance as at March 31, 2023	**300.11**	**(215.37)**	**200.60**	**6,081.13**	**22,705. 89**	**9,607.78**	**12.02**	**332.25**	**39.024.42**

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As per the scheme of arrangement for amalgamation of chetan industries limited with JTL industries limited which has been sanctioned by Hon'ble NCLT, Chandigarh vide its order dated March 30, 2023. The scheme has become effective from March 31, 2023. The appoined date for said scheme of merger is April 01, 2021. As per the requirement of appendix C to IND AS 103 "BUSINESS COMBINATION", the consolidated annual financial results have been prepared incorporating the impact of merger using the "Pooling of interest method" accordingly

2 BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and measurement

a) Basis of preparation:

These financial statements are prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act 2013 ("The Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). the Ind AS are prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). the financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company as well.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements

b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Key accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property and plant and equipment, provisions, valuation of deferred tax liabilities, contingent liabilities and fair value measurements of financial instruments as discussed below.

Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Continuous evaluation is done on the estimation. Actual results may differ from these estimates

2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

The Company presents assets and liabilities inthe Balance Sheet based on current/ non-currentclassification. An asset is treated as current when:

- It is expected to be realised or intended to be sold
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The operating cycle is the time between the acquisitionof assets for processing and their realisation in cashand cash equivalents. The Company has identifiedtwelve months as its operating cycle for the purposeof current and non-current classification of assets and liabilities.

2.4 Significant accounting policies

(a) Property, plant and equipment (PPE)

- **Property, plant and equipment**

  Free hold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service TAX, value added TAX), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.
- the cost of a self-constructed item of Property, plant and equipment comprises the cost of materials and direct labour, any Other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain / loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Costs in nature of repairs and maintenance are recognised in the Statement of Profit and Loss as and when incurred.

- **Capital work in progress**

  Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress.

- **Capital Advances**

  Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

(b) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs.

The useful life is as follows:

Sr. No.	Nature of Asset	Useful Life (Years)
1	Buildings	30
2	Plant & Machinery	15
3	Other Equipment	3 to 5
4	Vehicles	8
5	Furniture/ Fittings	10

The residual value for all the above assets are retained at 5% of the cost.

Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units.

(c) Intangibles

Intangible assets purchased and cost incurred thereon are initially measured at cost.

- **Amortisation**

  Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. The estimated useful lives of intangible assets are assessed as 10 years.

(d) De-recognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

(e) Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Company has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking.

Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

(f) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in statement of profit and loss.

(g) Inventories

Inventories are valued at lower of cost and net realisable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The cost of raw materials, components, consumable stores and spare parts are determined using the weighted average method and includes freight, taxes and duties, net of duty credits wherever applicable. Finished goods, including stock in trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs and applicable manufacturing overheads incurred in bringing them to their present location and condition.

Raw materials

Raw materials are valued at cost of purchase net of duties and includes all expenses incurred in bringing such materials to the location of its use.

Work-in-progress and finished goods

Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials.

Stores, spares and tools

Stores, spares and tools cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(h) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

- Initial Recognition and measurement

All financial assets are recognised at fair value.

- **Cash and cash equivalents**
  - Cash and cash equivalent comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. These balances with banks are unrestricted for withdrawal and usage.
  - Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage

- **Recoverability of trade receivable**

  Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the worth of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

- **Derivative financial instruments and Hedge Accounting**

  The Company uses various derivative financial instruments such as forwards contracts to mitigate the risk of changes in exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

  Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

- **Impairment of financial assets**

  The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Financial Liabilities

- **Initial recognition and measurement**

  All financial liabilities are recognised at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

- **Subsequent measurement**

  Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

- **Derecognition**

  A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expire.

(i) Impairment of non-financial assets

At each balance sheet date, the carrying amount of fixed assets is reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (recoverable amount is the higher of an asset's net selling price or value in use). In assessing the value in use, the estimated future cash flows expected from the continuing use of the assets and from their disposal are discounted to their present value using a pre discounted rate that reflects the current market assessment of time value of money and risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the Profit and Loss Account.

(j) Valuation of deferred tax liabilities

The Company reviews the carrying amount of deferred tax liabilities at the end of each reporting period.

(k) Provision and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(l) Revenue recognition

- Sale of products

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer and there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from operations is disclosed net of GST.

- Government Grants

Export incentive entitlements are recognised as income when there is reasonable assurance to receive that Company will comply with the conditions attached to them and it is established that incentive will be received.

Government grants relating to income are recognised in Profit & Loss Account on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which grants are intended to compensate.

- Other Income

Other income is accounted for on accrual basis as and when the right to receive arises.

(m) Expenditure

Expenses are accounted on accrual basis.

(n) Employee benefits

The Company's retirement benefit obligation is subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

- Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

- Defined contribution plans

Contributions to defined contribution schemes such as provident fund, employees state insurance, labour welfare fund, are charged as an expense in Profit and loss account, based on the amount of contribution required to be made as and when services are rendered by the employees. These are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

- Retirement benefit obligations

Retirement benefit obligations are classified into defined benefits plans and defined contribution plans as under:

Defined Gratuity Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/ superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of Gratuity is recognised in the books of accounts based on actuarial valuation by an independent actuary.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

- **Re-measurement**

Benefit plans in respect of retirement benefits are charged to the Other Comprehensive Income.

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's liability in respect of other long-term employee benefits is recognised in the books of account based on actuarial valuation using projected unit credit method as at Balance Sheet date by an independent actuary. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(o) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income. In which case, the tax is also recognised in other comprehensive income or equity.

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities / assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(p) Finance costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Interest free loan taken from promoters and others has been derived on basis of fair value based on market rate of interest prevailing when loan and derived to the total tenure of loan. The interest for the period is charged to the Statement of Profit and Loss.

(q) Foreign currencies transactions and translation

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated into functional currency at exchange rates in effect at the balance sheet date, the gain or loss arising from such translations are recognised in the statement of profit and loss.

(r) Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Company.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(s) Recent accounting pronouncements

Recent pronouncements - Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the companies (Indian Accounting Standards) amendment Rules, 2023, applicable from April 01, 2023, as below:

Ind AS 1 - Presentation of Financial Statement - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes - The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

The Company is evaluating the above mentioned amendments and the impact, if any, on the financial statement will be given in financial year 2023-24 .

2.5 Additional Information as required under schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Rs in Lacs

JTL Industries Limited (Formerly known as JTL Infra Limited)	Net Assets, i.e. Total Assets less Total Liabilities as		Share in Profit or loss for the year ended		Share in Other Comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of Consolidated Net assets	Amount	As % of Consolidated Net assets	Amount	As % of Consolidated Net assets	Amount	As % of Consolidated Net assets	Amount
Parent								
JTL Industries Limited								
March 31, 2023	99.99910%	40,710.89	99.99591%	9,012.40	100.00%	300.3	99.99592%	9,312.70
March 31, 2022	100.00002%	19,767.26	100.00000%	6,106.27	100.00%	44.31	100.00000%	6,150.58
Subsidiaries								
JTL Tubes Limited								
March 31, 2023	0.01319%	5.37	0.00411%	0.37	0.00%	-	0.00397%	0.37
March 31, 2022	0.02529%	5.00	-	-	0.00%	-	-	-

3. PROPERTY, PLANT AND EQUIPMENT

A Property, plant and equipment

Rs. in Lacs

Particulars	Computers & Printer	Furniture & Fixtures	Telephone & Mobiles	Office Equipments	Electricals Appliance	Plant & Machinery	Land	Building	Misc. Assets	Vehicles	Total property, plant & equipment
Gross Block											
Opening Cost as at April 01, 2021	15.30	83.57	1.20	23.57	399.28	2,621.63	627.90	1,141.82	388.86	386.77	5,689.91
Additions	3.47	0.56	5.88	5.49	-	948.26	-	447.77	-	187.69	1,599.14
Sales/ Adjustments	-	-	-	(0.30)	-	-	-	-	-	-	(0.30)
Adjustments											-
As at March 31, 2022	**18.78**	**84.14**	**7.08**	**28.77**	**399.28**	**3,569.89**	**627.90**	**1,589.59**	**388.86**	**574.46**	**7,288.75**
Additions	1.27	4.06	2.86	20.46	-	1,043.79	441.56	-	-	321.88	1,835.87
Sales/ Adjustments	-	-	-	-	-	(44.30)	-	-	-	-	(44.30)
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March31, 2023	**20.05**	**88.19**	**9.94**	**49.22**	**399.28**	**4,569.38**	**1,069.45**	**1,589.59**	**388.86**	**896.34**	**9,080.32**
Accumulated Depreciation											
Balance as at April 01, 2021	10.84	6.06	0.49	9.01	310.60	865.77	-	396.76	319.59	196.10	2,115.21
Charge for the period	2.35	7.45	0.81	3.47	12.15	166.08	-	52.04	12.01	58.70	315.06
Deductions / Adjustments	-	-	-	(0.01)	-	-	-	-	-	-	(0.01)
As at March 31, 2022	**13.19**	**13.51**	**1.30**	**12.47**	**322.75**	**1,031.85**	**-**	**448.80**	**331.60**	**254.80**	**2,430.26**
Charge for the period	2.62	7.57	1.68	6.10	7.40	269.84	-	45.17	-	85.13	425.50
Deductions / Adjustments	-	-	-	(0.06)	(6.37)	(147.17)	-	(141.99)	34.47	(50.51)	(311.64)
As at March 31, 2023	**15.81**	**21.08**	**2.97**	**18.51**	**323.79**	**1,154.51**	**-**	**351.97**	**366.07**	**289.41**	**2,544.12**
Net carrying Value											
As at March 31, 2023	4.24	67.11	6.97	30.71	75.49	3,414.87	1,069.45	1,237.62	22.80	606.93	6,536.20
As at March 31, 2022	5.59	70.63	5.78	16.30	76.53	2,538.04	627.90	1,140.79	57.26	319.67	4,858.49

Note:

(i) For lien/charge against property, plant and equipment refer note 16 and 20.

B. Regulatory Information

Immovable Property

The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed under Property, Plant and Equipment are held in the name of the Company.

The titles of the immovable properties are clear and free from any dispute

3. CAPITAL WORK IN PROGRESS

-Projects in Progress for Less than 1 year

Rs. in Lacs

Particulars	Plant & Machinery
As at April 01, 2021	1,288.22
Add: Additions During the year	-
Less: Transfer to property, plant and equipments	(948.26)
As at March 31, 2022	339.96
As at April 01, 2022	339.96
Add: Additions During the year	546.40
Less: Capitalised during the year	(446.26)
As at March 31, 2023	**440.10**

Note:

(i) For lien/charge against property, plant and equipment refer note 16 and 20.

4 NON-CURRENT INVESTMENTS

A. Investment in Subsidiaries

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted investments (at fully paid)		
Carried at cost		
Investments in Equity insturments of Subsidiaries		
Total		

B. Other Non-current Investments

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Carried at fair value through other comprehensive income		
Quoted investments (at fully paid)		
Investment in equity insturments		
47,200 (Previous Year Nil) equity shares of Tiger Logistics (India) Limited	171.48	-
1,98,000 (Previous Year Nil) equity shares of M K PROTEINS LIMITED	1,445.40	-
Current Year Nil (Previous Year 98,000) equity shares of Share India Securities Limited	-	1,226.77
Current Year Nil (Previous Year 6,701) equity shares of SALASAR Techno Engineering Limited	-	15.10
Total	**1,616.88**	**1,241.87**

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate Book value in unquoted investments	-	-
Aggregate Market value of quoted investments	1,616.88	1,241.87

5 OTHERS NON-CURRENT ASSETS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good unless otherwise stated)		
Security Deposits	286.01	214.21
Advance for Capital Goods	138.63	133.29
Advances to others	1,326.50	1,323.14
Total	**1,751.14**	**1,670.64**

6 INVENTORIES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	10,077.50	5,907.94
Finished Goods	5,917.28	5,512.64
Consumables	624.61	499.87
Scrape & Wastage	154.41	6.52
Total	**16,773.80**	**11,926.98**

All inventories have been pledged/ mortgaged to secure borrowings of the Company. (refer note 16, 20 and 22).

7 LOANS - UNSECURED CONSIDERED GOOD

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Loan receivables considered good- unsecured		
To employees	-	17.36
To others	5,164.54	417.97
Advance to employees	9.65	8.33
Total	**5,174.19**	**443.66**

8 TRADE RECEIVABLES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables considered good - secured		
Trade Receivables considered good - unsecured	14,124.87	10,956.83
Trade receivables which have significant increase in credit risk		
Trade receivables - credit impaired		
Total	**14,124.87**	**10,956.83**

All book debts have been hypothecated/ mortaged to secure borrowings of the Company. (refer note 16, 20 and 22)

Ageing for trade receivables as at March 31, 2023

Rs. in Lacs

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
Undisputed trade receivables – considered good	13,655.39	11.82	24.46	32.29	386.05	0.37	14,110.39
Undisputed trade receivables – which have significant increase in credit risk							
Undisputed trade receivables – credit impaired							-
Disputed trade receivables – considered good						14.48	14.48
Disputed trade receivables – which have significant increase in credit risk							-
Disputed trade receivables – credit impaired							-
	13,655.39	11.82	24.46	32.29	386.05	14.85	14,124.87
Less: Allowance for doubtful trade receivables							-
Balance							14,124.87

Ageing for trade receivables as at March 31, 2022

Rs. in Lacs

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
Undisputed trade receivables – considered good	8,698.97	1,677.97	68.46	483.46	13.11	0.37	10,942.35
Undisputed trade receivables – which have significant increase in credit risk							
Undisputed trade receivables – credit impaired							-
Disputed trade receivables – considered good						14.48	14.48
Disputed trade receivables – which have significant increase in credit risk							-
Disputed trade receivables – credit impaired							-
	8,698.97	1,677.97	68.46	483.46	13.11	14.85	10,956.83
Less: Allowance for doubtful trade receivables							-
Balance							10,956.83

9 CASH AND CASH EQUIVALENTS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in Hand	40.84	23.61
Balance with Banks in Current Accounts	3.56	2.24
Investment In CP	4,964.11	-
Total	**5,008.51**	**25.85**

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Bank balances- in earmarked account		
Deposits with remaining maturity for less than 12 months	303.37	149.38
Unpaid Dividend Accounts	2.22	5.28
Total	**305.59**	**154.66**

* Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank

11 OTHER CURRENT FINANCIAL ASSETS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
	-	-
Total	**-**	**-**

12 CURRENT TAX ASSETS (NET)

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
	-	-
Total	**-**	**-**

13 OTHER CURRENT ASSETS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to Suppliers	4,762.83	916.21
Prepaid Expenses	6.83	10.11
Balance with Govt. Authorities		
GST Receivables	(424.99)	1,151.66
Income Tax Recoverable	13.97	(4.65)
Export Incentive Receivables	-	135.35
Interest Accrued On Term Deposit	1.79	4.72
Others Receivables	19.75	29.30
Others Cheque Pending For Realisation	234.20	56.60
Total	**4,614.39**	**2,299.30**

14 EQUITY SHARE CAPITAL

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022*
Authorized:		
12,00,00,000 (As at March 31, 2022 - 8,50,00,000) Equity shares of Rs. 2/- each	2,400.00	1,700.00
Total	2,400.00	1,700.00
Issued, Subscribed and Paid-up:		
8,43,42,092 (As at March 31, 2022 - 5,91,87,150) Equity shares of Rs. 2/- each, fully paid up	1,686.84	1,183.74
Total	**1,686.84**	**1,183.74**

*Note: In respect of F.Y. ended March 31, 2022, the figures reflected here are in respect of Transferee Company. The Paid Up Share Capital including the Share Capital of Rs. 160.73 of the Transferor Company would be Rs. 1,344.47 Lacs as at March 31, 2022. The figures with effect of merger has already been given in Financial Statements.

Notes:

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Rs. in Lacs

Particulars	No. of Shares	As at March 31, 2023	No. of Shares	As at March 31, 2022
Issued, Subscribed and Paid-up:				
Balance as at the beginning of the year.	5,91,87,150	1,183.74	*5,30,37,150	1,060.74
Fresh issue of equity shares on conversion of Warrants (refer note i below)	63,50,000	127.00	61,50,000	123.00
Fresh issue of equity shares on Merger in accordance with Sanctioned Scheme of Amalgamation (Refer Note ii below)	1,88,04,942	376.10	-	-
Total	**8,43,42,092**	**1686.84**	**5,91,87,150**	**1,183.74**

*Note: The numbers for f.y. ended March 31, 2022 reflect the Equity Capital of the Transferee Company alone for reconciliation purpose.

i. Out of warrants allotted by the Company on March 17th, 2021, the Company had allotted a total of 63,50,000 shares of face value of Rs. 2/- each, during the financial year 2022-23, upon conversion of warrants already issued on preferential basis , into equity shares. As a Result the paid up share capital of the Company stood increased to Rs. 13,10,74,300/- divided into 6,55,37,150 equity shares of face value of Rs. 2/- each.

ii. Further, during the financial year 2022-23, the Company had allotted 1,88,04,942 Equity shares of face value of RS. 2/- to the Shareholders of Transferor Company viz. Chetan Industries Limited as a consideration of Merger in accordance with the Scheme of Amalgamation duly sanctioned by Hon'ble NCLT, Chandigarh. As a result, the paid up share capital of the Company rose to Rs. 16,86,84,184 dividend into 8,43,42,092 Equity shares of face value of Rs. 2/- each as at the end of f.y. 2022-23.

*During the year 2021-22, the Shares were split from face value of Rs. 10/- each to Rs. 2/- each. For comparison purpose, opening balance for f.y. 2021-22, the number of shares have been taken as post split quantity.

b) Terms of Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a face value of Rs. 2/- each . Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of equity shares held by each shareholder holding more than 5% shares:

Rs. in Lacs

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs. 2/- each fully paid				
Vijay Singla	56,66,427	6.72	73,38,000	12.40
Madan Mohan Singla	1,30,54,467	15.48	71,98,500	12.16
Rakesh Garg	55,69,668	6.60	-	-
Mithan Lal Singla	21,98,357	2.61	29,83,500	5.04
Rakesh Garg (HUF)	76,43,500	9.06	76,43,500	12.91
Nikita Singla	74,51,256	8.83	-	-

As per records of the company, including its register of shareholders/ members, the above shareholding represents legal and beneficial ownerships of shares.

(d) For Details of last five years equity share transactions

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Bonus Shares					
Preferential Allotment of shares				6,00,000	
Conversion of warrants	63,50,000	61,50,000			
Scheme of Amalgamation	1,88,04,942				
Shares Forfeited					
ESOP					

(e) The company has not issued any bonus shares during the 5 years preceding March 31, 2023

(f) The company has not done any buy back of shares during the 5 years preceding March 31, 2023

(g) There are No (Previous year - No) rights, preference and restriction attaching to each class of shares including restriction on the distribution of dividend and the repayment of capital. There are nil number of shares (Previous year Nil) in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiary or associates of the holding company or the ultimate holding company in aggregate.

(h) As on March 31, 2023, 1,28,08,350 convertible warrants allotted on preferential basis, during financial year 2022-23, were outstanding and pending conversion into equity shares of the Company.

(i) Shareholding of Promoters / Promoters Group

	Name of the Promoter/ Member of Promoter Group	Shareholding as at March 31, 2023	% of shareholding as at March 31, 2023	Shareholding as at March 31, 2022	% of shareholding as at March 31, 2022	Change in Shareholding % during the year.
1	Chetan Singla	2,19,000	0.26	2,19,000	0.37	(0.11)
2	Deepak Garg	3,13,500	0.37	3,13,500	0.53	(0.16)
3	Dhruv Singla	22,72,500	2.69	22,72,500	3.84	(1.15)
4	Madan Mohan	1,30,54,467	15.48	71,98,500	12.16	3.32
5	Mithan Lal Singla	21,98,357	2.61	29,83,500	5.04	(2.43)
6	Nikita Singla	74,51,256	8.83			8.83
7	Pranav Singla	4,90,000	0.58	4,90,000	0.83	(0.25)
8	Rakesh Garg	55,69,668	6.6	-	-	6.6
9	Santosh Rani	10,00,000	1.19	14,02,500	2.37	(1.18)
10	Shukla Singla	2,75,955	0.33	2,62,500	0.44	(0.11)
11	Sweety Garg	1,87,500	0.22			0.22
12	Vijay Singla	56,66,427	6.72	73,38,000	12.4	(5.68)
13	Madan Mohan (HUF)	7,35,912	0.87	7,20,000	1.22	(0.35)
14	Prem Kumar & Sons HUF	3,74,400	0.44	5,25,000	0.89	(0.45)
15	Rakesh Garg (HUF)	76,43,500	9.06	76,43,500	12.92	(3.86)
16	Jagan Industries Private Limited	-	-	-	-	-
17	Mithan Lal And Sons (HUF)	-	-	5,06,000	0.85	(0.85)
18	Vijay Kumar Singla (HUF)	-	-	6,45,000	1.09	(1.09)
	Sweety Garg	-	-	1,87,500	0.32	(0.32)
	Total Holdings	4,74,52,442	56.25	3,27,07,000	55.27	0.98

(j) Shares held by Holding Company, its Subsidiaries and Associates

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Shares held by:		
Holding company	-	-
Subsidiaries and Associates of Holding Company	-	-
	-	-

15 OTHER EQUITY

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	200.60	200.60
Securities Premium	6,081.13	3,922.13
Retained Earnings	22,705.89	13,381.48
Share Warrants outstanding amount	9,607.78	574.50
Other Comprehensive Income	344.27	43.97
Capital Reserve	300.11	300.11
Merger Capital Reserve	(215.37)	-
Total	**39,024.42**	**18,422.79**

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve		
Balance at the beginning of the year	200.60	-
Add: Transferred from retained earnings	-	200.60
Balance at the end of the year	**200.60**	**200.60**
Securities Premium		
Balance at the beginning of the year	3,922.13	984.28
Add: Issued of shares by conversion of warrants	2,159.00	2,091.00
add: Reserve received from transferor company	-	846.85
Balance at the end of the year	**6,081.13**	**3,922.13**
Retained Earnings		
Balance at the beginning of the year	13,381.48	5,804.84
Add: Profit for the year	9,012.77	6,106.26
Add: Reserve received from transferor company	311.64	1,883.13
Less: Transferred to General Reserve	-	(200.60)
Less: Dividend on Equity shares	-	(212.15)
Balance at the end of the year	**22,705.89**	**13,381.48**

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Share warrants outstanding amount		
Balance at the beginning of the year	574.50	1,562
Add: Addition during the year	9,607.78	3,317.50
Less: Transfer to Securities premium account	-	(2,091)
Less: Issued of shares by conversion of warrants	(574.50)	(2,214)
Balance at the end of the year	**9,607.78**	**574.50**
Capital Reserve		
Balance at the beginning of the year	300.11	279.00
Add:Reserve received from transferor company	-	21.11
Balance at the end of the year	**300.11**	**300.11**
Merger Capital Reserve		
Balance at the beginning of the year	-	-
Add:Share capital of transferor company less share capital issued by Transferee company *	(215.37)	-
Balance at the end of the year	**(215.37)**	**-**
Other Comprehensive Income		
Balance at the beginning of the year	43.97	(0.34)
Remeasurements of the net defined benefit plans	2.83	9.53
Fair value gain/(loss) on investments in equity instruments carried at fair value through other comprehensive income	297.47	34.78
Balance at the end of the year	**344.27**	**43.97**

* In addition to above share capital of transferor company (i.e. Chetan Industries Limited) 160.73 Lacs (face value of Rs. 1 per share) and shares issued by the Transferee Company of 376.10 Lacs (face value of Rs 2 per Share) to the shareholders of the transferor company (i.e. Chetan Industries Limited) have resulted into debit balance of Merged Capital Reserve.

C. Description of the Purposes of Each Reserve Within Equity

Reserve and Surplus:

a) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. General reserves represents the free profits of the Company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Company distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.

b) Securities Premium

This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution or the distributions paid to the shareholders.

d) Share warrants

During the financial year 2022-23, the Company has allotted 63,50,000 Equity shares of face value of Rs. 2/- each on account of conversion of warrants allotted on preferential basis , into Equity shares of the Company. Further, on March 31, 2023, the Company had allotted 1,88,04,942 Equity shares of face value of RS. 2/- to the Shareholders of Transferor Company viz. Chetan Industries Limited as a consideration of Merger in accordance with the Scheme of Amalgamation duly sanctioned by Hon'ble NCLT, Chandigarh. As a result, the paid up share capital of the Company rose from Rs. 11,83,74,300/- divided into 5,91,87,150 equity shares of Face value of Rs. 2/- each at the end of previous financial year to Rs. 16,86,84,184/ divided into 8,43,42,092 Equity shares of face value of Rs. 2/- each as at the end of FY 2022-23. The shares so allotted on conversion of warrants and on allotment. During the financial year 2022-23, the Company came up with another preferential issue of 1,28,08,350 fully convertible warrants allotted at a price of Rs. 300/- per warrant aggregating to Rs. 384.25 Crores. The Company had received Rs.96.06 Crores. being 25% of the consolidation payable on allotment of said warrants during the year 2022-23. Care Ratings Limited was appointed as Monitoring Agency to monitor the utilisation of the funds raised through preferential issue, in accordance with the provisions of Regulation 162A of the SEBI ICDR Regulations The funds so raised on allotment of convertible warrants were fully utilised for Modernisation, acquisitions and Expansion of Manufacturing Units, Working Capital Requirements, General Corporate Purposes and meeting issue related expenses thus for the purpose for which these were raised and in accordance with the objectives of the said preferential issue stated in the explanatory statement to the notice of Extra Ordinary General Meeting dated January 20, 2023 and there had been no deviation or variation in the use of the proceeds/ funds so raised. As on March 31, 2023, all 1,28,08,350 warrants allotted on preferential basis to persons of public category were outstanding and pending to be converted into equity shares within a period of 18 months from the date of allotment.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For **Suresh K Aggarwal & Co.**
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 23090064BGXCFJ8864

Place : Chandigarh
Date : April 26, 2023

For and on behalf of the Board of Directors
of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Gurinder Makkar
Company Secretary
M.No.: F5124

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

16 NON-CURRENT BORROWINGS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans - secured		
From Banks		
WCTL under GECL	701.25	948.75
Less :- Current Maturities (refer note-22)	185.63	247.50
From Others	354.8	260.48
Less :- Current Maturities (refer note-22)	-	19.70
Other loans- secured		
Vehicle Loans from Banks and NBFC	68.15	127.58
Less :- Current Maturities (refer note-22)	26.01	33.86
Total	**912.57**	**1,035.75**

Terms of Security

Term Loans from bank are secured by first pari-passu charge on all movable fixed assets of the Company, present and future, first pari-passu charge on immovable fixed assets of the Company's units at (a) Derabassi (Punjab), (b) Mangaon, Raigad (Maharastra) ,(c) Mandi Gobingarh (Punjab) and (d) Raipur (Chattishgarh), second pari-passu charge on all current assets of the Company, present and future.

The loans from others are secured by hypothecation of particular assets.

Vehicle loans secured against Hypothecation of respective vehicles.

The loans are also secured by Personal Guarantees of all the directors

The Company has not defaulted in repayment of loans and interest during the period.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit.

17 NON-CURRENT PROVISIONS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for Employee Benefits :-		
- Provision for Gratuity	142.19	104.89
- Provision for compensated absences	26.75	30.16
Total	**168.94**	**135.06**

An employee is entitled to be paid the accumulated leave balance on post retirement

19 OTHER NON-CURRENT LIABILITIES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for Capital Goods	7.42	38.56
Total	**7.42**	**38.56**

20 CURRENT BORROWINGS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
From Banks		
Working Capital Cash Credit	4,141.89	7,845.97
Packing Credit / Post Shipment loans secured	-	224.62
Others	197.28	23.92
Total	**4,339.17**	**8,094.51**

Terms of repayment of current Borrowings

Working capital facilities are availed from PNB, HDFC Bank Limited,Standard Chartered Bank and Axis Bank Limited. Working capital facilities are repayable on demand.

Terms of Security

Secured Working Capital loans : These are secured by a first pari-passu charge on all the current assets of the Company, both present and future, whereever the same may or be held and have a second pari-passu charge on all movable and immovable fixed assets of the Company, present and future

The working capital loans are also secured by (a) Equitable mortgage of Residential property located at Panchkula (Haryana) owned by one of the director and his relative (b) Land located at Motia Khan, Mandi Gobindgarh (Punjab) owned by one of the related enterprise, and (c) Registered office located at Chandigarh

The loans are also secured by Personal Guarantees of all the directors

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

The Company has not defaulted in repayment of loans and interest during the period.

21 TRADE PAYABLES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of Micro Enterprises and small entreprises	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Entreprises*	2862.23	2,569.76
Total	**2,862.23**	**2,569.76**

Trade Payables include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year

Ageing for trade payables as at March 31, 2022

Rs. in Lacs

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables							
MSME							
Others	2,759.77	-	57.56	11.06	9.21	24.63	2,862.23
Disputed dues - MSME							
Disputed dues - Others							
	2,759.77	-	57.56	11.06	9.21	24.63	2,862.23

Ageing for trade payables as at March 31, 2022

Rs. in Lacs

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables							
MSME							
Others	2,271.83	40.56	220.06	0.62	-	36.69	2,569.76
Disputed dues - MSME							
Disputed dues - Others							
	2,271.83	40.56	220.06	0.62	-	36.69	2,569.76

22 OTHER FINANCIAL LIABILITIES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Current Maturities of Long Term Borrowings	211.64	301.06
Interest Payable	-	0.17
Total	**211.64**	**301.23**

23 OTHER CURRENT LIABILITIES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Cheque Issued But Not Cleared	-	243.97
Salary and Wages Payable	73.58	62.36
Statutory dues payable	2.98	4.51
TDS Payable	30.62	24.12

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Professional Tax Payable	2.30	1.42
Bonus Payable	32.47	25.58
Unpaid Dividend	2.22	5.28
Other Payables	41.48	210.51
Advances from Customers	413.61	774.12
Unsecured Loan- from Directors	5,214.00	-
Total	**5,813.26**	**1,351.88**

24 CURRENT PROVISIONS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Provisions for employee benefits :		
- Provision for Gratuity	11.96	9.60
Provisions for employee benefits :	30.51	29.17
Statutory Payable	46.81	107.05
Other Payable	9.48	-
Total	**98.76**	**145.82**

25 REVENUE FROM OPERATIONS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Sale of Products		
- Domestic	1,39,480.26	1,23,283.94
- Export	15,511.62	12,107.88
Other Operating Revenue		
Job Work Income	-	139.91
Total	**1,54,991.88**	**1,35,531.74**

26 OTHER INCOME

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Income earned on-		
Fixed Deposits with banks	9.91	15.98
Others	88.42	48.63

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Other Non-Operating Income		
Brokerage and Commission	-	149.19
Profit on foreign currency transaction and translation	375.99	137.08
Others	15.49	28.06
Dividend Received	3.94	-
Total	**493.75**	**379.02**

27 COST OF MATERIAL CONSUMED

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Stock	6,315.94	5,459.86
Add :- Purchases	1,39,388.17	1,22,529.20
Add: Direct Expenses		
- Freight Inward	341.81	422.85
- Power and Fuel	681.35	372.92
- Other Direct Expense	326.34	1,254.31
Less :- Closing Stock	10,521.50	6,315.94
Total	**1,36,532.11**	**1,23,723.20**

28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening stock of inventory		
Finished Goods	5,519.16	2,103.25
Work-in-Progress	-	-
Closing stock of inventory		
Finished Goods	6,071.69	5,519.16
Work-in-Progress	-	-
Total	**(552.53)**	**(3,415.91)**

29 EMPLOYEE BENEFIT EXPENSES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Salary & wages	1,654.46	1,470.20
Directors Remuneration	150.20	102.00
Contribution to PF, ESI and other Funds	42.64	29.18
Staff Welfare expenses	23.71	59.69
Bonus, Grautity & Compensated absences	110.71	98.76
Total	**1,981.72**	**1,759.84**

Disclosures Regarding Employee Benefits

Defined Contribution Plan: Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

30 FINANCE COSTS

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Interest on:-		
Working Capital Loans	477.85	635.33
Vehicle Loans	5.28	7.24
Unsecured Loan	-	5.00
Interest on late payment of Statutory Dues	0.01	11.65
Bank Charges	148.43	61.89
Other Borrowing Costs	3.36	50.74
Total	**634.93**	**771.85**

31 DEPRECIATION AND AMORTISATION EXPENSE

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation on Property, Plant & Equipment	425.50	315.06
Total	**425.50**	**315.06**

32 OTHER EXPENSES

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Manuafacturing Expenses		
Repair & Maintenance - Machinery	210.60	26.80
Service Charges	130.34	261.56
Other Manufacturing Expenses	2278.00	2,565.85
	2,618.94	**2,854.21**
Selling & Distribution Expenses		
Clearing, Forwarding & Freight	797.47	792.89
Discount Allowed	107.03	58.87
Business Promotion Expense	15.60	21.63
Brokerage & Commission	35.58	5.59
Selling & marketing Expenses	20.96	248.30
Tour and Travelling Exp.	113.08	90.12
	1,089.72	**1,217.40**
Establishment Expenses		
Auditors Remuneration	4.20	3.90
Advertisement and Publicity	4.15	5.25
Computer Expenses	0.59	0.36
Office Expenses	27.00	11.00
Insurance Expense	14.23	13.79
Corporate Social Responsibility	32.00	110.50
Festival Expenses	2.86	0.77
Misc. Expenses	1.73	0.58
Donation	1.61	0.53
Postage Expenses	3.70	3.31
Printing & Stationary	5.15	2.56
Rates, Fee and Taxes	118.13	209.21
Repairs & Maintenance	52.61	14.41
Telephone and Internet Charges	12.80	10.17
Vehicle Running and Maintenance	23.07	19.65
Professional and Legal Expense	44.56	12.06
Rent Expenses	23.95	30.34
Loss on Sale of Property, Plant & Equipment	-	0.19
Water Expenses	11.96	2.52
Bad Debts W/off	1.11	-
	385.41	**451.09**
	4,094.08	**4,522.70**

Auditors' Remuneration

Rs. in Lacs

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
As auditors		
-Audit Fee	3.70	3.10
-Limited Review	0.50	0.80
	4.20	**3.90**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Details of amount spent towards Corporate social responsibility given below:

Details of expenditure

Rs. in Lacs

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
1. Gross amount required to be spent by the Company during the year	89.66	40.83
2. Amount spent during the year		
(i) Construction/acquisition of any assets	-	-
(ii) On Purposes other than (i) above (Refer Note a below)	91.17	100.00
3. Short fall at the end of the year	-	-
4. Totals of previous year shortfall	-	-
5. Reason of previous year shortfall	NA	NA
6. Nature of CSR Activities	Refer Note (a) Below	
Total	**91.17**	**100.00**

Note(a):-

(a) The company has spent Rs. 32.00 Lacs during the FY 2022-23 on CSR activities on promoting education including Education, Skill Development and Technical Education. The Total obligation to spend during the year was Rs. 89.66 Lacs. Out of the CSR obligation, Rs. 59.17 Lacs excess spent of previous financial year has been carried forward and set off against the obligation of CSR for the year 2022-23. Thus against the net obligation of Rs. 30.49 Lacs, the Company has spent Rs. 32.00 Lacs during the year 2022-23 on CSR activities.

(b) Nature of CSR activities:

The CSR activity focus areas are education, Skill Development and Technical Education and other key allied social initiatives.

(c) Details of related party transactions: N.A/NIL

(d) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately: NA

(e) During the Financial Year 2022-23, Chetan Industries Limited got merged with JTL Industries Limited, pursuant to the sanctioned Scheme of Amalgamation. The Scheme became effective on March 31, 2023 and the appointed date for Scheme of Merger was April 01, 2021. Both, the Company and merged entity had fulfilled their part of CSR obligations for the year 2022-23, based on the profits of past years. The figures of CSR spendings and calculations above reflect the effect of merger and combined figures of profits, CSR obligation and amount spent towards CSR obligation on account of merger.

Earnings per Share

The earnings per share (EPS) disclosed in the statement of profit and loss have been calculated as under:

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Profit for the year as per statement of profit & loss	9,012.78	6,106.27
Weighted average number of equity shares (number)	8,43,42,092	5,91,87,150
Potential dilutive equity shares (number)	1,28,08,350	63,50,000
Weighted average number of equity shares in computing diluted earning per share (number)	9,71,50,442	6,55,37,150
Basic earning per share (Rs per share) (face value of Rs.2/- each)*	10.69	8.45
Diluted earning per share (Rs. per share) (face value of Rs.2/- each)*	9.28	7.63

(A) Current Tax And Deferred Tax

(i) Income tax expense recognised in statement of profit & loss

Rs. in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Current Tax:		
- in respect of current year	3,051.00	2,051.36
- in respect of earlier years	70.46	72.46
Total (A)	**3,121.46**	**2,123.82**
(ii) Deferred Tax:		
'- in respect of current year	127.38	3.94
'- in respect of earlier years	-	-
Total (B)	**127.38**	**3.94**
Total income tax expense (A+B)	**3,248.84**	**2,127.76**

(ii) Income tax recognised in other Comprehensive income

Rs. in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax credit/(charge) related to items recognised in other comprehensive income during the year on:		
- Remeasurement loss/(gains) of defined benefit obligations	(0.95)	(3.21)
- Remeasurement of revaluation of shares	(100.06)	(15.98)
Total deferred tax credit / (charge) recognised in other comprehensive income	**(101.01)**	**(19.18)**
Classification of income tax recognised in other comprehensive income:		
- Income taxes related to items that will not be reclassified to profit or loss	(101.01)	(19.18)
- Income taxes related to items that will be reclassified to profit or loss	-	-
Total tax credit / (charge) recognised in other comprehensive income	**(101.01)**	**(19.18)**

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Rs. in Lacs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax as per statement of profit and loss	12,261.61	8,234.03
Income tax expense calculated at 25.168%	3,086.01	2,072.34
Add: Income tax impact on disallowances of items of permanent nature	113.72	25.35
less: Tax pertaining to prior years & others	148.73	(46.32)
Income tax as per (a) above	**3,051.00**	**2,051.36**

(B) Movement in Deferred Tax Balances

Rs. in Lacs

Particulars	Year ended March 31, 2022	Recognised in statement of profit & loss	Recognised in OCI	Year ended March 31, 2023
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	162.42	131.34	-	293.76
Others	-	-	-	-
Income considered in the books of accounts but not in income tax				
Provision for employee benefits - Gratuity	17.32	6.49	0.95	24.76
Unrealised gain on Investments carried at Fair Value through Other Comprehensive Income	12.77	-	100.06	112.83
Others	3.21	(3.21)	-	-
Total deferred tax liabilities	195.72	134.63	101.01	431.35
Tax effect of items constituting deferred tax assets				
Expenses allowed for tax purposes when paid	7.65	1.60	-	9.26
Others	-	5.65	-	5.65
TOTAL deferred tax assets	7.65	7.25	-	14.90
Net tax liabilities	188.06	127.38	101.01	416.45

Particulars	Year ended March 31, 2021	Recognised in statement of profit & loss	Recognised in OCI	Year ended March 31, 2022
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	217.84	(55.42)	-	162.42
Others	-	-	-	-
Income considered in the books of accounts but not in income tax				
Provision for employee benefits - Gratuity	-	14.11	3.21	17.32
Unrealised gain on Investments carried at Fair Value through Other Comprehensive Income	-	-	15.98	15.98
	217.84	(41.31)	19.18	195.72
Tax effect of items constituting deferred tax assets				
Expenses allowed for tax purposes when paid	16.24	(8.59)	-	7.65
Others	-	-	-	-
Total deferred tax assets	16.24	(8.59)	-	7.65
Net tax liabilities	201.60	(32.72)	19.18	188.06

(C) Note

The Company had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the year ended March 31, 2020. Accordingly, the Company had recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said Section.

33 FINANCIAL INSTRUMENTS

Capital Management

For the purpose of Company's capital management, capital includes Issued Equity capital and all reserves attributable to equity holders of the Company

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- The Company manages capital risk in order to maximise shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

- Debt-to-equity ratio as of March 31, 2023 and March 31, 2022 is as follows:

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt (A) *	454.87	9,405.63
Total equity (B)	40,711.26	19,767.26
Net debt to equity ratio (A/B)	0.01	0.48

* The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents.

* Other Bank Balances are Margins against contignet liabilities, hence not considered under cash and cash equivalents

Fair Values and its categories:

The category wise details as to the carrying value and fair value of the Company's financial assets and financial liabilities including their levels in the fair value hierarchy are as follows:

Particulars	Level of hierarchy	As at March 31, 2023		As at March 31, 2022	
		Carrying Amount	Amortised Cost	Carrying Amount	Amortised Cost
1. Financial Assets					
Measured at FVTPL					
Investments		-	-	-	-
Measured at amortised cost					
Loans & Advances		5,174.19	5,174.19	443.66	443.66
Trade Receivables		14,124.87	14,124.87	10,956.83	10,956.83
Cash and cash equivalents		5,008.51	5,008.51	25.85	25.85
Bank Balances other than cash & cash equivalents		305.59	305.59	154.66	154.66
Other Financial Assets		-	-	-	-
Measured at FVTOCI					
Investments in equity instruments	1	1,611.88	1,611.88	1,231.87	1,231.87
2. Financial Liabilities					
Measured at amortised cost					
Borrowings (Including current maturities) (refer note 16, 20 and 22)		5,463.38	5,463.38	9,431.49	9,431.49
Trade and other payables		2,862.23	2,862.23	2,569.76	2,569.76

Notes:-

1 The carrying value of Cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

2 The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.

3 The fair value of the Financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level of hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between Level 1, Level 2 and Level 3 during the year

* The fair value of the investment appearing under Level 3 approximates the carrying value and hence, the valuation technique and inputs with sensitivity analysis has not been given.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and The Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing The Company's risk assessment and management policies and processes.

The Company's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade receivables and other financial assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, The Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

In respect of Financial guarantees provided by The Company to banks & financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which The Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period. The Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

With regards to all other financial assets with contractual cash flows management believes these to be high quality assets with negligible credit risk. Thus, no provision for expected cash loss has been provided on these financial assets.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings, lease liabilities and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The borrowings as at March 31, 2023 is Rs.5,463.38 Lacs (previous year Rs.9,431.49 Lacs) which are interest bearing and interest rates are variable.

Interest rate sensitivity

For the year ended March 31, 2023, every 1 percentage increase/decrease in weighted average bank interest rate might have affected the Company's incremental margins (profit as a percentage to revenue) approximately by 0.07% .

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum

12 month period for hedges of forecasted sales and borrowings. There has been no significant impact in Company's financial postition with change in exchange rates.

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company has mature liquidity risk management processes covering short-term, mid-term and long-term funding. Liquidity risk is controlled through maintaining sufficient reserves, adequate amount of committed credit facilities and loan funds.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments based on contractual undiscounted payments.

Particulars	Carrying Amount	Less than one year	More than one year	Total
As at March 31, 2023				
Borrowings	5,463.38	4,550.81	912.57	5,463.38
Other Financial Liabilites	-	-	-	-
Trade Payables	2,862.23	2,817.33	44.90	2,862.23
Total	**8,325.61**	**7,368.14**	**957.47**	**8,325.61**
As at March 31, 2022				
Borrowings	9,431.49	8,395.74	1,035.75	9,431.49
Other Financial Liabilites	-	-	-	-
Trade Payables	2,569.76	2,532.45	37.31	2,569.76
Total	**12,001.25**	**10,928.19**	**1,073.06**	**12,001.25**

(d) Capital Risk Management Policies and Objectives

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital and to maximise shareholders value. In order to maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Debt	5,463.38	9,431.49
Less: Cash and Cash Equivalents*	5,008.51	25.85
Net Debt	454.87	9,405.64
Total Equity	40,711.26	19,767.26
Total Capital including Debt	41,166.13	29,172.90
Gearing Ratio	1.10%	32.24%

* Other Bank Balances are Margins against BG, considered as Contingent Liabilities, hence not considered under cash and cash equivalents

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

35 RETIREMENT BENEFIT OBLIGATIONS

1 Expense recognised for Defined Contribution plan

Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund and employee state insurance wherein specified percentage is contributed to them.

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Company's contribution to PF and ESI Fund	42.64	29.18
Total	**42.64**	**29.18**

2 Defined Benefit Plans

Grauity

The Company has a defined benefit gratuity plan as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity.

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the period	114.49	54.42
Past service cost	-	38.28
Current service cost	41.38	32.04
Interest cost	8.23	3.76
Benefits paid	(4.09)	(1.28)
Actuarial loss/ (gain)on obligation	(5.86)	(12.74)
Present value of obligation as at the End of the period	154.15	114.49

3 Movement in Plan Assets - Gratuity

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of year	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Actuarial gain/ (loss)	-	-
Fair value of plan assets at end of year	-	-
Present value of obligation	-	-
Net funded status of plan	-	-
Actual return on plan assets	-	-

4 Recognised in profit and loss

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefit Expenses :		
Current service cost	41.38	32.04
Past service cost	-	38.28
Interest cost	8.23	3.76
	49.61	**74.09**

5 Recognised in other comprehensive income

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Remeasurement - Actuarial loss/(gain) on Projected benefit Obligation	(5.86)	(12.74)
Net (Income) / Expense recongnised in OCI	(3.78)	(12.74)

6 The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Rs. in Lacs

Weighted average actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Financial/Economic Assumptions		
Discount rate (per annum)	7.36%	7.18%
Salary escalation rate (per annum)	5.50%	5.50%
Demographic Assumptions		
Retirement age	60 years	60 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)

Rs. in Lacs

Weighted average actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Withdrawal Rates		
Ages (years)		
Up to 30 Years	5.00%	5.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%

Notes:-

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion and other relevant factors on long term basis.

7 **Sensitivity Analysis**

The sensitivity of the overall plan obligations to changes in the key assumptions are:

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
a) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	98.37	68.81
(a) Impact due to increase of 0.50%	(4.87)	(3.54)
(b) Impact due to decrease of 0.50 %	5.32	3.87
b) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	98.37	68.81
(a) Impact due to increase of 0.50%	5.39	3.92
(b) Impact due to decrease of 0.50 %	(4.97)	(3.61)

8 **Maturity profile of defined benefit obligation**

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Weighted average duration of the defined benefit obligation		
Expected benefit payments within next-		
0 to 1 Year	8.05	5.16
1 to 2 Year	1.54	2.35
2 to 3 Year	4.01	1.22
3 to 4 Year	6.73	3.71
4 to 5 Year	7.72	3.97
5 to 6 Year	6.78	4.70
6 Year onwards	63.54	47.69

9 Employee benefit provision

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Gratuity	98.37	68.81
Total	**98.37**	**68.81**

10 Current and non current provision for Gratuity

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Current provision	11.96	9.60
Non current provision	142.19	104.89
Total provision	**154.15**	**114.49**

36 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Rs. in Lacs

Particulars			As at March 31, 2023	As at March 31, 2022
I)	**Contingent liabilities**			
A.	**Claims against the Company not acknowledged as debts**			
	a)	Disputed Excise duty, Custom Duty, GST and service tax cenvat credit	69.23	37.73
			-	-
	b)	Income tax demands against which company has preferred appeals	309.83	310.82
			-	-
B	**Guarantees**			
	a)	Letters of Credits	-	-
	b)	Unexpired Bank Guarantees	2,101.53	510.35
II)	**Capital & other commitments**		**-**	**-**

The income tax & sales tax liabilities have been provided based on the return filled with the authorities. The additioanl liabilities , if any arising at the timing of finilisation of assessment year will be provided in the year of completion of assessment proceedings.

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

37 SEGMENT INFORMATION

The Company's business operations predominantly relates to manufacture of single product i.e. ERW pipes for selling worldwide. In view of this there may be product as primary segment and geography as secondary Segment. All the machines, building, other infrastructure, materials and consumables are used commonly/ interchangeably and it is not possible and practical to allocate revenue, profit/loss, assets or liabilities to any particular size, customer market etc. nor the specified parameters are applicable to any particular size, customer, market etc. distinguishing it as a reportable item under specified headings. However revenue from export (outside India) and home (within India) is given under geographical segment as under.

INFORMATION ABOUT REPORTABLE SEGMENT

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
External revenue in the above reportable business segment	1,54,991.88	1,35,531.74

38 RELATED PARTY DISCLOSURE:

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Name of related party and nature of related party relationship

(i) Key Management Personnel (KMP) and their relatives

Name	Designation
Madan Mohan Singla	Managing Director
Mithan Lal Singla	Director
Rakesh Garg	Whole time Director
Dhruv Singla	Whole time Director
Pranav Singla	Director
Mr. Mohinder Singh	Company Secretary & Compliance Officer (Resigned w.e.f. February 02, 2023)
Mr. Gurinder Makkar	Company Secretary & Compliance Officer (Appointed w.e.f February 02, 2023)

(ii) Enterprises significantly influenced by key managerial personnel

- Jagan Industries Private Limited
- JTL Green Energy Limited

(iii) Enterprises that are controlled by the Company, i.e. wholly owned subsidiary company:

- JTL Tubes Limited

B. The disclosures of transactions between the Company and related parties

Rs. in Lacs

Particulars	KMP/ Relatives		Enterprises significantly influenced by key managerial personnel		Associates	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of goods						
Jagan Industries Private Limited					2,752.77	
Purchases						
Jagan Industries Private Limited				155.24	129.25	
Unsecured Loan - From Directors	5,214.00					
Salary & Compensatation paid	184.40	115.95				
Trade Payables						
Jagan Industries Private Limited				372.73		
Trade Receivables						
Jagan Industries Private Limited			4,086.67	121.57		
JTL Green Energy Limited			7.00			

39 DETAILS OF DUES TO MICRO SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Rs. in Lacs

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	The principal amount & the interest due thereon remaining unpaid at the end of the year		
	Principal Amount	-	-
	Interest Due thereon	-	-
(b)	Payments made to suppliers beyond the appointed day during the year		
	Principal Amount	-	-
	Interest Due thereon	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

* The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with The Company and in cases of confirmation from vendors, interest for delayed payments has not been provided.

40 DISTRIBUTION MADE/PROPOSED

Rs. in Lacs

Particulars	As at March 31, 2023	As at March 31, 2022
Proposed dividend on equity shares:		
Final dividend (for the year ended on March 31, 2022 and March 31, 2023 :NIL)	-	-
Total	**-**	**-**

Note: The Board of Directors of the Company, in its Meeting held on 26th April, 2023, has recommended dividend @10% i.e. Rs. 0.20 per shares, which shall be payble subject to declataion of the same in the AGM, to shareholders as on Record Date for the purpose.

41 DISCLOSURE AS PER IND AS 36 'IMPAIRMENT OF ASSETS'

The Company has reviewed the carrying amount of its tangible and intangible assets (being a cash generating unit) with its future present value of cash flows and there has been no indication of impairment of the carrying amount of the Company's such Assets taking consideration into external and internal sources of information.

42 DISCLOSURE AS PER IND AS 10 EVENT OCCURRING AFTER REPORTING DATE

No adjusting or significant non-adjusting events have occurred between March 31, 2023 and the date of authorisation of the Company's financial statements.

43 FINANCIAL RATIOS

Key Ratios	Methodology	FY 2022-23	FY 2021-22	% Change	Reasons, if change is more than 25%
Current Ratio	Current assets/ Current liabilities	3.29	2.02	62.87	Increased on account of increase in current assets and decrease in current liabilities.
Debt Equity Ratio	Total debt/Shareholder fund	0.13	0.48	(72.92)	Decreased on account of increase in equity and lowering dependence of Debt.
Debt service coverage ratio	EBITDA/ interest+Principle Paid	15.22	9.14	66.44	Increase in EBITDA but reduce of interest expense and Debt.
Return on Equity	Net Income/Share holders fund	22.14	30.89	(28.33)	Shareholders Fund increased but PAT not increased in same ratio.
Inventory Turnover Ratio (In days)	Inventory/Net Sales*365	40	32	25	Increased primarily on account of increase in Turnover and decrease in average inventory.
Trade Receivable Turnover Ratio (in days)	Debtors/Net sales*365	33	30	10	NA
Trade Payable Turnover Ratio(in days)	Trade payable/Net sales*365	7	7	-	NA
Net Capital Turnover Ratio	Net Working Capital/ Net Sales*100	17.32	15.69	10.38	NA
Net Profit Ratio	PAT/Total Revenue	5.80	4.49	29.18	Increased on account of increase in turnover, reduction in cost and increase in Profits.
Return on Capital Employed	EBIT/Total Assets-current Liabilities	30.80	42.55	(27.61)	Total Assets increased but EBIT not increasing in same order.

44. ADDITIONAL REGULATORY INFORMATION

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b. The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.

c. The Company does not have any transactions with struck-off companies.

d. The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

e. In accordance with the sanctioned Scheme of Amalgamation, Chetan Industries Limited was merged with the Company and Financial Statements duly include the impact of Merger. .

f. The Company has compiled with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.

g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

i. The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

j. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

45. THE FIGURES OF THE PREVIOUS YEARS HAVE BEEN REGROUPED / REARRANGED WHEREVER NECESSARY.

As per our report of even date attached

For **Suresh K Aggarwal & Co.**
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Partner
M.No. 090064
UDIN: 23090064BGXCFJ8864

Place : Chandigarh
Date : April 26, 2023

For and on behalf of the Board of Directors
of J T L Industries Limited
(Formerly Known as JTL Infra Limited)

Pranav Singla
Whole Time Director
DIN: 07898093

Madan Mohan
Managing Director
DIN: 00156668

Gurinder Makkar
Company Secretary
M.No.: F5124

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

INDEPENDENT AUDITORS' REPORT

To the Members of, **J T L Infra Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated financial statements of JTL Infra Limited (hereinafter referred to as "the Holding"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss(including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of the subsidiary and associates referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows..

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report..

The Key Audit Matter	Auditor's Response
Related Party Transactions The Company has entered into several transactions with related parties during the year ended March 31, 2022 and also has outstanding balances as at the year end. We identified related party transactions as a key audit matter due to the risk with respect to completeness of disclosures made in the standalone financial statements due to a volume of such transactions, recoverability of balances outstanding, compliance with statutory regulations governing related party transactions such as the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the SEBI listing regulations'), and the judgements involved in assessing whether transactions with related parties are undertaken at an arms' length.	Our key audit procedures around related party transactions included, but were not limited to, the following: • Evaluated the design and tested the operating effectiveness of the relevant key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standards. • Assessed the compliance with the SEBI listing regulations and the regulations under the Companies Act, 2013, including authorization and approvals as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions, as applicable. In cases where the matter was subject to interpretation, we assessed reasonableness of management's judgement.

<table>
<tr><th>The Key Audit Matter</th><th>Auditor's Response</th></tr>
<tr><td></td><td>

Verified the management's assessment of recoverability of dues from related parties by reference to underlying supporting documents such as valuation of underlying assets of such entities and settlement of such transactions subsequent to the balance sheet date.
On a sample basis, tested the Company's assessment of related party transactions for arms' length pricing.
Considered the adequacy and appropriateness of the disclosures made in the standalone financial statements of related party relationships and transactions in accordance with the requirements of applicable accounting standard.

</td></tr>
<tr><td>Revenue Recognition
The Company recognizes revenue at the point of time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.
In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer.
The nature of rebates, discounts and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognized in the correct period or that revenue and associated profit is misstated.</td><td>Our key audit procedures around revenue recognition included, but were not limited to, the following:

We performed process walk through to understand the adequacy and the design of the revenue cycle. We tested internal controls in the revenue and trade receivables over the accuracy and timing of revenue accounted in the financial statements.
Understanding the policies and procedures applied to revenue recognition, as well as compliance thereof, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company.
We reviewed the revenue recognition policy applied by the Company to ensure its compliance with Ind-AS 115 requirements.
We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements.
In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions.

</td></tr>
</table>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding's Board of Directors is responsible for the other information. The other information comprises Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and associates, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, Consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates; for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- • Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in.

(i) planning the scope of our audit work and in evaluating the results of our work; and

(ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

REPORT ON OTHER AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiary and associate companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that.

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid

Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls. The company has no subsidiary company and associate company incorporated in India. And as such, the internal financial controls over financial reporting and the operating effectiveness of such controls as reported for our Report on Other and Regulatory Requirements of Standalone Financial Statements remain same for Consolidated Financial Statements. Hence separate reporting for Consolidated Financial Statement has not been made.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SURESH K AGGARWAL & CO.**
Chartered Accountants
ICAI Firm Registration Number: 021129N

Suresh Kumar Aggarwal
(Proprietor)

Place: Chandigarh
Date: April 20, 2022

Membership Number: 090064
UDIN:22090064AHK RXV4134

Annexure B

TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To The Members Of

Jtl Infra Limited

In conjunction with our audit of the consolidated Ind AS financial statements of JTL Infra Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SURESH K AGGARWAL & CO.**
Chartered Accountants
ICAI Firm Registration Number: 021129N

Suresh Kumar Aggarwal
(Proprietor)
Membership Number: 090064
UDIN:22090064AHK RXV4134

Place: Chandigarh
Date: April 20, 2022

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2022

(₹ in lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	4,245.40	2,847.64
Capital Work in Progress	4	339.96	-
Financial Assets			
Investments	5	1,241.87	1.44
Other Non-Current Assets	6	207.72	133.90
Total Non-Current Assets		**6,034.95**	**2,982.99**
Current Assets			
Inventories	7	9,254.67	5,308.73
Financial Assets			
Loans	8	271.80	15.82
Trade Receivables	9	9,627.47	9,511.33
Cash and Cash Equivalents	10	9.13	21.23
Bank Balances other than Cash and Cash Equivalents	11	159.66	396.12
Others	12	-	12.98
Other Current Assets	13	2,287.56	2,689.20
Total Current Assets		**21,610.29**	**17,955.43**
Total Assets		**27,645.24**	**20,938.42**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	1,183.74	1,060.74
Other Equity	15	14,567.73	8,629.78
Total Equity		**15,751.47**	**9,690.52**
Liabilities			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	16	755.74	1,069.66
Provisions	17	93.82	70.58
Deferred Tax Liabilities	18	225.32	201.60
Other Non-Current Liabilities	19	38.56	41.93
Total Non-Current Liabilities		**1,113.44**	**1,383.76**
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	7,071.28	5,198.28
Trade Payables	21	1,964.98	3,383.87
Other Financial Liabilities	22	301.23	43.53
Other Current Liabilities	23	1,147.32	529.91
Provisions	24	5.16	2.76
Income Tax Liabilities		290.36	705.78
Total Current Liabilities		**10,780.33**	**9,864.13**
Total Equity and Liabilities		**27,645.24**	**20,938.42**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

For and on behalf of Board of Directors of J T L Infra Limited

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 22090064AHKRXV4134

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Place : Chandigarh
Date : April 20, 2022

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	25	97,571.61	43,576.10
Other Income	26	353.76	460.76
Total Income (I)		**97,925.37**	**44,036.86**
EXPENSES			
Cost of Materials Consumed	27	90,118.72	39,203.61
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Stock-in-Trade and Work -in -Progress	28	(2,359.28)	28.89
Employee Benefits Expense	29	1,122.33	299.11
Finance Costs	30	641.90	865.77
Depreciation and Amortisation Expense	31	212.59	171.33
Other Expenses	32	1,436.01	765.42
Total Expenses (II)		**91,172.27**	**41,334.13**
Profit Before Exceptional Items and Tax (I-II)		6,753.10	2,702.73
Exceptional Items		-	-
Profit/ (Loss) Before Tax		**6,753.10**	**2,702.73**
Tax Expense/(Benefits):			
Current Tax	18	1,673.81	661.25
Income Tax of Earlier Years		72.46	-
Deferred Tax	18	4.54	35.16
Total Tax Expense		**1,750.81**	**696.41**
		-	**-**
Profit/ (loss) for the years		**5,002.29**	**2,006.32**
Other Comprehensive Income :			
Items that will not be reclassified to Profit and Loss			
Re-measurement gains/ (losses) on defined benefit obligations		12.74	(0.34)
Deferred Tax Charge		(3.21)	
Items that will not be reclassified to Profit and Loss		-	-
Fair valuation of financial instruments through OCI		50.76	
Deferred Tax Charge		(15.98)	-
Total Other Comprehensive Income		44.31	(0.34)
Total Comprehensive Income		**5,046.60**	**2,005.98**
Earnings per Equity Share of ₹ 2/- each			
Basic		8.45	3.39
Diluted		7.63	3.39

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

For and on behalf of Board of Directors of J T L Infra Limited

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 22090064AHKRXV4134

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Place : Chandigarh
Date : April 20, 2022

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax	6,753.10	2,702.73
Adjustment for :		
Depreciation & Amortisation Expense	212.59	171.33
Interest Income	(67.31)	(19.14)
Interest Expense	630.25	807.24
Net unrealised foreign exchange (gain)	(22.93)	(78.56)
(Gain) / Loss on Sale of Property, Plant and Equipment (net)	(0.19)	(38.87)
Operating Profit before working Capital Changes :	**7,505.51**	**3,544.73**
Movements in Working Capital :		
(Increase)/decrease in Trade Receivables	(93.21)	(4,361.21)
(Increase)/decrease in Inventories	(3,945.93)	(1,107.35)
Increase/(decrease) in Trade payables	(1,418.89)	2,266.54
Increase/(decrease) in Other liabilities and Provisions	886.87	148.36
(Increase)/decrease in Other financial assets and Other assets	234.97	(677.27)
Cash generated from Operations :	**3,169.32**	**(186.20)**
Direct Taxes Paid	(2,161.69)	(309.88)
Net Cash flow from/(used in) Operating Activities	**1,007.63**	**(496.08)**
Cash Flow from Investing Activities		
Purchase of property, plant and equipment including CWIP	(2,049.61)	(663.15)
Proceeds from sale of property, plant and equipment	0.10	50.59
Movement in Investments	(1,245.43)	-
Movement Bank Deposit not considered as cash & cash equivalent	241.46	(163.23)
Interest Received	67.31	19.14
Net Cash flow from/(used in) Investing Activities	**(2,986.16)**	**(756.64)**
Cash Flow from Financing Activities		
Proceeds from/ (repayment of) Long term borrowings	(290.68)	1,061.33
Money received against share warrents	1,226.50	1,562.00
Proceeds from/ (repayment of) in Short term borrowings	1,873.01	(596.06)
Dividend Paid	(212.15)	-
Interest Paid	(630.25)	(807.24)
Net Cash flow from/(used) in Financing Activities	1,966.43	1,220.03
Net Increase/Decrease in Cash & Cash Equivalents	(12.10)	(32.69)
Cash & Cash equivalents at the beginning of the year	21.23	53.92
Cash & Cash equivalents at the end of the year	9.13	21.23
Components of Cash and Cash Equivalents		
Cash in Hand	8.96	21.02
Balance with Scheduled Banks :		
Current Accounts	0.17	0.21
	9.13	21.23
Add:- Term Deposits pledged with Scheduled banks		

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
not considered as cash and cash equivalents	-	-
Less:- Fixed Deposits having maturity period more then 12 months	-	-
Cash & Cash Equivalents	**9.13**	**21.23**

Notes:

(i) Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.

(ii) Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year

(iii) Figures in brackets indicate cash outflows.

As per our report of even date attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

For and on behalf of Board of Directors of J T L Infra Limited

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 22090064AHKRXV4134

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Place : Chandigarh
Date : April 20, 2022

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED STATEMENT OF PROMOTER'S SHAREHOLDING
AS AT MARCH 31, 2022

EQUITY SHARE CAPITAL

(₹ in lacs)

S.No.	Particulars	Shareholding at the end of the Year (March 31, 2022)		Shareholding at the beginning of the Year (April 1, 2021)		Change during the year
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	Madan Mohan	71,98,500	13.57	71,98,500	12.16	-
2	Mithun Lal Singla	29,83,500	5.63	29,83,500	5.04	-
3	Vijay Singla	73,38,000	13.84	73,38,000	12.40	-
4	Rakesh Garg	7,50,000	1.41	7,50,000	1.27	-

Note:

The equity shares of the Company have been sub-divided from existing face value of ₹ 10/- per equity share to face value of ₹ 2/- per equity share. The effect of sub-division have been considered for the Shareholding at the beginning of the Year.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 22090064AHKRXV4134

Place : Chandigarh
Date : April 20, 2022

For and on behalf of Board of Directors of J T L Infra Limited

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
AS AT MARCH 31, 2022

A. EQUITY SHARE CAPITAL

(₹ in lacs)

Particulars	Amount
Opening Balance as at April 1, 2020	1,000.74
Changes during the year ended March 31, 2021	60.00
Balance as at March 31, 2021	**1,060.74**
Changes during the year ended March 31, 2021	123.00
Balance as at March 31, 2022	**1,183.74**

B. OTHER EQUITY

(₹ in lacs)

Particulars	Reserve and Surplus					Items of OCI		Total
	Capital Reserve	General Reserve	Securities Premium	Retained Earnings	Share Warrants	Remeasure ments of defined benefit liability	Fair valuation of Equity Instruments through OCI	
Balance as at April 1, 2020	279.00	-	984.28	3,798.52		-	-	5,061.80
Profit for the year		-	-	2,006.32	-	-	-	2,006.32
Re-measurements of the net defined benefit Plans		-	-	-	-	(0.34)	-	(0.34)
Money received against share warrants		-	-	-	1,562.00	-	-	1,562.00
Total comprehensive Income for the year		**-**	**-**	**2,006.32**	**1,562.00**	**(0.34)**	**-**	**3,567.98**
Balance as at March 31, 2021	**279.00**	**-**	**984.28**	**5,804.84**	**1,562.00**	**(0.34)**	**-**	**8,629.79**
Balance as at April 1, 2021	**279.00**	**-**	**984.28**	**5,804.84**	**1,562.00**	**(0.34)**	**-**	**8,629.79**
Profit for the year		-	-	5,002.29	-	-	-	5,002.29
Transferred from Statement of Profit & Loss		200.60		(200.60)				-
Dividend on Equity shares		-	-	(212.15)	-			(212.15)
Other Comprehensive Income		-	-		-	9.53	34.78	44.31
Money received against share warrants		-	2,091.00	-	1,226.50	-	-	3,317.50
Issued of shares by conversion of warrants		-		-	(2,214)	-	-	(2,214)
Total comprehensive Income for the year	**-**	**200.60**	**2,091.00**	**4,589.54**	**(987.50)**	**9.53**	**34.78**	**5,937.95**
Balance as at March 31, 2022	**279.00**	**200.60**	**3,075.28**	**10,394.38**	**574.50**	**9.19**	**34.78**	**14,567.74**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

For and on behalf of Board of Directors of J T L Infra Limited
CIN : L27106CH1991PLC011536

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 22090064AHKRXV4134

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Place : Chandigarh
Date : April 20, 2022

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

1. GROUP INFORMATION

JTL Infra Limited ("the Company") is a public limited Company incorporated in India with its registered office located at SCO-18-19, Sector 28-C, Chandigarh, India

The Company is listed on the Bombay Stock Exchange (BSE) and Metropolitan Stock Exchange. The Company is engaged in manufacturing of ERW and GI Steel tubes & Hollow Sections and Solar Structures.

The Company has three manufacturing facilities Derabassi & Mandi Gobindgarh, Punjab and Mangaon, Maharashtra.

The Company and its subsidiary (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

a) Subsidiary

Name of Company	Country of Incorporation	Principal Activities	Proportion of equity interest	
			As at March 31, 2022	As at March 31, 2021
JTL Pipes Limited	India	Manufacturing of Pipes	100%	

Date of incorporation is January 5, 2022

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and measurement

a) Basis of preparation and consolidation

These Consolidated Financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to the periods presented in the Consolidated financial statements.

Subsidiary is an entity where the group exercise control or hold more than one-half of its total share capital. The net assets and results of the subsidiary is included in the consolidated financial statements from their respective dates of incorporation.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent. The consolidated financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions.

The Consolidated financial statements are presented in ₹, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

The Consolidated Financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on April 20, 2022.

b) Basis of measurement

These Consolidated Financial statements are prepared under the historical cost convention unless otherwise indicated.

2.2 Key accounting estimates and judgements

The preparation of Consolidated Financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods **affected.**

2.3 Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Group has identified twelve months as its operating cycle for the purpose of current and non- current classification of assets and liabilities.

2.4 Significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements

3. TANGIBLE ASSETS

A. Property, plant and equipment

(₹ in lacs)

Particulars	Computers & Printer	Furniture & Fixtures	Telephone & Mobiles	Office Equip ments	Electricals Appliance	Plant & Machinery	Land	Building	Misc. Assets	Vehicles	Total property, plant & equipment
Gross Block											
Deemed Cost as at April 1, 2019	8.03	5.63	0.89	5.09	86.54	1,620.80	216.27	605.61	2.91	121.85	2,673.61
Additions	2.56	72.94	-	11.90	-	205.58	256.61	10.32	-	103.23	663.15
Disposal/Adjustments	-	-	-	-	-	-	(11.72)	-	-	-	(11.72)
	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**10.59**	**78.56**	**0.89**	**16.99**	**86.54**	**1,826.37**	**461.15**	**615.94**	**2.91**	**225.08**	**3,325.04**
	-	-	-	-	-	-	-	-	-	-	-
Additions	3.47	0.56	5.88	5.49	-	948.26	122.01	447.77	-	77.18	1,610.64
Sales/ Adjustments	-	-	-	(0.30)	-	-	-	-	-	-	(0.30)
Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**14.07**	**79.13**	**6.77**	**22.19**	**86.54**	**2,774.63**	**583.17**	**1,063.70**	**2.91**	**302.26**	**4,935.38**
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-
Balance as at April 1, 2020	1.69	0.22	0.13	1.13	8.79	178.29	-	70.98	-	44.83	306.06
Charge for the period	4.66	1.09	0.05	1.63	7.40	109.19	-	29.66	-	17.65	171.33
Deductions /Adjustments	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	**6.34**	**1.31**	**0.19**	**2.76**	**16.19**	**287.49**	**-**	**100.64**	**-**	**62.48**	**477.39**
	-	-	-	-	-	-	-	-	-	-	-
Charge for the period*	2.35	7.45	0.81	3.44	7.40	125.76	-	36.67	-	28.71	212.59
Deductions /Adjustments	-	-	-	(0.01)	-	-	-	-	-	-	(0.01)
As at March 31, 2022	**8.69**	**8.76**	**1.00**	**6.19**	**23.59**	**413.24**	**-**	**137.31**	**-**	**91.19**	**689.98**
Net carrying Value	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	5.38	70.37	5.77	16.00	62.95	2,361.39	583.17	926.39	2.91	211.08	4,245.40
As at March 31, 2021	4.25	77.25	0.70	14.23	70.35	1,538.89	461.15	515.30	2.91	162.60	2,847.64

Note:

(i) For lien/charge against property, plant and equipment refer note 16 and 20.

B. Regulatory Information

Immovable Property

The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed under Property, Plant and Equipment are held in the name of the Company.

The titles of the immvable properties are clear and free from any dispute

4. CAPITAL WORK IN PROGRESS

'-Projects in Progress for Less than 1 year

(₹ in lacs)

Particulars	Plant & Machinery
As at April 1, 2020	-
Add: Additions During the year	205.58
Less: Transfer to property, plant and equipments	(205.58)
As at March 31, 2021	-
As at April 1, 2021	-
Add: Additions During the year	1,288.22
Less: Capitalised during the year	(948.26)
As at March 31, 2022	**339.96**

Note:

(i) For lien/charge against property, plant and equipment refer note 16 and 20.

5. NON-CURRENT INVESTMENTS

A. Investment in Subsidiaries

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Non-current Investments		
Carried at fair value through other comprehensive income		
Quoted investments (at fully paid)		
Investment in equity insturments		
98,000 (Previous Year Nil) equity shares of ₹ 10/- each of Share India Securities Limited	1,226.77	
6,701 (Previous Year Nil) equity shares of ₹ 10/- each of Salasar Techno Engineering Limited	15.10	
Investments in Shares-Quoted Equity Shares		1.44
Total	1,241.87	1.44
Aggregate Book value in unquoted investments	-	-
Aggregate Market value of quoted investments	1,241.87	1.44

6. OTHERS NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Security Deposits	74.43	99.99
Advance for Capital Goods	133.29	33.91
Total	**207.72**	**133.90**

7. INVENTORIES

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	4,935.31	3,567.12
Finished Goods	3,904.83	1,527.18
Consumables	408.00	189.54
Scrape & Wastage	6.52	24.89
	-	-
Total	**9,254.67**	**5,308.73**

All inventories have been pledged/ mortgaged to secure borrowings of the Company. (refer note 16, 20 and 22).

8. LOANS - UNSECURED CONSIDERED GOOD

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan receivables considered good- unsecured	-	15.82
To employees	17.36	-
To others	246.11	-
Advance to employees	2.66	-
Imprest	5.67	-
	-	-
Total	**271.80**	**15.82**

There are no receivables which are due from promoters, directors, KMPs or other related parties of the Company either severally or jointly with any other person.

9. TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables considered good - secured	-	-
Trade Receivables considered good - unsecured	9,627.47	9,511.33
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	-	-
Total	**9,627.47**	**9,511.33**

All book debts have been hypothecated/ mortaged to secure borrowings of the Company. (refer note 16, 20 and 22)

Ageing for trade receivables as at March 31, 2022

(₹ in lacs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
Undisputed trade receivables – considered good	7,487.47	1,604.48	37.25	477.98	5.81		9,612.99
Undisputed trade receivables – which have significant increase in credit risk							-
Undisputed trade receivables – credit impaired							-
Disputed trade receivables – considered good						14.48	14.48
Disputed trade receivables – which have significant increase in credit risk							-
Disputed trade receivables – credit impaired							-
	7,487.47	1,604.48	37.25	477.98	5.81	14.48	9,627.47
Less: Allowance for doubtful trade receivables							-
Balance							9,627.47

Ageing for trade receivables as at March 31, 2021

(₹ in lacs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Receivables							
Undisputed trade receivables – considered good	7,130.08	1,476.42	879.19	11.16			9,496.85
Undisputed trade receivables – which have significant increase in credit risk							-
Undisputed trade receivables – credit impaired							-
Disputed trade receivables – considered good					14.48		14.48
Disputed trade receivables – which have significant increase in credit risk							-
Disputed trade receivables – credit impaired							-
	7,130.08	1,476.4i2	879.19	11.16	14.48	-	9,511.33
Less: Allowance for doubtful trade receivables							-
Balance							9,511.33

10. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in Hand	8.96	21.02
Balance with Banks in Current Accounts	0.17	0.21
	-	-
Total	**9.13**	**21.23**

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Bank balances- in earmarked account		
Deposits with remaining maturity for less than 12 months	149.38	396.12
Balance with Banks in Current Account	5.00	
Unpaid Dividend Accounts	5.28	-
Total	**159.66**	**396.12**

*Deposits are in the nature of Margin Money pledged with banks against Bank Guarantee's given/Letter of Credit's established by the bank

12. OTHER CURRENT FINANCIAL ASSETS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest Accrued on Term Deposits	-	12.98
Total	**-**	**12.98**

13. OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance to Suppliers	916.21	548.15
Prepaid Expenses	2.65	27.77
Balance with Govt. Authorities		
GST Receivables	1,144.12	821.36
Income Tax Receivables	-	451.00
Income Tax Recoverable	3.33	3.33
Export Incentive Receivables	135.35	9.97
Others Receivables	29.30	17.13
Others Cheque Pending For Realisation	56.60	810.50
Total	**2,287.56**	**2,689.20**

14. EQUITY

A. Equity Share Capital

(₹ in lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity shares of ₹ 2/- each (previous year ₹ 10/- each) (with voting rights)	8,50,00,000	1,700.00	8,50,00,000	1,700.00
Issued, Subscribed and fully paid up				
Equity shares of ₹ 2/- each (previous year ₹ 10/- each) (with voting rights)	5,91,87,150	1,183.74	5,30,37,150	1,060.74

(a) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year.

(₹ in lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Issued, Subscribed and fully paid up and equity share capital				
Outstanding at the beginning of the year	1,06,07,430	1,060.74	1,00,07,430	1000.74
Add: Issued shares by conversion of warrants at ₹ 10/- per share	-	-	6,00,000	60.00
Equity shares arising on shares split from ₹ 10/- to ₹ 2/- per share (Refer note d below)	4,24,29,720			
Add: Issued shares by conversion of warrants at ₹ 2/- per share	61,50,000	123.00		
Outstanding at the end of the year	5,91,87,150	1,183.74	1,06,07,430	1,060.74
	5,91,87,150	**1,183.74**	**1,06,07,430**	**1,060.74**

Notes:

The shareholders of the Company in their meeting held on December 26, 2020 has approved for issuance of 25,00,000 Nos of fully convertible warrants on preferential basis to the persons belonging to Non-Promoter Catergory at an issue price of 180/- per warrant. Boards of Directors in its meeting held on January 12,2001 allotted 600,000 equity shares on conversion of said warrants. Subsequently on September 22, 2021 shareholders have approved sub-division of of shares from existing face value of ₹ 10/- each to face value of ₹ 2/- each per equity shares. Thereby the Nos of fully convertible warrants increased to 125,00,000 Nos at an issue price of ₹ 36/- per warrant. Board of Directors in their meeting held on October 12, 2021 further allotted 61,50,000 equity shares on conversion of said warrants.

(b) Terms/ rights attached to equity shares

The Company has single class of shares referred to as equity shares having par value of ₹ 2/- each (Previous Year ₹ 10/- each). Each holder of equity shares is entitled to one vote per equity share held. The dividend proposed, if any, by the Board of Directors, is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive the surplus assets remaining after settlement of preferential amounts in proportion to their shareholding. The Company declares and pays dividend in India Rupees. During the year, the amount of per share dividend recognised as distribution to equity shareholders was Nil (Previous year ₹ 2/-). And this year interim dividend distributed Nil per share (Previous year Nil)

(c) Details of shareholders holding more than 5% shares in the Company

(₹ in lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 2 each fully paid				
Vijay Singla	73,38,000	12.40	73,38,000	13.84
Madan Mohan Singla	71,98,500	12.16	71,98,500	13.57
Rakesh Garg	76,43,500	12.91	78,43,500	14.79
Mithan Lal Singla	29,83,500	5.04	29,83,500	5.63
Jagan Industries Private Limited			28,25,000	5.33

(d) The equity shares of the Company have been sub-divided from existing face value of ₹ 10/- per equity share to face value of ₹ 2/- per equity share based on approval by the shareholders in its 30th Annual General Meeting

(e) Details of last five years equity share transactions

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Bonus Shares					
Preferential Allotment of shares			6,00,000		
Converion of warrants	61,50,000				
Scheme of Amlagamation					
Shares Forfeited					
ESOP					

15 OTHER EQUITY

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	200.60	-
Securities Premium	3,075.28	984.28
Retained Earnings	10,673.38	6,083.84
Share Warrants outstanding amount	574.50	1,562.00
Other Comprehensive Income	43.97	(0.34)

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total	**14,567.73**	**8,629.78**

(₹ in lacs)

General Reserve	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Add: Transferred from retained earnings	200.60	-
Balance at the end of the year	**200.60**	**-**
Securities Premium		
Balance at the beginning of the year	984.28	984.28
Add: Issued of shares by conversion of warrants	2,091.00	-
Balance at the end of the year	**3,075.28**	**984.28**
Retained Earnings		
Balance at the beginning of the year	**6,083.84**	**4,077.52**
Add: Profit for the year	5,002.29	**2,006.32**
Less: Transferred to General Reserve	(200.60)	**-**
Less: Dividend on Equity shares	(212.15)	
Balance at the end of the year	**10,673.38**	**6,083.84**
Share warrants outstanding amount		
Balance at the beginning of the year	1,562.00	-
Add: Addition during the year	3,317.50	1,562.00
Less: Transfer to Securities premium account	(2,091.00)	-
Less: Issued of shares by conversion of warrants	(2,214.00)	
Balance at the end of the year	**574.50**	**1,562.00**
Other Comprehensive Income		
Balance at the beginning of the year	(0.34)	-
Remeasurements of the net defined benefit plans	9.53	(0.34)
Fair value gain/(loss) on investments in equity instruments carried at fair value through other comprehensive income	34.78	-
Balance at the end of the year	**43.97**	**(0.34)**

C. DESCRIPTION OF THE PURPOSES OF EACH RESERVE WITHIN EQUITY

Reserve and Surplus:

a) General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. General reserves represents the free profits of the Company available for distribution. As per the Companies Act, certain amount was required to be transferred to General Reserve every time Company distribute dividend. General reserve is not an item of OCI, items included in the general reserve will not be reclassified to profit or loss.

b) Securities Premium

This reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution or the distributions paid to the shareholders.

d) Share warrants

Shareholders of the Company in their meeting held on December 26, 2020 and after taking the effect of their meeting held on September 22, 2021, has approved to raise ₹ 4,500 lacs through issuance of 125,00,000 Nos of warrants at a price of ₹ 36/- per warrant. An amount equivalent to 25% of the Warrant Price was paid at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares pursuant to exercise of the options attached to Warrant(s) to subscribe to Equity Share(s) by September 2022. The Company has issued 61,50,000 Nos of shares on conversion of said warrants.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Proprietor
M.No. 090064
UDIN: 22090064AHKRXV4134

Place : Chandigarh
Date : April 20, 2022

For and on behalf of Board of Directors of J T L Infra Limited

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

16 NON-CURRENT BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loans - secured		
From Banks		
WCTL under GECL	948.75	990.00
Less :- Current Maturities (refer note-22)	247.50	20.63
From Others	19.70	36.47
Less :- Current Maturities (refer note-22)	19.70	18.29
Other loans- secured		
Vehicle Loans from Banks and NBFC	88.35	86.72
Less :- Current Maturities (refer note-22)	33.86	4.62
	755.74	**1,069.66**

Terms of Security

Term Loans from bank are secured by first pari-passu charge on all movable fixed assets of the Company, present and future, first pari-passu charge on immovable fixed assets of the Company's units at (a) Derabassi (Punjab), (b) Mangaon, Raigad (Maharastra) and (c) Mandi Gobingarh (Punjab), second pari-passu charge on all current assets of the Company, present and future.

The loans from others are secured by hypothecation of particular assets.

Vehicle loans secured against Hypothecation of respective vehicles.

The loans are also secured by Personal Guarantees of all the directors

The Company has not defaulted in repayment of loans and interest during the period.

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit.

17 NON-CURRENT PROVISIONS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for Employee Benefits :-		
- Provision for Gratuity	63.65	51.65
- Provision for compensated absences	30.16	18.92
	93.82	**70.58**

An employee is entitled to be paid the accumulated leave balance on post retirement

18 TAXATION (INCLUDING DEFERRED TAXES)

A) CURRENT TAX AND DEFERRED TAX

(i) Income tax expense recognised in statement of profit and loss

(₹ in lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Current Tax:		
- in respect of current year	1,673.81	661.25
- in respect of earlier years	72.46	-
Total (A)	**1,746.27**	**661.25**
(ii) Deferred Tax:		
- in respect of current year	4.54	35.16
- in respect of earlier years	-	-
Total (B)	**4.54**	**35.16**
Total income tax expense (A+B)	**1,750.81**	**696.41**

(ii) Income tax recognised in other Comprehensive income

(₹ in lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax credit/(charge) related to items recognised in other comprehensive income during the year on:		
- Remeasurement loss/(gains) of defined benefit obligations	(3.21)	-
- Remeasurement of revaluation of shares	(15.98)	-
Total deferred tax credit / (charge) recognised in other comprehensive income	**(19.18)**	**-**
Classification of income tax recognised in other comprehensive income:		
- Income taxes related to items that will not be reclassified to profit or loss	(19.18)	-
- Income taxes related to items that will be reclassified to profit or loss	-	-
Total tax credit / (charge) recognised in other comprehensive income	**(19.18)**	**-**

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ in lacs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax as per statement of profit and loss	6,753.10	2,702.73
Income tax expense calculated at 25.168%	1,699.62	680.22
Add: Income tax impact on disallowances of items of permanent nature	25.35	16.19
Add: Tax pertaining to prior years & others	25.84	-
Income tax as per (a) above	**1,750.81**	**696.41**

B) MOVEMENT IN DEFERRED TAX BALANCES

(₹ in lacs)

Particulars	As at March 31,2021	Recognised in statement of profit & loss	Recognised in OCI	As at March 31,2022
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	217.84	(18.16)	-	199.68
Others	-	-	-	-
Income considered in the books of accounts but not in income tax				
Provision for employee benefits - Gratuity		14.11	3.21	17.32
Unrealised gain on Investments carried at Fair Value through Other Comprehensive Income	-	-	15.98	15.98
	217.84	(4.05)	19.18	232.98
Tax effect of items constituting deferred tax assets				
Expenses allowed for tax purposes when paid	16.24	(8.59)	-	7.65
Others	-	-	-	-
	16.24	(8.59)	-	7.65
Net tax liabilities	201.60	4.54	19.18	225.32

(₹ in lacs)

Particulars	As at March 31, 2021	Recognised in statement of profit & loss	Recognised in OCI	As at March 31, 2022
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	190.64	27.20	-	217.84
Others	-	-	-	-
Income considered in the books of accounts but not in income tax				
Provision for employee benefits - Gratuity		-	-	-
Unrealised gain on Investments carried at Fair Value through Other Comprehensive Income	-	-	-	-
	190.64	27.20	-	217.84
Tax effect of items constituting deferred tax assets				
Expenses allowed for tax purposes when paid	12.59	3.65	-	16.24
Others	-	-	-	-
	12.59	3.65	-	16.24
Net tax liabilities	178.05	23.55	-	201.60

C) NOTE

The Company had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 during the year ended March 31, 2020. Accordingly, the Company had recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said Section.

19 OTHER NON-CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Capital Goods	38.56	41.93
	38.56	**41.93**

20 CURRENT BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
From Banks		
Working Capital Cash Credit	6,846.66	4,099.76
Packing Credit / Post Shipment loans secured	224.62	1,098.52
	7,071.28	5,198.28

Terms of repayment of current Borrwoings

Working capital facilities are availed from PNB, HDFC Bank Limited,Standard Chartered Bank and Axis Bank Limited. Working capital facilities are repayable on demand.

Terms of Security

Secured Working Capital loans : These are secured by a first pari-passu charge on all the current assets of the Company, both present and future, whereever the same may or be held and have a second pari-passu charge on all movable and immovable fixed assets of the Company, present and future

The working capital loans are also secured by (a) Equitable mortgage of Residential property located at Panchkula (Haryana) owned by one of the director and his relative (b) Land located at Motia Khan, Mandi Gobindgarh (Punjab) owned by one of the related enterprise, and (c) Registered office located at Chandigarh

The loans are also secured by Personal Guarantees of all the directors

The composition of property, plant and equipment and current assets as mentioned above are defined in detail in the respective financing/credit arrangements.

The Company has not defaulted in repayment of loans and interest during the period.

21 TRADE PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payable	1,964.98	3,383.87

Trade Payables include credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are interest-bearing and are payable within one year

Ageing for trade paybale as at March 31, 2022

(₹ in lacs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables							
MSME							
Others	1,893.44	40.56	30.98				1,964.98
Disputed dues - MSME							

(₹ in lacs)

Particulars	Not Due	Outstanding for the following periods from due date of payment				Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed dues - Others							
	1,893.44	40.56	30.98	-	-	-	1,964.98

Ageing for trade payable as at March 31, 2021

(₹ in lacs)

Particulars	Not Due	Outstanding for the following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade Payables							
MSME							
Others	3,364.93	10.42	8.52				3,383.87
Disputed dues - MSME							
Disputed dues - Others							
	3,364.93	10.42	8.52	-	-	-	3,383.87

22 OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Maturities of Long Term Borrowings	301.06	43.53
Interest Payable	0.17	-
	-	-
	301.23	**43.53**

23 OTHER FINANCIAL LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cheque Issued But Not Cleared	243.97	132.04
Salary and Wages Payable	62.36	27.33
Statutory dues payable	4.51	85.76
TDS Payable	24.12	11.95
Professional Tax Payable	1.42	1.26
Bonus Payable	25.58	15.97

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividend	5.28	-
Other Payables	210.22	52.80
Advances from Customers	569.85	202.81
	1,147.32	**529.91**

24 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for employee benefits :		
- Provision for Gratuity	5.16	2.76
	5.16	**2.76**

25 REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Products		
-Domestic	85,323.81	36,630.32
-Export	12,107.88	6,746.06
Other Operating Revenue		
Job Work Income	139.91	199.72
Total	**97,571.61**	**43,576.10**

26 OTHER INCOME

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income earned on-		
Fixed Deposits with banks	5.55	19.14
Others	48.63	-
Other Non-Operating Income		
Brokerage and Commission	149.19	324.15
Profit on foreign currency transaction and translation	137.08	78.56
Others	13.23	38.91
Total	**353.76**	**460.76**

27 COST OF MATERIAL CONSUMED

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock	3,756.66	2,620.42
Add :- Purchases	89,655.30	38,397.45
Add: Direct Expenses		
- Freight Inward	422.85	811.63
- Power and Fuel	372.92	226.30
- Other Direct Expense	1,254.30	904.48
Less :- Closing Stock	5,343.31	3,756.66
Total	**90,118.72**	**39,203.61**

28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of inventory		
Finished Goods	1,552.07	1,580.97
Work-in-Progress	-	-
Closing stock of inventory		
Finished Goods	3,911.35	1,552.07
Work-in-Progress	-	-
Total	**(2,359.28)**	**28.89**

29 EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salary & wages	891.29	178.02
Directors Remuneration	72.00	42.00
Contribution to PF, ESI and other Funds	23.08	12.81
Staff Welfare expenses	55.41	19.00
Bonus, Grautity & Compensated absences	80.54	47.27
Total	**1,122.33**	**299.11**

Disclosures Regarding Employee Benefits

Defined Contribution Plan: Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organisation established under The Employees' Provident Fund and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

30 FINANCE COSTS

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on:-		
Working Capital Loans	505.38	583.46
Vehicle Loans	7.24	1.48
Term Loan	-	4.95
Unsecured Loan	5.00	88.02
Interest on late payment of Statutory Dues	11.65	35.03
Bank Charges	61.89	23.50
Other Borrowing Costs	50.74	129.31
	-	-
Total	**641.90**	**865.77**

31 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Tangible Assets	212.59	171.33
	-	-
Total	**212.59**	**171.33**

32 OTHER EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Manuafacturing Expenses		
Repair & Maintenance - Machinery	26.80	6.56
Service Charges	261.56	95.58
	288.36	**102.14**
Selling & Distribution Expenses		
Clearing, Forwarding & Freight	619.10	446.26
Discount Allowed	58.87	31.87
Business Promotion Expense	21.63	0.50
Brokerage & Commission	5.59	5.54
Tour and Travelling Exp.	80.67	12.13
	785.86	**496.29**
Establishment Expenses		
Auditors Remuneration	2.00	2.00

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement and Publicity	5.25	0.76
Computer Expenses	0.36	0.04
Office Expenses	6.50	8.73
Insurance Expense	7.32	10.02
Corporate Social Responsibility	100.00	58.41
Festival Expenses	0.77	-
Misc. Expenses	0.19	1.08
Donation	0.53	0.13
Postage Expenses	2.33	1.72
Printing & Stationary	2.56	1.74
Rates, Fee and Taxes	174.50	58.03
Repairs & Maintenance	14.42	4.14
Telephone and Internet Charges	9.72	5.75
Vehicle Running and Maintenance	19.65	14.46
Professional and Legal Expense	10.88	-
Rent Expenses	4.63	-
Loss on Sale of Fixed Assets	0.19	-
	361.79	**167.00**
	1,436.01	765.42

Auditors' Remuneration

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditors		
- Audit Fee	1.50	1.50
- Limited Review	0.50	0.50
	2.00	2.00

Contribution towards CSR Activities

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Gross Amount required to be spent by the Company during the year	40.83	31.28
(b) Amount spent during the year		58.41
- contribution for promoting Technical Education to special privilaged children	100.00	
(c) Unspent Amount	-	-

Earnings per Share

The earnings per share (EPS) disclosed in the statement of profit and loss have been calculated as under:

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year as per statement of profit & loss	5,002.29	2,006.32
Weighted average number of equity shares (number)	5,91,87,150	5,30,37,150
Potential dilutive equity shares (number)	63,50,000	
Weighted average number of equity shares in computing diluted earning per share (number)	6,55,37,150	5,30,37,150
Basic earning per share (Rs per share) (face value of ₹ 2/- each)*	8.45	3.39
Diluted earning per share (₹ per share) (face value of ₹ 2/- each)*	7.63	3.39

Note

The equity shares of the Company, during the current year, have been sub-divided from existing face value of ₹ 10/- per equity shares to face value of ₹ 2/- per equity share based on approval by the shareholders in its 30th Annual General Meeting. The Record Date for effecting this sub-division of equity share was October 16, 2021. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of number of equity shares after sub-division.

33 FINANCIAL INSTRUMENTS

Capital Management

For the purpose of Company's capital management, capital includes Issued Equity capital and all reserves attributable to equity holders of the Company

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- The Company manages capital risk in order to maximise shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as net debt-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.
- Debt-to-equity ratio as of March 31, 2022 and March 31, 2021 is as follows:

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt (A) *	8,119.12	6,290.24
Total equity (B)	15,751.47	9,690.52
Net debt to equity ratio (A/B)	0.52	0.65

* The Company includes with in net debt, interest bearing loans and borrowings less cash and cash equivalents.

* Other Bank Balances are Margins against contignet liabilities, hence not considered under cash and cash equivalents

Fair Values and its categories:

The category wise details as to the carrying value and fair value of the Company's financial assets and financial liabilities including their levels in the fair value hierarchy are as follows:

(₹ in lacs)

Particulars	Level of hierarchy	As at March 31, 2022		As at March 31, 2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial Assets					
Measured at FVTPL					
Investments		-	-	-	-
Measured at amortised cost					
Investments in unquoted equity instruments	3	5.00	5.00	-	-
Loans & Advances		271.80	271.80	15.82	15.82
Trade Receivables		9,627.47	9,627.47	9,511.33	9,511.33
Cash and cash equivalents		9.13	9.13	21.23	21.23
Bank Balances other than cash & cash equivalents		159.66	159.66	396.12	396.12
Other Financial Assets		-	-	12.98	12.98
Measured at FVTOCI					
Investments in equity instruments	1	1,236.87	1,236.87	1.44	1.44
2. Financial Liabilities					
Measured at amortised cost					
Borrowings (Including current maturities) (refer note 16, 20 and 22)		8,128.25	8,128.25	6,311.47	6,311.47
Trade and other payables		1,964.98	1,964.98	3,383.87	3,383.87

Notes:-

1 The carrying value of Cash and cash equivalents, trade receivables, trade payables, short-term borrowings, other current financial assets and financial liabilities approximate their fair value mainly due to the short-term maturities of these instruments.

2 The fair values of investment in quoted investment in equity shares is based on the quoted price in the active market of respective investment as at the Balance Sheet date.

3 The fair value of the Financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level of hierarchy

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard.

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price and are valued using the closing NAV.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers between Level 1, Level 2 and Level 3 during the year

* The fair value of the investment appearing under Level 3 approximates the carrying value and hence, the valuation technique and inputs with sensitivity analysis has not been given.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and The Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing The Company's risk assessment and management policies and processes.

The Company's financial risk management policy is set by the management. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. The Company manages market risk which evaluates and exercises independent control over the entire process of market risk management. The management recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade receivables and other financial assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits, continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business and through regular monitoring of conduct of accounts.

An impairment analysis is performed at each reporting date on an individual basis for major customers. The history of trade receivables shows a negligible provision for bad and doubtful debts. The management believes that no further provision is necessary in respect of trade receivables based on historical trends of these customers. Further, The Company's exposure to customers is diversified and no single customer has significant contribution to trade receivable balances.

In respect of Financial guarantees provided by The Company to banks & financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which The Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period. The Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

With regards to all other financial assets with contractual cash flows management believes these to be high quality assets with negligible credit risk. Thus, no provision for expected cash loss has been provided on these financial assets.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk includes loan and borrowings, lease liabilities and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The borrowings as at March 31, 2021 is ₹ 8128.26 lacs (previous year ₹ 6311.47 lacs) which are interest bearing and interest rates are variable.

Interest rate sensitivity

For the year ended March 31, 2022, every 1 percentage increase/decrease in weighted average bank interest rate might have affected the Company's incremental margins (profit as a percentage to revenue) approximately by 0.07%.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month period for hedges of forecasted sales and borrowings. There has been no significant impact in Company's financial postition with change in exchange rates.

(C) LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company has mature liquidity risk management processes covering short-term, mid-term and long-term funding. Liquidity risk is controlled through maintaining sufficient reserves, adequate amount of committed credit facilities and loan funds.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments based on contractual undiscounted payments.

Particulars	Carrying Amount	Less than one year	More than one year	Total
As at March 31, 2022				
Borrowings	8,128.25	7,372.51	755.74	8,128.25
Other Financial Liabilites	-		-	-
Trade Payables	1,964.98	1,964.98	-	1,964.98
Total	**10,093.23**	**9,337.49**	**755.74**	**10,093.23**
As at March 31, 2021				
Borrowings	6,311.47	5,241.81	1,069.66	6,311.47
Other Financial Liabilites	-	-	-	-
Trade Payables	3,383.87	3,383.87	-	3,383.87
Total	**9,695.34**	**8,625.68**	**1,069.66**	**9,695.34**

(D) CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital and to maximise shareholders value. In order to maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce debt, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as interest bearing loans and borrowings less cash and cash equivalents.

The gearing ratio at the end of the reporting period was as follows:

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt	8,128.25	6,311.47
Less: Cash and Cash Equivalents*	9.13	21.23
Net Debt	8,119.12	6,290.24
Total Equity	15,751.47	9,690.52
Total Capital including Debt	23,870.59	15,980.76
Gearing Ratio	**34.01%**	**39.36%**

* Other Bank Balances are Margins against BG, considered as Contingent Liabilities, hence not considered under cash and cash equivalents

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

35 RETIREMENT BENEFIT OBLIGATIONS

1 EXPENSE RECOGNISED FOR DEFINED CONTRIBUTION PLAN

Defined Contribution Plans

The Company has certain defined contribution plan such as provident fund and employee state insurance wherein specified percentage is contributed to them.

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Company's contribution to PF and ESI Fund	23.08	12.81
Total	23.08	12.81

2 DEFINED BENEFIT PLANS

Grauity

The Company has a defined benefit gratuity plan as per the provisions of the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

In accordance with Ind AS 19 "Employee Benefits", an actuarial valuation has been carried out in respect of gratuity.

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Present value of obligation as at the beginning of the period	54.42	39.90
Current service cost	23.37	18.59
Interest cost	3.76	2.76
Benefits paid	-	-
Actuarial loss/ (gain)on obligation	(12.74)	(6.84)
Present value of obligation as at the End of the period	68.81	54.42

3 MOVEMENT IN PLAN ASSETS - GRATUITY

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Fair value of plan assets at beginning of year	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Expected return on plan assets	-	-
Employer contributions	-	-
Benefits paid	-	-
Actuarial gain/ (loss)	-	-
Fair value of plan assets at end of year	-	-
Present value of obligation	-	-
Net funded status of plan	-	-
Actual return on plan assets	-	-

4 RECOGNISED IN PROFIT AND LOSS

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee Benefit Expenses :		
Current service cost	23.37	18.59
Past service cost	-	-
Interest cost	3.76	2.76
	27.13	**21.35**

5 RECOGNISED IN OTHER COMPREHENSIVE INCOME

(₹ in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurement - Actuarial loss/(gain) on Projected benefit Obligation	(12.74)	(6.84)
Net (Income) / Expense recongnised in OCI	(12.74)	(6.84)

6 THE PRINCIPAL ACTUARIAL ASSUMPTIONS USED FOR ESTIMATING THE COMPANY'S DEFINED BENEFIT OBLIGATIONS ARE SET OUT BELOW:

Weighted average actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Financial/Economic Assumptions		
Discount rate (per annum)	7.18%	6.91%
Salary escalation rate (per annum)	5.50%	5.50%
Demographic Assumptions		
Retirement age	60 years	60 years
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal Rates		
Ages (years)		
Up to 30 Years	5.00%	5.00%
From 31 to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%

Notes:-

(i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

(iii) The salary escalation rate is arrived after taking into consideration the inflation, seniority, promotion and other relevant factors on long term basis.

7 SENSITIVITY ANALYSIS

The sensitivity of the overall plan obligations to changes in the key assumptions are:

(₹ in lacs)

Particulars		As at March 31, 2022	As at March 31, 2021
a)	**Impact of the change in discount rate**		
	Present Value of Obligation at the end of the period	68.81	54.42
(a)	Impact due to increase of 0.50%	(3.54)	(2.83)
(b)	Impact due to decrease of 0.50%	3.87	3.08
b)	**Impact of the change in salary increase**	-	-
	Present Value of Obligation at the end of the period	-	-
(a)	Impact due to increase of 0.50%	68.81	54.42
(b)	Impact due to decrease of 0.50%	3.92	3.11
		(3.61)	(2.87)

8 MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average duration of the defined benefit obligation		
Expected benefit payments within next-		
0 to 1 Year	5.16	2.76
1 to 2 Year	2.35	2.30
2 to 3 Year	1.22	2.19
3 to 4 Year	3.71	1.18
4 to 5 Year	3.97	2.48
5 to 6 Year	4.70	2.71
6 Year onwards	47.69	40.80

9 EMPLOYEE BENEFIT PROVISION

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity	68.81	54.42
Total	**68.81**	**54.42**

10 CURRENT AND NON CURRENT PROVISION FOR GRATUITY

(₹ in lacs)

Particulars	Defined Benefit Plan- Gratuity	
	As at March 31, 2022	As at March 31, 2021
Current provision	5.16	2.76
Non current provision	63.65	51.65
Total provision	**68.81**	**54.42**

36 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lacs)

Particulars		As at March 31, 2022	As at March 31, 2021
I)	**Contingent liabilities**		
A.	**Claims against the Company not acknowledged as debts**		
a)	Disputed Excise duty, Custom Duty and service tax cenvat credit	37.73	-
b)	Income tax demands against which Company has preferred appeals	310.82	164.71
B	**Guarantees**		
a)	Letters of Credits	-	1,374.44
b)	Unexpired Bank Guarantees	612.71	105.77
II)	**Capital & other commitments**	-	-

The income tax & sales tax liabilities have been provided based on the return filled with the authorities. The additioanl liabilities , if any arising at the timing of finilisation of assessment year will be provided in the year of completion of assessment proceedings.

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

37 SEGMENT INFORMATION

The Company's business operations predominantly relates to manufacture of single product i.e. ERW pipes for selling worldwide. In view of this there may be product as primary segment and geography as secondary Segment. All the machines, building, other infrastructure, materials and consumables are used commonly/ interchangeably and it is not possible and practical to allocate revenue, profit/loss, assets or liabilities to any particular size, customer market etc. nor the specified parameters are applicable to any particular size, customer, market etc. distinguishing it as a reportable item under specified headings. However revenue from export (outside India) and home (within India) is given under geographical segment as under.

INFORMATION ABOUT REPORTABLE SEGMENT

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
External revenue in the above reportable business segment	97,571.61	43,576.10

38 RELATED PARTY DISCLOSURE:

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

A. Name of related party and nature of related party relationship:

(i) Key Management Personnel (KMP) and their relatives

Name	Designation
Madan Mohan Singla	Managing Director
Mithan Lal Singla	Director
Rakesh Garg	Executive Director
Dhruv Singla	Executive Director

Pranav Singla	Director
Mr. Mohinder Singh	Company Secretary & Compliance Officer

(ii) Enterprises significantly influenced by key managerial personnel

- Chetan Industries Limited
- Jagan Industries Private Limited

(iii) Enterprises that are controlled by the Company, i.e. wholly owned subsidiary Company:

- JTL Tubes Limited

B. The disclosures of transactions between the Company and related parties

(₹ in lacs)

Particulars	KMP/ Relatives		Enterprises significantly influenced by key managerial personnel		Wholly owned Subsidairy (WOS)	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sale of goods						
Chetan Industries Limited			121.10	3.86		
Jagan Industries Private Limited				208.45		
Purchases						
Chetan Industries Limited			4,005.79	137.48		
Jagan Industries Private Limited			155.24	200.70		
Rent paid						
Jagan Industries Private Limited				4.00		
Salary & Compensatation paid	85.95	58.40				
Trade Payables						
Jagan Industries Private Limited			372.73			
Trade Receivables						
Jagan Industries Private Limited			121.57			

The acticity from WOS is yet to begin. The Company has paid incorpration expenses on behalf of WOS

39 EARNINGS PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Issued Equity Shares	1,183.74	1,060.74
Weighted average shares outstanding - Basic and Diluted (A)	**1,183.74**	**1,060.74**

Net profit available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) after tax	5,002	2,006
Profit/(Loss) after tax for EPS (B)	5,002	2,006
Basic Earnings per share (B/A)	4.23	1.89
Diluted Earnings per share (B/A)	**4.23**	**1.89**

40 DETAILS OF DUES TO MICRO SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) The principal amount & the interest due thereon remaining unpaid at the end of the year		
Principal Amount	-	-
Interest Due thereon	-	-
(b) Payments made to suppliers beyond the appointed day during the year		
Principal Amount	-	-
Interest Due thereon	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

* The information has been given in respect of such vendor to the extent they could be identified as Micro and Small Enterprises as per MSMED Act, 2006 on the basis of information available with The Company and in cases of confirmation from vendors, interest for delayed payments has not been provided..

41 IN LIGHT OF SECTION 135 OF THE COMPANIES ACT, 2013, THE COMPANY HAS INCURRED EXPENSES ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AGGREGATING TO ₹ 58,40,500 (PREVIOUS YEAR ₹ NIL).

Disclosure in respect of CSR expenditure is as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by The Company during the year		**31,28,515**
b) Amount spent during the year on the following:		
1. Construction/acquisition of asset		
2. On purposes other than 1 above	100.00	58.41

42 AUDITORS REMUNERATION (EXCLUDING TAX):

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As Audit fees(including limited review)	1.50	1.50
For Tax audit fees	0.50	0.50
Total	2.00	2.00

43 DISTRIBUTION MADE/PROPOSED

(₹ in lacs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Proposed dividend on equity shares:		
Final dividend (for the year ended on March 31, 2021 @ ₹ 2 per share and March 31, 2022 :NIL)	-	212.15
Total	**-**	**212.15**

In terms of our report attached

For Suresh K Aggarwal & Co.
Chartered Accountants
FRN 021129N

Suresh Kumar Aggarwal
Proprietor
M.No. 090064

Place: Chandigarh
Date : April 20, 2022
UDIN: 22090064AHKRXV4134

For and on behalf of Board of Directors
of **J T L Infra Limited**

Rakesh Garg
Executive Director
DIN: 00184081

Madan Mohan Singla
Managing Director
DIN: 00156668

Mohinder Singh
Company Secretary
PAN: BELPS5287P

Dhruv Singla
Chief Financial Officer
PAN: CGBPS9330L

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. The details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees*	Percentage of the post-Issue share capital held (%)^
1.	[●]	[●]
2.	[●]	[●]

^ *Based on beneficiary position as on [●], 2024.*

**The details of the proposed Allottees have been intentionally left blank and will be filled in before issuing of the Placement Document to such proposed Allottees.*

The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

For and on behalf of the Board, signed by:

Madan Mohan
Managing Director
DIN: 00156668

Date: July 18, 2024
Place: Chandigarh

DECLARATION

We, the Board of Directors of the Company certify that:

(i) our Company has complied with the provisions of the Companies Act and the rules made thereunder;

(ii) the compliance with the Companies Act and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

Madan Mohan
Managing Director
DIN: 00156668
Date: July 18, 2024
Place: Chandigarh

I am authorized by the Fund-Raising Committee of our Company, through its resolution dated July 18, 2024 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Madan Mohan
Managing Director
DIN: 00156668
Date: July 18, 2024
Place: Chandigarh

JTL INDUSTRIES LIMITED

REGISTERED AND CORPORATE OFFICE

S.C.O, 18-19, Sector 28-C
Chandigarh – 160002, India
Telephone: +91 172 4668 000
Email: contact@jtl.one
Website: www.jtl.one

COMPANY SECRETARY AND COMPLIANCE OFFICER

Amrender Kumar Yadav
S.C.O, 18-19, Sector 28-C
Chandigarh – 160002, India

BOOK RUNNING LEAD MANAGER

Nuvama Wealth Management Limited
(*Formerly known as Edelweiss Securities Limtied*)
801 - 804, Wing A, Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai – 400 051
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

N. Kumar Chhabra & Co., Chartered Accountants
#1081 Sector 27-B
Chandigarh – 160019, India

LEGAL COUNSEL TO THE ISSUE
As to Indian law

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza
Hudco Place, August Kranti Marg
New Delhi – 110049, India

APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

JTL INDUSTRIES LIMITED	**APPLICATION FORM** Name of Bidder: ______________________________________ Form No: ____ Date: ____________________________
(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered & Corporate Office**: S.C.O. 18-19, Sector 28-C, Chandigarh 160002, India; **Contact Person**: Amrender Kumar Yadav, Company Secretary & Compliance Officer; **Tel**: +91 172 4668 000; **E-mail**: contact@jtl.one; **Website**: www.jtl.one; **CIN**: L27106CH1991PLC011536 **LEI**: 335800L4ZJ24BU8JP355 | **ISIN**: INE391J01024	

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY JTL INDUSTRIES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 221.57 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections titled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 236 and 237, respectively, in the accompanying preliminary placement document dated July 18, 2024 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds**	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others __________________ (Please specify)

* *Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

To,

The Board of Directors
JTL INDUSTRIES LIMITED
Registered and Corporate Office: S.C.O. 18-19, Sector 28-C, Chandigarh 160002, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the

"**Takeover Regulations**"). We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) ("**BRLM**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Punjab and Chandigarh (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited, the National Stock Exchange of India Limited and Metropolitan Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections titled *"Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions"* and "*Purchaser Representations and Transfer Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section titled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when issued), this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; (10) we are located outside the United States and purchasing the Equity Shares in an offshore transaction in compliance with Regulation S and the applicable laws of the jurisdictions applicable to us; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (13) we satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (14) we acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date; and (15) in case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

<table>
<tr><th colspan="4">BIDDER DETAILS (in Block Letters)</th></tr>
<tr><td>NAME OF BIDDER*</td><td colspan="3"></td></tr>
<tr><td>NATIONALITY</td><td colspan="3"></td></tr>
<tr><td>REGISTERED ADDRESS</td><td colspan="3"></td></tr>
<tr><td>CITY AND CODE</td><td colspan="3"></td></tr>
<tr><td>COUNTRY</td><td colspan="3"></td></tr>
<tr><td>TELEPHONE NO.</td><td></td><td>FAX. NO.</td><td></td></tr>
<tr><td>EMAIL ID</td><td colspan="3"></td></tr>
<tr><td>LEI</td><td colspan="3"></td></tr>
<tr><td>FOR ELIGIBLE FPIs**</td><td>SEBI FPI Registration Number:</td><td>For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs</td><td>SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs</td></tr>
</table>

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLM.*

*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 P.M. (IST), [●], 2024	
Name of the Account	JTL INDUSTRIES LIMITED – QIP ESCROW ACCOUNT 2024
Name of the Bank	AXIS BANK LIMITED
Address of the Branch of the Bank	SECTOR 35 CHANDIGARH
Account Type	ESCROW ACCOUNT
Account Number	924020011993806
LEI Number	335800L4ZJ24BU8JP355
IFSC	UTIB0000041
Tel No.	0172-4668000
E-mail	FINANCE@JTL.ONE

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "*JTL Industries Limited- QIP Escrow Account 2024*". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS			
Depository Name (Please ✓)	National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name			
DP – ID	I N		
Beneficiary Account Number			(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**			

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
☐ Copy of notification as a public financial institution
☐ FIR
☐ Copy of IRDAI registration certificate
☐ Intimation of being part of the same group
☐ Certified true copy of power of attorney
☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.