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 the section entitled "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also the sections entitled "Risk Factors", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 30, 126, 249 and 310, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole, 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.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to VMS TMT Limited.

Our financial or fiscal year commences on April 1 and ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see Restated Financial Information on page 249.

We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, the industry-related information contained in this section is derived from a report titled "TMT Bars Industry in India" dated March 15, 2025, prepared by Dun & Bradstreet, which has been prepared exclusively for the purpose of understanding the industry in connection with the Issue and commissioned and paid for by our Company in connection with the Issue (the "**Dun & Bradstreet Report**"). For further information, see 'Risk Factors - Certain sections of this Draft Red Herring Prospectus contain information from the Dun & Bradstreet Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Issue is subject to inherent risks' on page 62. Also see, 'Certain Conventions, use of Financial Information and Market Data and Currency of Presentation – Industry and Market data' on page 14. The data included herein includes excerpts from the Dun & Bradstreet Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Dun & Bradstreet Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. A copy of the Dun & Bradstreet Report is available on the website of our Company at www.vmstmt.com from the date of this Draft Red Herring Prospectus till the date of Bid/ Issue Closing Date.*

Overview

We are engaged in manufacturing of Thermo Mechanically Treated Bars ("**TMT Bars**") at our manufacturing facility situated at Bhayla Village, Ahmedabad, Gujarat, India. TMT Bars are high-strength reinforcement steel used widely in construction industry due to their exceptional strength, ductility, and corrosion resistance. *(Dun & Bradstreet Report)* We conduct our business predominantly in the State of Gujarat from where we derived 97.49%, 98.75%, 97.42% and 96.67% of our revenues from operations in the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively. Our revenue from operations from sale of TMT Bars in the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 constituted approximately 90.95%, 94.06%, 96.85% and 95.86% of the total revenue from operations. In the nine months period ended December 31, 2024 and Fiscal 2024, retail sales constituted 77.48% and 80.24%, respectively and institutional sales constituted 22.52% and 19.76%, respectively of the total revenue from operations. Our revenue from operations also includes sale of scrap, binding wires and billets which constituted approximately 9.05%, 5.94%, 3.15%, 4.14% of the total revenue from operations in the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively. We have a diverse customer base of retail and institutional customers primarily based in the State of Gujarat (except Saurashtra and Kutch district of Gujarat). We have a retail licence agreement dated November 7, 2022, with Kamdhenu Limited which allows us to market our TMT Bars under the Kamdhenu Brand on mutually agreed terms within the State of Gujarat (except Saurashtra and Kutch district of Gujarat) on a non-exclusive basis. We sell our TMT Bars to customers through distribution network, on a non-exclusive basis, which comprise of 3 distributors and 227 dealers as of February 28, 2025.

The table below shows our revenue from operations by sale of TMT Bars, scrap, binding wires and billets for the period / fiscal year indicated:

Product	For the nine months period ended December 31, 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Volume (MT)	Amount (₹ in lakhs)	% of total revenues from operation	Volume (MT)	Amount (₹ in lakhs)	% of total revenues from operation	Volume (MT)	Amount (₹ in lakhs)	% of total revenues from operation	Volume (MT)	Amount (₹ in lakhs)	% Of total revenues from operation
TMT Bars	1,03,129	50,480.39	90.95	1,61,902	82,110.69	94.06	1,51,795	85,420.37	96.85	88,410	47,329.99	95.86
Billets	190	80.36	0.15	127	54.96	0.06	101	47.33	0.05	469	217.62	0.44
Binding Wire	302	185.09	0.33	389	247.59	0.28	284	191.31	0.22	140	86.79	0.18
Scrap & Others*	14,548	4,754.83	8.57	20,769	4,882.53	5.60	9,109	2,542.34	2.88	5,306	1,738.10	3.52
Total		**55,500.66**	**100.00**		**87,295.77**	**100.00**		**88201.35**	**100.00**		**49,372.50**	**100.00**

**Others include MS Strips, Mill scale, old and used roll etc*.

Presently, we are manufacturing TMT Bars from scrap and billets at our manufacturing facility. TMT Bars are manufactured through thirty - ton induction furnace from scrap in our continuous casting machine ("**CCM")** and rolling mill and also from billets through our reheating furnace and rolling mill. Our total annual installed capacity of TMT Bars is 200,000 metric tonnes ("**MT**") per annum and our production of TMT Bars in the nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 was 92,175.29 MT, 1,60,321 MT, 1,61,807 MT and 72,121 MT, respectively. For further details, see "*Our Business - Manufacturing - Capacity, Production and Capacity Utilization*" on page 192.

In September 2024, our Company has completed the backward integration of its CCM division which have enabled us to manufacture TMT Bars from scrap, reducing our dependency on billets from suppliers. Prior to our backward integration, our main raw material for our TMT Bars used to be billets, which we used to primarily source domestically from, *inter alia*, Gujarat, Chhattisgarh, Maharashtra, Madhya Pradesh, Orisha and Rajasthan. Presently, our basic raw materials are scrap, manganese, non-coking coal dolomite, limestone and bentonite, which we source both domestically and from other countries such as Hongkong and UAE and will continue to do so**.** In the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, 72.83%, 64.04%, 77.65% and 93.14%, respectively, of our material purchases were from suppliers in Gujarat. Further, purchase of raw material locally saves us in transportation costs and time of delivery and keeping our raw material inventory level under check. Currently, apart from scrap**,** our major cost of production involves power expenses. We require 22MW of power for our uninterrupted operations, which we source from Uttar Gujarat Vij Company Limited. To reduce our electricity expenses, we have initiated the process of setting up of a 15 MW solar power plant in Gujarat for our captive consumption. In this regard, our Company have entered into a MOU with Prozeal Green Energy Limited ("**Prozeal**") pursuant to which Prozeal provided land admeasuring 74 acres bearing survey numbers 82, 81, 63, 64, 61, 49, 40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha - 385565 District, Gujarat to set up solar project at the said land. Our Company has already made an advance payment to Prozeal and have also received the provisional registration of renewable energy project under Gujarat Renewable Energy Policy, 2023 on October 25, 2024 from Gujarat Energy Transmission Corporation Limited. For further details, see "*Our Business - Our Strategies – Integration to Renewable Energy for Cost Optimization and Sustainability*" on page 185. With the installation of the electric furnace, we are manufacturing TMT Bars from scrap, eliminating the re-heating furnace majorly which will allow us to reduce our cost of production significantly and eliminate our dependency on coal, however, currently our Company is manufacturing TMT Bars both from scrap and billets.

We focus on sustainability by emphasizing quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our continued growth. Our products meet the standards set by the Bureau of Indian Standards ("**BIS**"). We also maintain a number of quality management system certificates in line with industry standards, including ISO 9001:2015 for quality management standards, ISO 45001:2018 for occupational health and safety management system standards and ISO 14001:2015 for environmental management system standards. As part of our strategy, we have initiated the process of setting up of a 15MW solar power plant for our captive power consumption to reduce our current and future electricity expenses and carbon footprint. In this regard, our Company and Prozeal have

entered into a MOU pursuant to which Prozeal provided its services and land admeasuring 74 acres bearing survey numbers 82, 81, 63, 64, 61, 49, 40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha - 385565 District, Gujarat to set up a solar project at the said land. Further, our Company has already made an advance payment to Prozeal and has also received the provisional registration of renewable energy project under Gujarat Renewable Energy Policy, 2023 on October 25, 2024 from Gujarat Energy Transmission Corporation Limited.

Our business is predominantly conducted in the State of Gujarat (except Saurashtra and Kutch district of Gujarat) and we derive our revenue from retail as well as institutional sales. We market and sell our TMT Bars in the State of Gujarat (except Saurashtra and Kutch district of Gujarat) under the Kamdhenu Brand. We also sell scrap and binding wires in the State of Gujarat and other states. Our focus on sales of TMT Bars has been Tier II and Tier III cities. As of December 31, 2024, we use fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products to our customers. We believe that doorstep delivery to our retail customers entitle us to have a strategic advantage over our competitors. For the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we generated 97.49%, 98.75%, 97.42% and 96.67%, respectively, of our revenue from operations from customers in the State of Gujarat. We sell our TMT Bars to customers through distribution network on a non-exclusive basis which comprise of 3 distributors and 227 dealers as of February 28, 2025. We have divided the State of Gujarat into three zones namely central, north and south, respectively, with one distributor in each zone which helps us to optimize market penetration, service delivery and operational efficiency.

Our Company is led by our Individual Promoters: Varun Manojkumar Jain, Rishabh Sunil Singhi, Manojkumar Jain and Sangeeta Jain, who have a cumulative experience of more than three decades in steel industry. Our Company is supported by an experienced and professional management team and by a workforce of 215 permanent employees as of January 31, 2025. We believe that the collective experience and capabilities of our Promoters and management team and strong workforce enable us to understand and anticipate market trends and manage our business operations and growth.

Our Company and Aditya Ultra Steel Limited, one of our Group Companies which is also engaged in the manufacturing of TMT Bars under the Kamdhenu group brand in the State of Gujarat, have entered into a Memorandum of Understanding dated May 16, 2024 ("**MoU**"). Pursuant to the said MoU, it has been agreed by Aditya Ultra Steel Limited to focus its business operations only in the Saurashtra and Kutch district of Gujarat and not to sell, deal, distribute, or supply TMT Bars and allied products outside these areas. Similarly, our Company has agreed to concentrate its business operations in districts other than Saurashtra and Kutch, Gujarat for selling, dealing, distributing, and supplying TMT Bars and allied products beyond Saurashtra and Kutch, Gujarat.

Key financial information

Set forth below is certain key financial information for the periods indicated:

Particulars	**For the nine months period ended December 31, 2024**	**As at or for the fiscal year ended March 31**		
		2024	**2023**	**2022**
Total Income (₹ in Lakhs)	55,537.56	87,316.86	88,205.61	49,374.63
EBITDA (₹ in Lakhs)	3,355.23	4,120.29	2,190.77	1,603.60
EBITDA margins (%)	6.04	4.72	2.48	3.25
PAT (₹ in Lakhs)	1,111.99	1,346.84	419.53	687.95
PAT Margin (%)	2.00	1.54	0.48	1.39
Return on Net Worth (%)	15.99%	28.96%	13.60%	36.82%
Return on capital employed (%)	10.22%	16.70%	10.94%	13.72%

Particulars	For the nine months period ended December 31, 2024	As at or for the fiscal year ended March 31		
		2024	2023	2022
Debt to EBITDA Ratio	6.89	4.80	7.43	7.34

**Not Annualised*

Notes:

i. *All above figures are calculated from Restated Financial Statements*

ii. *EBITDA = PBT + (finance Costs+ depreciation and amortization expenses) – exceptional items- other income.*

iii. *EBITDA Margin is EBITDA as a percentage of total income.*

iv. *PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.*

v. *Return on Net Worth is PAT as a % of Net Worth.*

vi. *ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities, Intangible assets includes Right of use assets.*
Debt to EBITDA ratio is calculated by dividing a company's total debt (including both short-term and long-term debt) by its Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA).

For any further details of our KPIs, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 310.

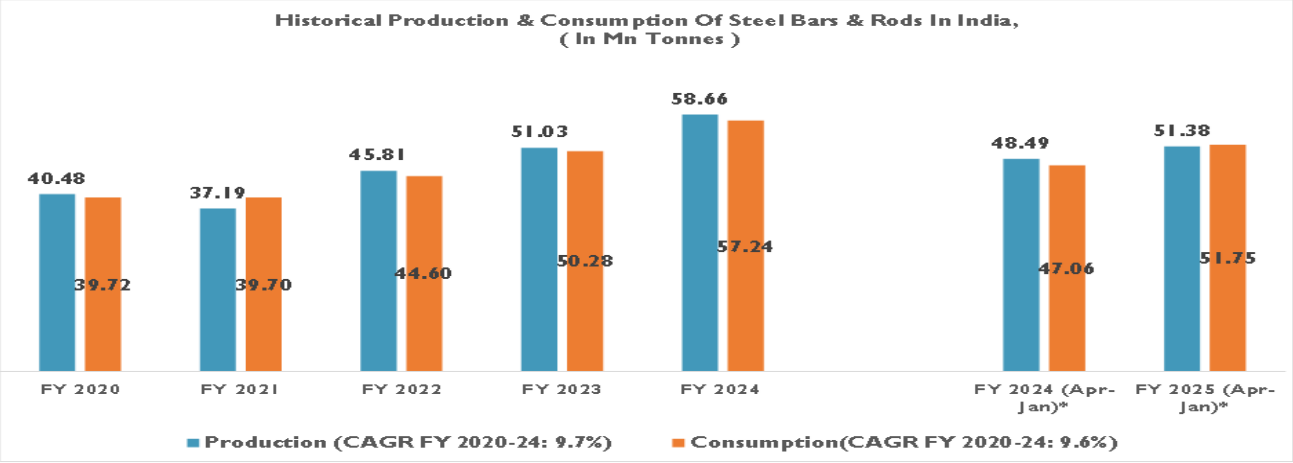
Our Strengths:

We have the following competitive strengths:

Poised to capture growth in the TMT Bar market

We are engaged in manufacturing of TMT Bars from scrap through thirty - ton induction furnace in our CCM and rolling mill and also from billets through our reheating furnace and rolling mill at our manufacturing facility situated at Bhayla Village, Ahmedabad, Gujarat, India. Our business is predominantly conducted in the State of Gujarat, and we derive our revenue from retail as well as institutional customers. In the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, we sold 1,03,129 MT, 1,61,902.00 MT, 1,51,795.00 MT and 88,410.00 MT of TMT Bars, respectively, and had revenue from operations of ₹ 55,500.66 lakhs, ₹ 87,295.77 lakhs, ₹ 88,201.35 lakhs and ₹ 49,372.50 lakhs in the same respective periods.

The table below sets forth the production and consumption of TMT Bars in India for the dates indicated:



(Source: Dun & Bradstreet Report).

Over the past six years, the production and consumption of steel bars and rods have maintained a close correlation, showcasing steady growth rates with production growing at a Compound Annual Growth Rate (CAGR) of 9.7% and consumption with a CAGR of 9.6%. Notably, in the FY 2022, both production and consumption experienced significant spikes, with production surging by 23.2% and consumption growing commendably by 12.3%. This robust growth pattern over the last three years underscores a strong demand for steel bars and rods, driven by various sectors such as construction, automotive, and machinery manufacturing. The alignment between production and consumption reflects a balanced market, indicative of efficient production planning and responsive market dynamics within the steel industry. These trends signify

stable growth opportunities for stakeholders in the steel bars and rods market, bolstered by consistent double-digit growth rates and favourable market conditions. *(Source: Dun & Bradstreet Report)*

We believe that we are poised to take advantage of growth in TMT Bars demand for the following reasons:

Marketing and Brand: We have a retail licence agreement with Kamdhenu Limited dated November 7, 2022 which allows us to market our TMT Bars on mutually agreed terms within the State of Gujarat (except Saurashtra and Kutch district of Gujarat).

Customer Base: We have a diverse customer base of retail and institutional customers primarily based in the State of Gujarat (except Saurashtra and Kutch district of Gujarat).

The table below sets out the customer wise revenue breakup as a percentage of revenue from operations, for the periods indicated below:

Customers	**For the nine months period ended December 31, 2024**		**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ in lakhs)	**% of total revenues from operation**	**Amount (₹ in lakhs)**	**% of total revenues from operation**	**Amount (₹ in lakhs)**	**% of total revenues from operation**	**Amount (₹ in lakhs)**	**% of total revenues from operation**
Retail	43,004.32	77.48	70,048.06	80.24	70,113.44	79.49	33,181.63	67.21
Institutional	12,496.34	22.52	17,247.71	19.76	18,087.90	20.51	16,190.87	32.79
Total	**55,500.66**	**100.00**	**87,295.77**	**100.00**	**88,201.35**	**100.00**	**49,372.50**	**100.00**

Distribution: We sell our TMT Bars to retail and institutional customers. We also have a distribution network, on a non-exclusive basis, comprising of 3 distributors and 227 dealers as of February 28, 2025.

Manufacturing Capacity: We had total annual installed capacity of TMT Bars of 2,00,000 MT per annum for each of the Fiscals, respectively. We have received environmental clearance for manufacturing of TMT Bars with installed capacity of 30,000 MT per month.

Integration: We have completed backward integration project for the purpose of manufacturing TMT Bars from scrap and billets to increase our raw material security and reduce costs. The capital cost of this backward integration project was approximately ₹ 11,711.51 lakhs which we had financed through borrowings from banks, internal accruals and raising funds through equity.

Raw Material: We source raw materials i.e. scrap and billets both domestically and internationally, from countries such as Hongkong and UAE, and will continue to do so either independently or in association with third partiesfor the manufacturing process. We have procured 72.83% and 64.04% of our material purchases in the nine months period ended December 31, 2024 and Fiscal 2024, respectively from suppliers in Gujarat. During the nine months period ended December 31, 2024, our raw material purchases from Hongkong was 0.36% and from UAE was 0.52%. For details, see *"Risk Factor- Our business and profitability are substantially dependent on the availability and cost of our raw materials and we are dependent on third party suppliers for meeting our raw material requirements which are on purchase order basis. Any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition."*

Logistics: As of December 31, 2024, we use a fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products to our customers. We believe that doorstep delivery to our retail and institutional customers entitle us to have a strategic advantage over our competitors.

Long-term customer relationships augmented by large distribution network

Our business is predominantly conducted in the State of Gujarat (except Saurashtra and Kutch district of Gujarat), and we derive our revenue from retail as well as institutional customers. We have a history of high customer retention. As of December 31, 2024, 4 out of our top 10 customers have been our customers for more than three years.

Our long-term relationships and ongoing active engagements with customers also allow us to enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base.

We market and sell our TMT Bars in the State of Gujarat under the brand "**Kamdhenu**". We also sell scrap and binding wires in the State of Gujarat and other states. Our focus for sales has been on Tier II and Tier III cities. In the nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have generated 97.49%, 98.75%, 97.42% and 96.67%, respectively, of our revenue from operations from customers in the State of Gujarat. We sell our TMT Bars to retail and institutional customers through distribution network, on a non-exclusive basis, comprising of 3 distributors and 227 dealers as of February 28, 2025. We have divided the State of Gujarat into three zones namely central, north and south, respectively with one distributor in each zone which helps us to optimize market penetration, service delivery and operational efficiency.

Established infrastructure with backward integration with strong logistics support

We are engaged in manufacturing of TMT Bars through thirty - ton induction furnace from scrap in our CCM and rolling mill and also from billets through our reheating furnace and rolling mill at our manufacturing facility located at Bhayla Village near Ahmedabad, Gujarat, India. The capital cost of the backward integration project was approximately ₹ 11,711.51 lakhs which we had financed through borrowings from banks, internal accruals and raising funds through equity. We have installed a thirty-ton electric induction furnace with installed capacity of 216,000 MT per annum and have installed power substation having 22,000 kVAh. We require 22MW of power for our uninterrupted operations, which we source from Uttar Gujarat Vij Company Limited. To reduce our electricity expenses, we have initiated the process of setting up of a 15 MW solar power plant in Gujarat for our captive consumption. For further details, see "*Our Strategies - Integration to Renewable Energy for Cost Optimization and Sustainability*" on page 185.

In September 2024, our Company has completed the backward integration of its CCM division which have enabled us to manufacture TMT Bars from scrap, reducing our dependency on billets from suppliers. Prior to our backward integration, our main raw material for our TMT Bars used to be billets, which we used to primarily source domestically from, *inter alia*, Gujarat, Chhattisgarh, Maharashtra, Madhya Pradesh, Orisha and Rajasthan. Presently our basic raw materials are iron scrap, manganese, non-coking coal dolomite, limestone and bentonite. With the installation of our electric induction furnace, our consumption of coal will be substantially reduced. After commencement of the CCM division in September, 2024, our Company's raw material is primarily scrap instead of billets, which our Company is planning to primarily source the same from overseas and may also source directly from domestic market. As on the date of this Draft Red Herring Prospectus, our production capacity for billets from scrap was 216,000 MT per annum.

Our business is significantly dependent on our supply chain management. We have strong supply chain relationships in the State of Gujarat. During the nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, 72.83%, 64.04%, 77.65% and 93.14%, respectively, of our material purchases were from suppliers located in the State of Gujarat.

We use a fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products to our customers. Our focus on sales of TMT Bars has been Tier II and Tier III cities. We believe that doorstep delivery to our retail customers entitle us to have a strategic advantage over our competitors.

Track record of growth in financial performance

We believe that our integrated production facility focus on maintaining high-capacity utilization, operational efficiency, productivity and low operating costs are the inherent strengths of our Company, which helps us to effectively manage the cyclical trends of the TMT Bars sector. We have a consistent track record of delivering operating profitability.

Summary of our financial performance are as follows:

(₹ lakhs except percentages)

Particulars	**For the nine months period ended December 31, 2024**	**As at or for the fiscal year ended March 31**		
		2024	**2023**	**2022**
Total Income (₹ in Lakhs)	55,537.56	87,316.86	88,205.61	49,374.63
EBITDA (₹ in Lakhs)	3,355.23	4,120.29	2,190.77	1,603.60
EBITDA margins (%)	6.04	4.72	2.48	3.25
PAT (₹ in Lakhs)	1,111.99	1,346.84	419.53	687.95
PAT Margin (%)	2.00	1.54	0.48	1.39

Particulars	For the nine months period ended December 31, 2024	As at or for the fiscal year ended March 31		
		2024	2023	2022
Return on Net Worth (%)	15.99 %	28.96%	13.60%	36.82%
Return on capital employed (%)	10.22%	16.70%	10.94%	13.72%
Debt to EBITDA Ratio	6.89	4.80	7.43	7.34

**Not Annualised*

Notes:

i. *All above figures are calculated from Restated Financial Statements*
ii. *EBITDA = PBT + (finance Costs+ depreciation and amortization expenses) – exceptional items- other income.*
iii. *EBITDA Margin is EBITDA as a percentage of total income.*
iv. *PAT Margin is calculated as profit/ (loss) for the year/ period as a percentage of total income.*
v. *Return on Net Worth is PAT as a % of Net Worth.*
vi. *ROCE (Return on Capital Employed) (%) is calculated as earnings before interest and taxes divided by average capital employed. Capital Employed includes Equity Shares, Reserves and surplus, Long-Term Borrowing, Short-Term Borrowing and Deferred Tax Liability/(Deferred Tax Asset), Lease liabilities, Intangible assets includes Right of use assets.*
vii. *Debt to EBITDA ratio is calculated by dividing a company's total debt (including both short-term and long-term debt) by its Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA).*

For any further details of our KPIs, see "*Management's Discussion and Analysis of Financial Position and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 310.

The debt-to-equity ratio and debt-to-EBITDA ratios of our Company as of the nine months period ended December 31, 2024 was 3.32 and 6.89 respectively, for the Fiscal Year 2024 was 4.25 times and 4.80 times respectively and which have improved from 5.28 times and 7.43 times in Fiscal 2023 respectively. Our total borrowings for December 31, 2024 was ₹23,119.16 lakhs which comprised of unsecured borrowings of ₹7,113.47 lakhs and secured borrowings of ₹16,005.69 lakhs. For further details, see Risk Factors – "*Our Company has a high debt to equity ratio which denote our significant outstanding debt and financial obligations and our inability to meet our financial obligations may limit our ability to pursue our business and could adversely affect our business, financial condition, results of operations and cash flows"* on page 30.

Our focus on operations have helped us achieve a track record of healthy financial performance. Our total income has grown at a CAGR of 32.98 % from ₹ 49,374.63 lakhs in Fiscal 2022 to ₹ 87,316.86 lakhs in Fiscal 2024. Our revenue from operations were ₹ 55,500.66 lakhs in the nine months period ended December 31, 2024.

Our EBITDA has grown at a CAGR of 60.29 % from ₹ 1,603.60 lakhs in Fiscal 2022 to ₹ 4120.29 lakhs in Fiscal 2024. For the nine months period ended December 31, 2024, our EBITDA was ₹ 3,355.23 lakhs. Our profit after tax has grown at a CAGR of 39.92% from ₹ 687.95 lakhs in Fiscal 2022 to ₹ 1,346.84 lakhs in Fiscal 2024. For the nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we achieved an EBITDA margin of 6.04%, 4.72 %, 2.48%, and 3.25 %, respectively. For the nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we have achieved a profit margin of 2%, 1.54%, 0.48 % and 1.39%, respectively. Our profit after tax increased from ₹ 687.95 lakhs in Fiscal 2022 to ₹ 1,346.84 lakhs in Fiscal 2024, at a CAGR of 39.92%. For the nine-month period ended December 31, 2024, our profit after tax was ₹ 1,111.99 lakhs. Our PAT margin improved from 1.39% in Fiscal 2022 to 1.54% in Fiscal 2024 and was 2.00% for the nine months period ended December 31, 2024. This is attributable to our continued focus on product quality and production process improvement, competitive pricing and cost rationalization. Our strong financial performance reflects the efficacy of the manufacturing and management protocols that we have implemented and strong working capital management across our business while our steady operating cash flows enable us to meet the present and future needs of our customers.

For our percentage of growth in revenue compared to the previous Fiscals, percentage contribution to our revenue, for nine months period ended December 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022, see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 310.

Experienced Promoters and committed senior management team

Our Company is led by our Promoters Varun Manojkumar Jain who is also the Chairman and Managing Director, Rishabh Sunil Singhi who is a Whole Time Director and Manojkumar Jain who is a Non-Executive Director. Our Promoters are supported by a qualified and experienced management team under the guidance of our Board of Directors including the non-independent directors as well from various professional backgrounds.

Varun Manojkumar Jain has more than eight (8) years of experience in the steel sector. Presently, he is also a Director in Aditya Ultra Steel Limited, one of our Group Companies. He holds degree in Bachelor of Commerce from Gujarat University and has done Management Programme for family business from Indian School of Business (ISB), Hyderabad and has also passed the Professional Competence Examination from ICAI.

Rishabh Sunil Singhi has been associated with our Company since October 9, 2021 and holds a degree in Bachelor of Technology in Civil Engineering from Pandit Deendayal Energy University. He has more than three (3) years of experience in the steel sector.

Our other Promoter, Manojkumar Jain has been associated with our Company since May 25, 2014 who has been critical in growing our operations. He has passed the examination of bachelors of commerce from Kanpur University and a qualified Chartered Accountant. He has twenty-two (22) years of experience in diverse sectors like ship breaking and recycling, TMT bar manufacturing, offshore activities, automobiles and finance. Presently, he is also a director in VMS Industries Limited, Luxierge Media Private Limited and VMS Autolink Private Limited.

Our Company is also supported by Sangeeta Jain, one of our Promoters, who has cleared the examination of Master's in arts from C.S.J.M. University, Kanpur. She has more than 30 (thirty) years of experience in administration. Presently, she is a director at VMS Industries Limited and VMS Autolink Private Limited.

We believe that the collective experience and capabilities of our Promoters and management team enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. For additional details, see "*Our Management*" on page 220.

Our Strategies

We have the following key business strategies to grow our business.

Integration to Renewable Energy for Cost Optimization and Sustainability

With the installation of a thirty-ton electric induction furnace, our power requirement has increased significantly from 4 MW to 22 MW, making electricity a critical operational expense for our TMT Bars manufacturing. Currently, our power requirements are met through the state power grid, but the rising cost of electricity has necessitated a strategic shift towards renewable energy to manage costs and ensure long-term sustainability.

The table below sets forth our power expenses for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Power and Fuel Expenses	1,708.57	3.16	1,483.28	1.74	1,396.53	1.59	606.31	1.25

To address this, we have initiated the process of setting up of a 15 MW solar power plant in Gujarat for captive consumption for which our Company and Prozeal have entered into a MOU pursuant to which Prozeal provided its services and land admeasuring 74 acres bearing survey numbers 82, 81, 63, 64, 61, 49, 40 and 39 situated at Village Zenta, Tharad Taluka, Banaskantha – 385565, District, Gujarat to set up a 15 MW solar project at the said land. We estimate that the cost of this solar power plant will be ₹ 4,640 lakhs, which we are financing from internal accruals and loans from banks. Our Company has already made an advance payment to Prozeal and has also received the provisional registration of renewable energy project under Gujarat Renewable Energy Policy, 2023 on October 25, 2024 from Gujarat Energy Transmission Corporation Limited. This initiative is part of our broader energy optimization strategy, aiming to reduce reliance on conventional power sources while lowering operational expenses. However, to fully meet the 22,000 kVAh power requirement for furnace operations solely through renewable energy, a 40 MW solar power plant would be necessary. Our future plans will focus on increasing our solar capacity in a phased manner, gradually enhancing the share of green energy in overall consumption.

By integrating solar energy into our manufacturing process, we aim to improve cost efficiency, energy security, and sustainability. This transition aligns with industry trends and regulatory frameworks that encourage renewable energy adoption, while also opening opportunities for green certifications, government incentives, and a stronger appeal to environmentally conscious clients. To maximize the benefits of solar power, we will implement efficient energy management systems that optimize power utilization and ensure seamless integration with our production processes.

This renewable energy transition also supports our commitment to green steel production, a key industry trend focused on reducing carbon emissions in steel manufacturing. By integrating solar energy into our processes, we aim to significantly lower our carbon footprint and contribute to the global shift toward sustainable and environmentally responsible steel production. The adoption of solar power strengthens our position in the emerging green steel market, making our products more appealing to eco-conscious clients and investors while enabling access to green certifications and government incentives. Our long-term vision is to continue investing in renewable energy sources and advanced energy efficiency technologies. By reducing dependence on conventional power and increasing the share of solar energy, we will not only optimizing costs but also reinforce our commitment to sustainable industrial practices, cost optimization, and the future of green steel manufacturing.

Backward Integration for Cost Efficiency and Supply Chain Optimization

To enhance cost efficiency, raw material security, and production self-sufficiency, our Company has undertaken a backward integration initiative focused on in-house billet manufacturing for TMT bar production. Previously, billets were sourced from local suppliers in Gujarat leading to higher procurement costs and supply chain dependencies. By installing a CCM at our facility in Bhayla Village, Bavla, Ahmedabad, Gujarat, we have established an in-house billet manufacturing system using scrap, significantly reducing reliance on external suppliers and lowering operational costs.

A key component of this integration is the installation of a thirty-ton electric induction furnace, which enables efficient melting of scrap for TMT. With an annual capacity of 216000 MT, this furnace ensures a steady supply of raw material for captive TMT bar manufacturing, minimizing procurement lead times and optimizing inventory management. To support this increased energy demand, a 22,000 kVAh power substation has been set up, ensuring a stable and reliable power supply for uninterrupted production.

This backward integration strategy delivers multiple operational advantages, including cost savings per ton of billets, improved process efficiency, and enhanced quality control. By eliminating external billet procurement, we mitigate risks associated with price volatility, supply chain disruptions, and inconsistent raw material quality. Additionally, the flexibility in billet length adjustments allows for optimized material utilization, reducing waste and improving overall production efficiency.

Moving forward, our strategy includes continuous process optimization, capacity expansion, and further investment in advanced technologies to enhance productivity and efficiency. By leveraging in-house billet manufacturing, we strengthen our competitive position in the market while reinforcing cost control, energy efficiency, and supply chain resilience. This initiative aligns with our Company's long-term vision of sustainable and efficient manufacturing, ensuring better margins, operational stability, and scalable growth opportunities.

Diversifying into product portfolio

As part of our growth strategy, our Company has consistently explored opportunities to diversify and expand its operations. In the past, we ventured into the manufacturing of MS Pipes, leveraging our expertise in the steel sector and our established market presence. While this division is currently not operational, it reflects our commitment to identifying and investing in high-potential business verticals. To facilitate expansion, we have entered into strategic agreements and partnerships that enhance our production capacity and market reach. Our approach includes optimizing sourcing strategies, improving operational efficiencies, and ensuring compliance with industry standards to maintain product quality and cost-effectiveness.

We aim to capitalize on synergies between our existing product lines and new business opportunities, utilizing our distribution network to reach a wider customer base. Through a combination of operational efficiencies, strategic collaborations, and market-driven innovation, we seek to strengthen our presence in key sectors and drive long-term sustainable growth.

Market Penetration and Expansion Plan for TMT Bars in Gujarat

With an existing in-house manufacturing capacity of 200,000 MT of TMT bars, our Company has established a strong foundation in the steel industry.

Domestic demand for TMT bars is anticipated to rise significantly, driven by the government's focused efforts on enhancing the nation's infrastructure. The construction industry's growth in India is on an upward trajectory, increasingly favoring TMT bars due to their superior qualities. These bars are known for their exceptional strength, durability, and ability to withstand seismic activities, making them indispensable in modern construction. As the government continues to prioritize the development of quality and sustainable infrastructure, TMT bars are set to play a crucial role. Their widespread adoption is not just a trend but a necessity, given the evolving structural requirements of contemporary construction projects. Engineers and builders across the country are increasingly turning to TMT bars to meet these demands, owing to their numerous advantages over traditional reinforcement materials. One of the most significant benefits of TMT bars is their earthquake-resistant properties. India, being prone to seismic activities, requires construction materials that can ensure the safety and stability of buildings. TMT bars are designed to absorb and dissipate seismic energy, which is essential for maintaining the structural integrity of buildings during earthquakes. This characteristic makes them a critical component in construction projects, especially in earthquake-prone areas. Moreover, the use of TMT bars aligns with the broader goals of sustainable development. (Source: Dun & Bradstreet Report).

To further expand its presence and market share in Gujarat, a phased approach is being adopted to ensure sustainable growth, efficient capital deployment, and risk mitigation through which we will focus on gradually increasing market reach and production capacity through job work operations, plant acquisitions, and eventual large-scale expansion.
The first phase of expansion involves leveraging third-party manufacturing facilities through job work arrangements. By utilizing existing external production setups, our Company can rapidly enter new market segments without heavy upfront investment, optimize production costs, and establish strong distributor and customer relationships. This approach allows for demand assessment and supply chain strengthening while ensuring efficient market penetration.

With a well-established presence and increased market demand, the final phase will involve full-scale expansion of in-house manufacturing capacity. Through our strategic investment in new production facilities and advanced technology, our Company will further enhance output efficiency, cost optimization, and competitiveness. This structured approach ensures that expansion is aligned with market demand, allowing for steady and profitable growth without overextending resources.

By adopting this phased market penetration strategy, our Company can efficiently scale operations, strengthen its position in Gujarat's TMT bar industry, and optimize cost structures while ensuring long-term sustainability and profitability.

Focus on sustainability

We intent to focus on sustainability by emphasizing quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our continued growth. Across our manufacturing facility, we have put in place quality systems that cover all areas of our business processes from manufacturing and supply chain to product delivery to ensure consistent quality, efficacy and safety of our products. Further, by initiating setting up of a 15 MW solar power plant as an additional captive renewable energy plant, our electricity cost will reduce and will further reduce our dependence on fossil fuels.

Our Products

We are engaged in manufacturing of TMT Bars from scrap through thirty - ton induction furnace in our CCM and rolling mill and also from billets through our reheating furnace and rolling mill. We have a retail licence agreement with Kamdhenu Limited dated November 7, 2022, which allows us to market our TMT Bars on mutually agreed terms within the State of Gujarat. We also sell billets and binding wire incidental to our TMT Bars business.

The table below sets out the break-up of our volume of products sold, as a percentage of revenue from operations, for the periods indicated:

Product	For the nine months period ended December 31, 2024			Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Volume (MT)	Amount (₹ in lakhs)	% of total revenues from	Volume (MT)	Amount (₹ in lakhs)	% of total revenues from	Volume (MT)	Amount (₹ in lakhs)	% of total revenues from	Volume (MT)	Amount (₹ in lakhs)	% Of total revenues from

			operation			**operation**			**operation**			**operation**
TMT Bars	1,03,129	50,480.39	90.95	1,61,902	82,110.69	94.06	1,51,795	85,420.37	96.85	88,410	47,329.99	95.86
Billets	190	80.36	0.15	127	54.96	0.06	101	47.33	0.05	469	217.62	0.44
Binding Wire	302	185.09	0.33	389	247.59	0.28	284	191.31	0.22	140	86.79	0.18
Scrap & Others	14,548	4,754.83	8.57	20,769	4,882.53	5.60	9,109	2,542.34	2.88	5,306	1,738.10	3.52
Total		**55,500.66**	**100.00**		**87,295.77**	**100.00**		**88201.35**	**100.00**		**49,372.50**	**100.00**

Note: As certified the Statutory Auditor, Suresh Chandra & Associates by way of their certificate dated March 27, 2025.

TMT Bars

TMT (Thermo-Mechanically Treated) bars are high-strength reinforcement steel used widely in construction industry due to their exceptional strength, ductility, and corrosion resistance. Manufactured through a process of quenching, self-tempering, and atmospheric cooling, TMT bars feature a tough outer surface and a ductile core, making them ideal for earthquake-resistant structures. They offer superior weldability and cost- effectiveness by reducing the amount of steel needed. Commonly used in building frameworks, infrastructure projects, and reinforced concrete structures, TMT bars come in various grades (like Fe-415D, Fe-500D, Fe- 550D, Fe-600D) and sizes (6mm to 50mm in diameter), catering to diverse construction requirements. *(Source: Dun & Bradstreet Report).*

For information about the production of TMT Bars, see *"Our Business - Manufacturing"* on page 191.

Grades of TMT Bars

The TMT Bars are graded on various compositions. The TMT bars are made of compositions to determine the various characteristics of TMT Bars. The following is the chemistry of the steel used to produce TMT bars:

TMT Grade	Product Feature
Fe 415D	Have Lower Strength and High Flexibility
Fe 500D	Moderately High Strength with High Flexibility /Elongation
Fe 550	Higher Strength with Low Flexibility/Elongation
Fe 600	Even Higher Strength with Very Low Flexibility/Elongation

(Source: Dun & Bradstreet Report)

Usage of TMT Bars

TMT Bars	
Section (mm)	**Usage**
8 MM	8 MM TMT Bar is mainly used in construction. It is used for making rings which are attached or fitted in pillar structure and linter structure. It helps in providing the support to pillar structure or linter structure in the process of construction.
10 MM & 12 MM	10 MM & 12 MM TMT Bars which are used for building up of roof top in RCC slab which is recommended for carrying heavy Loads in many RCC structure such as columns, beams, slabs, cantilever, etc.
16 MM	16 MM TMT Bar is mainly used for construction that is ground floor plus one and above. For such type of construction, 16 Mm TMT Bars are recommended to bear the load of upper floors.
20 MM, 25 MM and 32 MM	20MM, 25MM & 32 MM TMT Bars are advised for bringing up the foundational work stronger, the thickness of such rods provides more grip that sustains the load of the upper floors. Such bars are taken up for construction of huge projects.

Billets

We used to buy billets to produce our TMT Bars, however, post the backward integration of our production, we have started manufacturing TMT Bars from scrap from September 2024 onwards. We believe that this backward integration will enhance our raw material security and ensure a more reliable supply chain. We manufacture TMT Bars from scrap through thirty - ton induction furnace in our CCM and rolling mill and also from billets through our reheating furnace and rolling mill. For further information about our backward production of TMT Bars, see "*Our Business- Manufacturing*" on page 191.

Our Customers

Our business is predominantly conducted in the State of Gujarat (except Saurashtra and Kutch district of Gujarat), and we derive our revenue from retail as well as institutional customers. We have a diverse customer base comprising of individual house builders, contractors, governmental authorities and industrial customers in a range of industries including roadways, engineering services, retailers and real estate.

We have a history of high customer retention. As of December 31, 2024 and March 31, 2024, we enjoyed relationships in excess of three years with four of our top 10 customers. Our long-term relationships and ongoing active engagements with customers also allow us to enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base.

Geographic split of customers

Our customers and sales of TMT Bars are concentrated in the State of Gujarat where our retail license agreement with Kamdhenu Limited allows us to market our TMT Bars on mutually agreed terms within Gujarat (except Saurashtra and Kutch district of Gujarat) . We sell scrap and binding wire in the State of Gujarat and other states.

The table below sets forth the geographic state-wise split of our revenue from operations for periods indicated:

State	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Gujarat	54,106.27	97.49	86,200.96	98.75	85,923.25	97.42	47,728.37	96.67
Maharashtra	993.65	1.79	284.62	0.33	313.28	0.36	-	-
Punjab	186.62	0.34	633.97	0.73	628.58	0.71	348.46	0.71
Andhra Pradesh	12.96	0.02	29.19	0.03	30.88	0.04	-	-
Chhattisgarh	42.49	0.08	-	-	-	-	-	-
Delhi	37.31	0.07	-	-	-	-	-	-
Haryana	-	-	23.93	0.03	141.31	0.16	-	-
Karnataka	15.94	0.03	-	-	-	-	0.01	0.00
Madhya Pradesh	9.31	0.02	20.42	0.02	96.99	0.11	-	-
Rajasthan	-	-	71.22	0.08	116.24	0.13	17.34	0.04
Uttar Pradesh	10.36	0.02	-	-	20.28	0.02	32.44	0.07
West Bengal	-	-	-	-	33.14	0.04	-	-
SEZ Export	85.72	0.15	31.46	0.04	897.41	1.02	1,245.88	2.52
Total	**55,500.66**	**100.00**	**87,295.77**	**100.00**	**88,201.35**	**100.00**	**49,372.50**	**100.00**

Concentration of customers

Our business is concentrated with our top 10 customers. The table below sets forth our revenue from our largest customer, top 3 customers and our top 10 customers and their contribution to our revenue from operations for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations	Amount (₹ in lakhs)	% contribution to revenue from operations
Top 1 customer	16,083.45	28.98	25,397.55	29.09	25,177.30	28.55	15,888.09	32.18
Top 3 Customers	43,004.32	77.48	70,048.06	80.24	70,113.44	79.49	31,540.72	63.88
Top 10 Customers	51,841.56	93.41	82,461.90	94.46	81,340.73	92.22	41,586.05	84.23

The table below sets forth the revenue derived from our top ten (10) customers for the periods indicated:

1. **For the nine months period ended December 31, 2024:**

Sr. No.	Name of Party	Amount (₹ in lakh)	% of Revenue
1	Vinworth Steel Private Limited[#]	16,083.45	28.98
2	Chintan Steels[#]	13,845.22	24.95
3	Gujarat Steel Corporation-Gandhidham[#]	13,075.65	23.56
4	Polymer Corporation[#]	5,346.49	9.63
5	Customer 5*	1,374.33	2.48
6	Customer 6*	807.01	1.45
7	Customer 7*	398.62	0.72
8	Customer 8*	382.09	0.69
9	Abhishek Steels	360.00	0.65
10	Customer 10*	168.69	0.30

2. **For the Financial Year ended March 31, 2024:**

Sr. No.	Name of Party	Amount (₹ in lakh)	% of Revenue
1	Vinworth Steel Private Limited[#]	25,397.55	29.09
2	Gujarat Steel Corporation-Gandhidham[#]	23,289.39	26.68
3	Chintan Steels[#]	21,361.12	24.47
4	Polymer Corporation[#]	8,114.82	9.30
5	Customer 5*	1,735.02	1.99
6	Customer 6*	1,139.08	1.30
7	Steel House	415.45	0.48
8	Customer 7*	379.54	0.43
9	Customer 9*	342.28	0.39
10	Customer 10*	287.65	0.33

3. **For the Financial Year ended March 31, 2023:**

Sr. No.	Name of Party	Amount (₹ in lakh)	% of Revenue
1	Vinworth Steel Private Limited[#]	25,177.30	28.55
2	Gujarat Steel Corporation-Gandhidham[#]	24,698.38	28.00
3	Chintan Steels[#]	20,237.76	22.94
4	Polymer Infra Ispat	4,956.82	5.62
5	Polymer Corporation[#]	2,064.56	2.34
6	Customer 6*	1,184.61	1.34
7	Customer 7*	1,161.97	1.32
8	Customer 8*	669.13	0.76

Sr. No.	Name of Party	Amount (₹ in lakh)	% of Revenue
9	Customer 9*	645.01	0.73
10	Customer 10*	545.20	0.62

4. For the Financial Year ended March 31, 2022:

Sr. No.	Name of Party	Amount (₹ in lakh)	% of Revenue
1	Gujarat Steel Corporation-Gandhidham#	15,888.09	32.18
2	Chintan Steels#	12,505.03	25.33
3	Customer 3*	3,147.60	6.38
4	Polymer Infra Ispat	2,497.75	5.06
5	Polymer Corporation#	1,683.10	3.41
6	Vinworth Steel Private Limited#	1,640.91	3.32
7	GSG Developers	1,202.89	2.44
8	Customer 8*	1,185.86	2.40
9	Customer 9*	1,100.67	2.23
10	Customer 10*	734.15	1.49

#The aforesaid customers are operating in the Steel Sector.

**The name of customers has not been disclosed due to non-receipt of their consents*

Customer contracts and pricing

We usually do not enter into long-term supply contracts with any of our customers and typically rely on periodic purchase orders. Prices are negotiated with customers for each purchase order. The terms and conditions are set forth in the purchase orders. We generally sell our TMT Bars on a F.O.R. basis, which means to our customer's door. The purchase orders are typically subject to delivery, quality conditions including, right of buyer to conduct inspection of the delivered products to ensure conformity with the specifications and compliance with Indian or international standards. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be able to shift the volume produced to other customers.

We determine the prices for our products, based on various parameters, including market demand, our production capacity, transportation costs, raw materials costs, inventory levels, competitors' prices and credit terms. Our TMT Bar prices in Gujarat are disclosed daily at 11:00 am IST and are mutually decided by us and Kamdhenu Limited on the basis of market fluctuations. These prices are valid until the end of the day. See also, *"Our Business- Competition"* on page 205.

Sales and Marketing

We market and sell our TMT Bars in Gujarat under the brand '***Kamdhenu***'. We also sell scrap, mill scale and binding wires in Gujarat and other states. We sell our TMT Bars to retail and institutional customers through distribution network, on a non-exclusive basis, comprising of 3 distributors and 227 dealers as of February 28, 2025. Our focus for sales has been on Tier II and Tier III cities. We have divided the State of Gujarat into three zones namely central, north and south, respectively, with one distributor in each zone.

We do not have exclusive arrangements with our distributors or dealers. Our direct and frequent contact with our large dealer network helps us to stay up to date with changing preferences in the segment which also helps us to proactively provide product enhancements and react faster to changes in the end user segment.

Manufacturing

We manufacture our TMT Bars from scrap through thirty - ton induction furnace in our continuous casting machine and rolling mill at our manufacturing facility in Bhayla Village near Ahmedabad, Gujarat, India.

The table below sets forth a brief description of our products being manufactured and produced:

Units	Number of Units	Commissioning year(1)	Sq. feet of production space
TMT Bar(2)	1	2021	54,000
Manufacturing of Billets (CCM)(2)	1	2024	58,000

1. Calendar of commissioning of the unit.

2. Manufacturing facilities located at Bhayla Village near Ahmedabad.

Note: As certified by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated March 20, 2025

The table below sets forth the number of our employees as of January 31, 2025:

Departments / Teams	Number of employees as at January 31, 2025

TMT Division	
Compliance Officer / Company Secretary	1
Environmental, health and safety	1
Finance and accounts	10
IT	1
Management and administration	2
Others	31
Production/manufacturing	161
Quality Control	8
Total	**215**

TMT Bar Production

Key features of our TMT Bars manufacturing facility:

- Coal oxy automation to maintain proper flow of oxygen for optimum consumption of coal;
- Oil lubrication system at plant eliminating use of grease for better life cycle and lower breakdown;
- Automatic flying shearing, automatic bundling machine, bending machine and cooling bed with layer shifting for better handling;
- Use of tensile metal rolls for better shine, perfect size and higher roll life; and
- The entire mill is automated and synchronized via a unified control panel using a Programmable Logic Controller (PLC), ensuring efficient and consistent production.

Backward Integration

As part of our backward integration, we have also commenced manufacturing of the TMT Bars from scrap. We have installed a thirty-ton induction furnace with installed capacity of 216,000 MT per annum and have also installed power substation having 22,000 kVAh. We require 22MW of power for our uninterrupted operations, which we source from Uttar Gujarat Vij Company Limited. To reduce our electricity expenses, we have initiated the process of setting up of a 15 MW solar power plant in Gujarat for our captive consumption. The length of the billets can be customized as per the specification of TMT Bars to be manufactured.

Capacity, Production and Capacity Utilization

The table below sets forth our installed capacity, actual production and utilization for our manufacturing facility as of, and for nine months period ended December 31, 2024 and for the Fiscal Years 2024, 2023 and 2022 respectively:

Plant	Annual Installed Capacity (in MT)	For the nine months period ended December 31, 2024		As of, and for the year ended March 31,					
				2024		2023		2022	
		Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Actual Production (in MT)	Capacity Utilization (%)	Annual Actual Production (in MT)	Capacity Utilization (%)
TMT Bars	2,00,000	92,175.29*	61.45	1,60,321	80.16	1,61,807	80.90	72,121	61.82
Billets (CCM)	2,16,000	18,234.05**	33.77	-	-	-	-	-	-

**The Production and Capacity utilization is provided for 9 months*
***Production from September 26, 2024 to December 31, 2024, considering the same, production is for around 3 months and capacity utilization is calculated accordingly.*
Note: The information relating to the installed capacity of the manufacturing facility as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity and is based on the certificate issued by B.P. Oza & Associates, the Independent Chartered Engineer, vide certificate dated March 20, 2025

Manufacturing Process

Described below is our existing manufacturing process after completion of our backward integration from scrap to TMT Bars.

Manufacturing Process from Scrap to TMT Bars

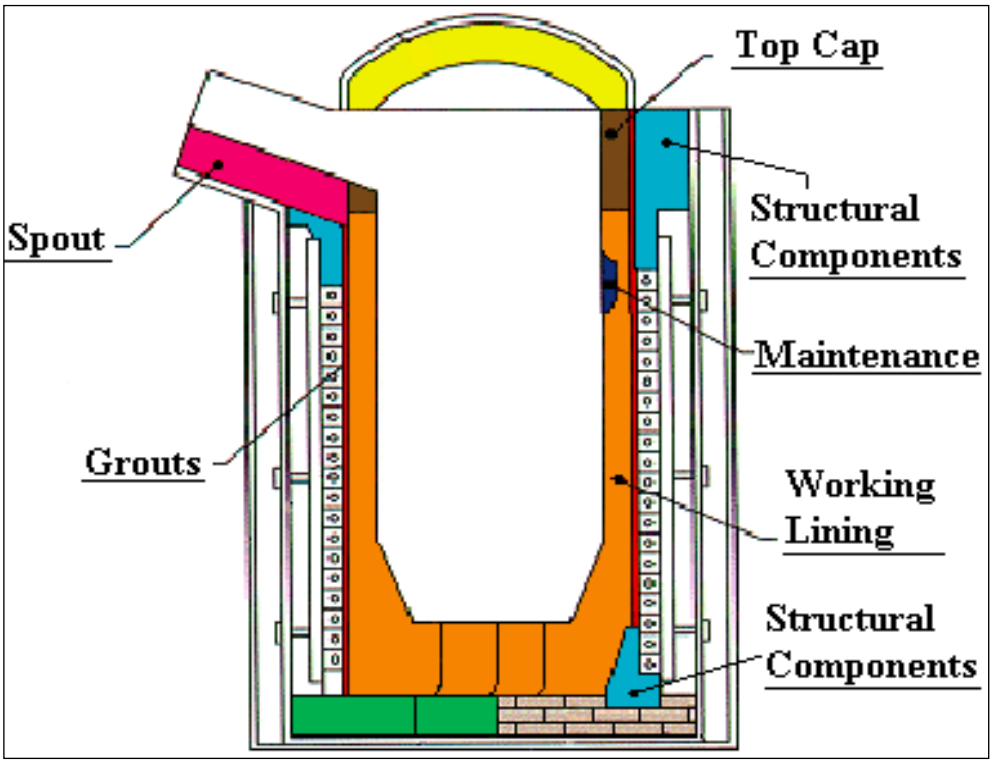
Set forth below is a description of the manufacturing process of producing TMT Bars from scrap in accordance with our backward integration project.

Raw Material

The ideal quality of raw material in case of induction furnace is clean, shredded scrap of low carbon content, sponge iron and melting.

Charging and Loading of Raw Material into Furnace

The induction furnace is prepared by lining its inside with ramming mass. The raw materials (stored near the furnace for ease of operation) are weighed in the right proportion and charged (loaded) into the furnace by using an electro magnet attached to an Electric Overhead Traveling Crane (called EOT crane), which ensures quick loading of sizable quantities of materials. The EOT crane increases operator safety and decreases the need and dependence on manpower. (Grab/magnet and Hydraulic trolley, Scrap bundling- 1 cubic meter around 700 kg).



Melting Process

The charge mix is melted in the induction furnace. A solid-state generator converts A.C. Power into D.C. Power, which is converted to A.C. Power of higher frequency (250 to 500 Hz) using thyristors (electronic device). This high frequency (250 to 500 Hz) current is passed through capacitor rack (to achieve the desired constant voltage) through copper Bus Bar into molten bath having water-cooled copper coil, which transfers the heat energy into mixture and melts the charge mix at around 1550°C.

The components in the mixture are melted by heat generated by eddy currents induced by a magnetic field set up by a high frequency alternating current which passes round water-cooled coils surrounding the crucible. The eddy currents increase with the square of the frequency, and an input current between 250 to 500 hertz is employed. As the frequency increases, the eddy currents tend to travel nearer to the surface of a charge (skin effect). The heat developed in the charge depends on the cross-sectional area which carries current. Large furnaces use lower frequencies to get adequate current penetration. The temperature of the metal bath can be adjusted by changing the power input, thereby ensuring proper mixing of components in the melt. The current induced in the molten metal causes a rapid stirring action and helps in melting the rest of charge by washing molten metal against the solid scrap. Thus, the uniformity of mixing the charge is assured and necessity of any manual stirring is avoided. The reactive slag impurities such as silica also attains the same temperature and floats on top, preventing oxidation of the melt. As the charge melts, the level inside the furnace drops and additional charge is added only until the melt reaches 67% of the crucible height. We propose to install a radio remote controlled scrap poking system to push the scrap into the furnace during the melting operation. This will improve the productivity, efficiency and

safety of operation. We also are installing a stationary crane on the furnace platform to improve scrap charging and to save power.

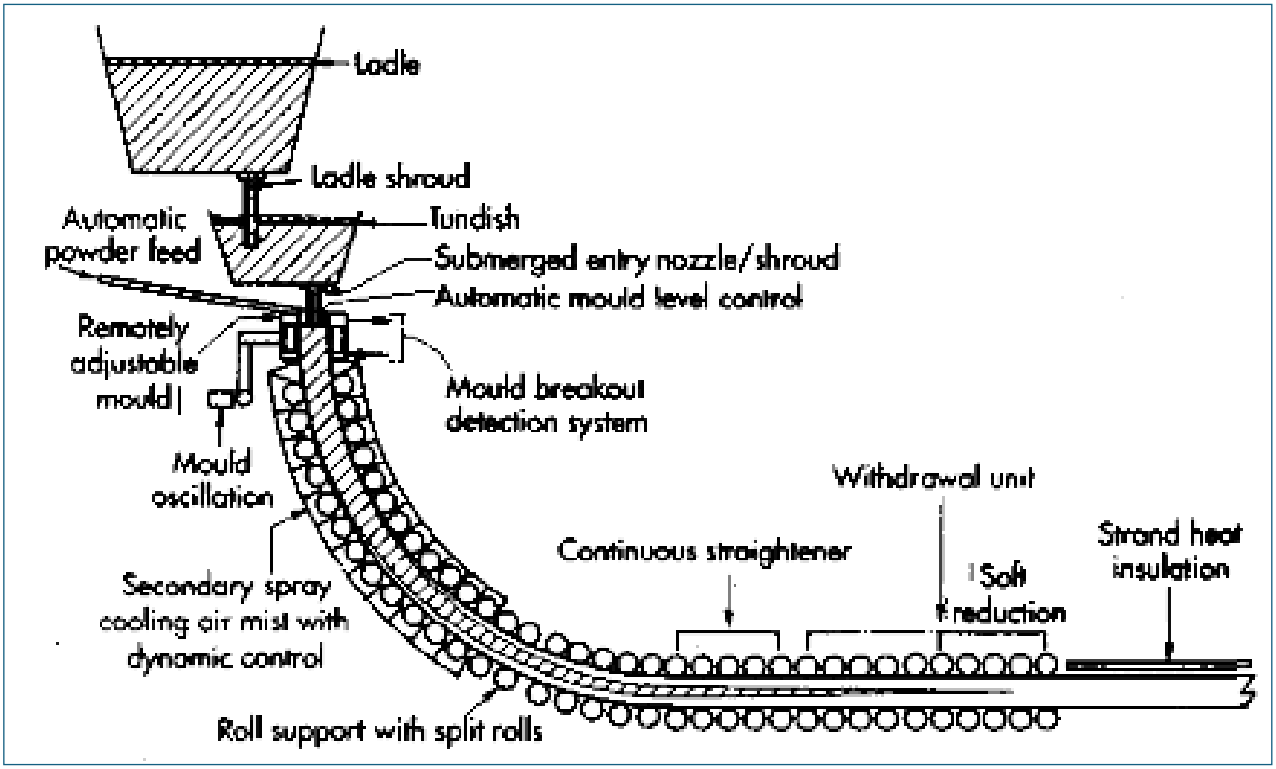
Heating is continued till the entire metal mass melts to liquid state. At this stage, a sample of the molten mixture (called "melt") is sent to the laboratory for analysis. Based on the analysis report, ferro alloys and other materials are added in appropriate quantities and the carbon content is increased or decreased as needed. This process is repeated till the desired composition is achieved. The temperature of the molten metal is checked by immersion pyrometer, and it is transferred to ladles for pouring into billets or desired shapes by continuous casting process. As the level inside the furnace falls, additional mix is poured from top and the cycle repeated without break (to avoid metal solidification, after which the refractory brick lining will have to be replaced and there will be great heat loss). The molten metal is poured with the hydraulic system in the preheated ladle after adding certain fluxes so that the temperature is maintained at about 1600 degree Celsius.

Continuous Casting Process

In the continuous casting process, the melt is solidified into a "semi-finished" billet, bloom, or slab, which immediately goes for rolling to the finishing mills. Continuous casting results in improved yield, quality, productivity and cost efficiency by great saving in heating and storage costs. It also provides increased process control through automation.

To start the casting operation, a dummy bar is inserted into the mould's outlet at the bottom to seal it. Pulling the dummy bar downward results in the withdrawal of the cast strand (flow of molten metal), which is collected in the ladle. Molten metal is tapped into the ladle from furnaces. After undergoing any ladle treatments (such as alloying and degassing), and checking the temperature, the ladle is transported to the top of the casting machine. Usually, the ladle sits in a slot on a rotating turret at the casting machine; one ladle is 'on cast' (feeding the casting machine) while the other is kept ready and moved to the casting position after the first ladle is filled and moved.

From the ladle, the melt is poured into moulds via the tundish, taking great care to prevent contact with the air (the tundish is the last metallurgical vessel through which molten metal flows before solidifying in the continuous casting mould). When molten metal moves through the tundish, it interacts with refractories, slag, and the atmosphere. Thus, proper tundish design and operation are important for delivering steel of strict composition and quality. The tundish allows a reservoir of metal to feed the casting machine while ladles are switched, thus acting as a buffer of hot metal, as well as smoothening out flow, regulating metal feed to the moulds and cleaning the metal. The tundish is mounted on tundish car which transfers the tundish from a parking station to casting position. Metal is drained from the tundish through another shroud into the top of an open-base water-cooled copper mould which oscillates vertically (or in a near vertical curved path) to prevent the metal sticking to the mould walls. A lubricant (powder or liquid) is also added to the metal in the mould to prevent sticking and to trap any remaining slag particles (including oxide particles or scale) and bring them to the top as a floating layer of slag.



The strand coming out of mould is immediately supported by closely spaced, water-cooled rollers; these support the walls of the strand against the ferro-static pressure of the still-solidifying liquid within the strand. To increase the rate of solidification, the strand is also passed through a spray-chamber and sprayed with large amounts of water. Final solidification of the strand (including core) takes place after the strand leaves the spray-chamber. In each strand, one hot billet shearing machine should preferably be installed to ensure that billet being cast are cut to the desire length by consuming minimum time and in line with the casting speed without causing any loss of metal and also without creating any distortion in the end of the billet so that, the ends of the billet do not cause any adverse impact at the entry of first pass.

After exiting the spray-chamber, the strand passes through straightening rolls and withdrawal rolls. There may be a hot rolling stand after withdrawal to pre-shape the final strand while the metal is still hot. Finally, the strand is cut into predetermined lengths by mechanical means, marked for identification and either taken to a stockpile or the next forming process. The CCM is likely to operate 24 hours whereas rolling mill will require at least 2 hours of maintenance time. Therefore, for accommodating the material cast during this rolling mill shutdown period; the cast billet should be conveyed to the cooling bed for which a sufficient length cooling bed should be provided. It is important to take into consideration the available melting facilities and re-rolling facilities capacity.

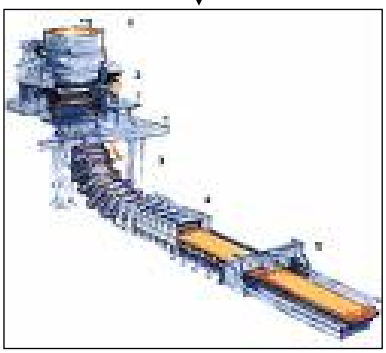
A flow chart showing the manufacture of billets is set forth below:

Sponge Iron

Scrap

Dolomite

Induction furnace



Continuous Casting Machine

Billets

Roughing Mill

Billets travel from continuous casting machine to roughing mill through the cooling bed. The roughing mill is where most of the elongation is done and the area cross section gradually decreases and the length increases. But the billet is still in the heated state and it continuously moves on to the next rollers through the guideways. To move the hot billet to the next rollers some accelerators are placed at certain intervals. These are called pinch rolls. There are springs on these pinch rolls which puts the pressure on the moving rod. The guideways help the tip of the red hot rod to enter the next roller that is the intermediate mill.

Intermediate Mill

After passing through the roughing mill, the rod is led into the intermediate mill. There is a speed increaser placed for the smooth movement of the rod as the motor is incapable of giving the entire push to the rod. After the intermediate mill, two pinch rolls and a shearer is placed before the finishing mill to make the movement of rod smooth. There are front and back cutters which remove the front and back tip of the hot rod to allow proper entering into the finishing mill.

Finishing Mill

The finishing mill is the main roller where the required dimension is obtained. The rollers are made with precision and in such a way that the exact dimension can be obtained. Quality is of great importance, since the manufactured products are graded and approved by the Indian Standards Institute or Bureau of Indian Standards. The final dimensions of the TMT Bar are achieved by finishing rollers. The rods, after passing through the finishing rollers, are still soft due to high temperature. There is a special guide way present after the finishing rollers which lead the rods to the TMT box. Cantilever stand for the finished mill which improves the quality of the roll with tensile roll.

TMT Box

One of the most important parts of the plant is the TMT box where all finished stand TMT are passed through. When the hot reinforced bar leaves the final rolling mill stand, it is instantaneously quenched – a type of heat treatment where the bars are rapidly cooled by water in a quenching box to obtain certain material properties. Quenching prevents the occurrence of undesired processes such as phase transformations etc. It accomplishes this by reducing the time frame during which these undesired reactions have a higher chance of occurring. Apart from it, the sudden drastic change in temperature toughens the outer layer of the steel bar, thus enhancing its tensile strength and durability. Thus, the quenching converts the outer surface of the reinforced bar to Martensite, a hard form of steel and causes it to shrink, which in turn pressurizes the core, thus helping it to form the correct crystal structures. As a result of this process, the surface of the quenched bar becomes cold and hardened, while the core remains hot.

Cooling Bed

After the self-tempering process, the bars are subjected to atmospheric cooling to equalize the temperature difference between the soft inner core and the hardened exterior.

Self-Tempering

After leaving the quenching box, a temperature gradient is formed through the cross-section of the quenched bar. As a result, heat flows from the core, as it is at a relatively higher temperature to the outer surface. This causes the correct tempering of the outer martensitic layer into a structure called Tempered Martensite and the formation of an intermediate ring of Martensite and Bainite (a plate-like microstructure). The core still stays in the austenitic (a typical cubical crystalline structure, commonly called as gamma-phase iron) state at this stage.

TMT Bar Cutting

TMT Bars forming are generally divided into shearing, bending and threading. The steel bar cutting production line adopts computer control technology, which ensures cutting of steel bar by auto-sizing. After cutting off by flying shear, the steel bar is moved to the designated storage rack and stored according to the specifications.

TMT Bars

After cutting off by flying shear, the steel bar is moved to the designated storage rack and stored according to the specifications and later on dispatched to customers.

Quality Control and Quality Assurance

Across our manufacturing, we have established a quality management system that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products.

We have a laboratory to ensure our TMT Bars adhere to customer quality requirements. Our products go through various quality checks at various stages including random sampling check and quality check internally. We are subject to strict

quality requirement and regular quality inspections by Kamdhenu Limited, our brand licensor. Our products must also meet the standards set by the Bureau of Indian Standards.

Our Company maintains number of quality management system certificates in line with industry standards, including ISO 9001:2015 for quality management standards, ISO 45001:2018 for occupational health and safety management system standards and ISO 14001:2015 for environmental management system standards.

The table below sets forth our total returns and rejections and such returns and rejections as a percentage of revenue from operations for the periods indicated:

Particulars	For the nine-month period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations*	Amount (₹ in lakhs)	% of revenue from operations*	Amount (₹ in lakhs)	% of revenue from operations*	Amount (₹ in lakhs)	% of revenue from operations*
Returns and rejections	80.20	0.14	109.28	0.13	141.71	0.16	90.66	0.18

**Rounded off*

Materials, Suppliers and Utilities

Our major raw materials for our manufacturing processes are mild steel scrap, sponge iron and coal. Our business is significantly dependent on our supply chain management. We have strong supply chain relationships in Gujarat and certain other states. Our raw material purchases were predominantly from suppliers in Gujarat. In the nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our material purchased from Gujarat was 72.83%, 64.04%, 77.65% and 93.14% respectively.

The table below sets forth our cost of goods sold for periods indicated.

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Costs of goods sold*	49,590.65	89.35	79,724.79	91.33	82831.19	93.91	46,094.54	93.36

** Consist of raw material consumed, purchase of stock-in trade, changes in inventories and direct expenses*

The table below sets forth cost of materials purchased from our top supplier, top three suppliers and top ten suppliers for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% costs of materials purchased	Amount (₹ in lakhs)	% costs of materials purchased	Amount (₹ in lakhs)	% costs of materials purchased
Top 1 Supplier	3,672.34	7.56	6,672.07	8.67	9,493.50	11.08	9,909.42	20.48
Top 3 Supplier	9,879.81	20.35	16,727.95	21.74	25,908.83	30.24	22,089.74	45.66
Top 10 Suppliers	24,739.56	50.21	38,566.55	50.12	49,209.30	57.43	32,121.35	66.40

The table below sets forth cost of materials purchased from our top ten suppliers for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total Purchases	Amount (₹ in lakhs)	% of total Purchases	Amount (₹ in lakhs)	% of total Purchases	Amount (₹ in lakhs)	% of total Purchases
Supplier 1	3,672.34	7.56%	6,672.07	8.67%	9,493.50	11.08%	9,909.42	20.48%
Supplier 2	3,365.49	6.93%	5201.58	6.76%	8,902.32	10.39%	8,666.11	17.91%
Supplier 3	2,841.97	5.85%	4854.30	6.31%	7,513.01	8.77%	3,514.21	7.26%
Supplier 4	2,411.10	4.97%	4,000.12	5.20%	5,060.79	5.91%	3,226.21	6.67%
Supplier 5	2,303.92	4.74%	3,534.30	4.59%	3,994.73	4.66%	1,515.40	3.13%
Supplier 6	2,287.40	4.71%	3,391.68	4.41%	3,468.37	4.05%	1,443.50	2.98%
Supplier 7	2,070.46	4.26%	3,253.52	4.23%	3,053.32	3.56%	1,142.41	2.36%
Supplier 8	2,008.87	4.14%	2,675.25	3.48%	2,977.72	3.48%	999.75	2.07%
Supplier 9	1,738.44	3.58%	2,572.12	3.34%	2,549.74	2.98%	919.90	1.90%
Supplier 10	1,679.55	3.46%	2,411.61	3.13%	2,195.79	2.56%	784.45	1.62%
Total	**24,379.56**	**50.21%**	**38,566.55**	**50.12%**	**49,209.30**	**57.43%**	**32,121.35**	**66.40%**

The table below sets forth percentage break up of our material purchases for the periods indicated:

(figures in %)

Location	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Gujarat	72.83	64.04	77.65	93.14
Chhattisgarh	10.12	11.10	3.55	0.14
Maharashtra	4.66	11.14	8.50	0.86
Madhya Pradesh	5.17	7.13	4.19	3.15
Odisha	1.51	3.98	5.79	2.31
Rajasthan	0.44	1.39	0.07	0.31
Dadra & Nagar Haveli	3.43	0.66	0.24	0.09
Jharkhand	0.06	0.48	-	-
Delhi	0.69	0.07	-	-
West Bengal	-	0.00*	0.00*	0.00*
Karnataka	0.21	-	-	-
Hongkong (Import)	0.36	-	-	-
UAE (Import)	0.52	-	-	-
Total purchases	**100.00**	**100.00**	**100.00**	**100.00**

**Negligible*

We usually do not enter into long-term supply contracts with our raw material suppliers and typically source raw materials on a purchase order basis. The terms and conditions of these purchase orders contain provisions related to the supplier's product quantity, pricing, payment and delivery terms. We typically purchase raw materials based on the projected levels

of sales, actual sales orders on hand, and the anticipated production requirements, taking into consideration any expected fluctuation in raw material prices and lead time. The prices of our raw materials are based on, or linked to, the international prices of such raw material and the variations are typically passed on to the customer.

Water

Water forms an essential part of our production processes. We consume a substantial amount of water in our operations, which is either sourced from third parties or extracted in the form of ground water.

The table below sets forth our expenses for water for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Water charges	2.77	0.01	0.23	Negligible	2.26	0.00	1.03	0.00

Coal

Carbon from coal is a major reducing agent and heat source in the production of TMT Bars. With our new electric induction furnace that was installed as part of our backward integration, we expect that our coal consumption will be substantially reduced.

Carbon from coal is a major reducing agent and heat source to convert scrap to billets and in the production of TMT Bars. In respect of coal, we sourced our requirements from five (5) suppliers in the nine months period ended December 31, 2024, two (2) suppliers in Fiscal 2024, six (6) suppliers in Fiscal 2023 and thirteen (13) suppliers in Fiscal 2022. Natural gas is used to cut billets during production. We source our natural gas locally from third parties in Gujarat.

The prices of our coal are linked to the national and international prices and the variations increase our costs of manufacturing.

The table below sets forth our expenses for coal consumption for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Coal consumption	685.45	1.27	1,183.20	1.39	1,740.73	1.99	859.41	1.77

For our production of TMT Bars from scrap, we use oxygen, LPG, water, power to run our furnaces and equipment and in the production processes itself. Our power requirements are sourced through the local state power grid. We also procure natural gas, LPG and oxygen from local suppliers in the State of Gujarat.

The table below sets forth our expenses for (i) oxygen and LPG and (ii) power, for the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Oxygen and LPG expenses	15.03	0.03	9.37	0.01	7.72	0.01	9.41	0.02
Power and fuel expenses	1,708.57	3.16	1,483.28	1.74	1,396.53	1.59	606.31	1.25

Our power expenses have increased significantly in recent years due primarily to an increase in electricity prices and further increases in power expenses may impact our margins if we are not able to pass these price increases to our customers. We expect our power requirements and power expenses to increase significantly due to the installation of our thirty-ton electric induction furnace as part of our backward integration project.

As part of our strategy, we are planning to setup a 15 MW solar power plant near our manufacturing facility for our captive consumption to reduce our power expenses. For further details, see "*Our Business – Our Strategies – Integration to Renewable Energy for Cost Optimization and Sustainability*" on page 185.

Logistics

We transport our finished products by road. We generally sell our TMT Bars on a F.O.R. basis, which means to our customer's door. In addition, we pay for transportation costs in relation to the delivery of raw materials and other inputs to our manufacturing facility. Our manufacturing facility and over 97.49% and 98.75% of our customers in the nine months period ended December 31, 2024 and Fiscal 2024 are located in Gujarat. For further details, see "*Our Business - Our Customers*" on page 189.

We do not own any vehicles for the transportation of our products but use a fleet of over 50 trucks provided by a third-party transportation and logistics provider for delivery of our products. We also use third party transportation providers for the delivery of raw materials. We do not have any contractual arrangements with any such third-party transportation and logistics providers.

We keep our inventory of products and raw materials at our manufacturing facility.

The following table sets forth our freight and cartage on sales charges and such charges as a percentage of total expenses in the periods indicated:

Particulars	For the nine months period ended December 31, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses	Amount (₹ in lakhs)	% of total expenses
Freight and cartage on sales	1,009.66	1.87	1,502.20	1.76	1,350.54	1.54	719.51	1.48

Inventory Management

We maintain high inventory levels of raw material requirements for the manufacture of our TMT Bars. The inventory of finished products is typically based on a combination of confirmed and expected orders. Our Company maintains sufficient level of inventories for finished goods to ensure the customer demand and timely delivery of TMT Bars to such customers.

The table below sets forth our inventory, average inventory and inventory turnover ratio as at, or for the periods, indicated:

(*₹ in lakhs, except ratio*)

Particulars	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventories	13,191.73	10,936.62	10,586.34	4,343.12
Average Inventory	11,093.02	10,154.06	6,997.90	3,767.60
Inventory turnover ratio	6.67	8.60	12.60	13.10

For further information, see "*Risk Factors - Our financial performance may be adversely affected if we are not successful in forecasting customer demands, managing our inventory levels*" on page 30.

Health, Safety and Environment

We are subject to national, regional and state laws and government regulations in India relating to safety, health and environmental protection. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our

products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health.

We are committed to maintaining high standards of workplace health and safety. While there have an instance of an accident in the past, however, we aim to become a zero-accident organisation. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. In addition to creating initiatives to improve workplace employee safety, we also implement initiatives to reduce the environmental impact of our operations. As on the date of this Draft Red Herring Prospectus, our manufacturing facility at Bhayla are certified ISO 45001:2018 for occupational health and safety management system standards and ISO 14001:2015 for environmental management system standards.

Information Technology (IT)

Our IT systems are important to our business. We use Tally, an enterprise resource planning software which is owned by us, for basic business functions and use programmable logic controller (PLC) to manage our business processes, sensors and movement of inventory and enterprise resource planning including anti-virus which our Company have obtained on license basis for data security and protection to cover key areas of our operations and accounting, which we source from third party vendors. For information on the risk to our IT systems, see *"Risk Factors - We do not have an information security and disaster recovery system in place. Further any failure or disruption of our IT systems may adversely affect our business, results of operations and financial condition"* on page 30.

Insurance

Our operations are subject to risks inherent as TMT Bar manufacturer, which include liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. In addition, we maintain commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, and personal and accidental injury. We, however, have not taken insurance to protect against all risk and liabilities. For example, we do not have key man insurance, and we do not take insurance for potential product liability claims.

The table below sets forth particulars of our insurance coverage on a restated basis as at the dates indicated:

Particulars	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Insured Assets (₹ lakhs)	6,498.15	6,427.57	6,405.46	6,026.16
Insured Assets as % of fixed assets (gross block less land cost and CWIP)	34.79%*	79.54%	80.72%	84.27%
Past instance of an Insurance claim exceeding liability insurance cover	Nil	Nil	Nil	Nil

**The Company has obtained an insurance policy from IFFCO-TOKIO General Insurance Co. Ltd., covering more than 95.00% of its fixed assets (gross block excluding land cost and capital work-in-progress) and the policy is having validity from March 25, 2025 to March 24, 2026.*

For further information, see "*Risk Factors – We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, not covered in our insurance policies, which could adversely affect business, results of operations and financial condition*" on page 45.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed.

Human Resources

We place importance on developing our human resources. As of January 31, 2025, our workforce comprised of 215 employees. Combinations of full-time employees gives us flexibility to run our business efficiently.

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We are committed to provide safe and healthy working conditions. We currently do not have any registered trade unions.

The table below set forth the attrition rate for our employees for the periods indicated:

Particulars	**For the nine months period ended December 31, 2024**	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Attrition Rate (%)	Nil	20.65%	Nil	Nil

We offer formal and informal training as well as on-the-job learning. Our training is carried out at our manufacturing facility to help turn unskilled labour into semi-skilled labour, and semi-skilled labour into skilled labour, thus increasing productivity.

In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, pension, retirement and other benefits, as applicable) and are covered by group personnel accident.

As on date of this Draft Red Herring Prospectus, our Company has not engaged any contractual workers.

Competition

TMT Bars is a capital intensive industry and there exists competition in our business which is based on pricing, extent and efficiency of the distribution network, relationships with customers particularly in the construction industry, product quality, and compliance with government regulation including environmental regulation. We face pricing pressures from companies, principally subsidiaries of large national steel companies and Indian TMT Bar companies that are able to produce TMT Bars at competitive costs and consequently, may supply their products at cheaper prices. Accordingly, to remain competitive in our market, our Company must continuously strive to reduce our operating costs and improve our operating efficiencies. Quality differentiation, superior strength, and corrosion resistance are key for manufacturers looking to stand out, justifying premium pricing. A robust distribution network and strong relationships with construction players are crucial for success in this competitive landscape. Further, our Company believes that our well recognized brands also help us in competing effectively in the TMT Bars. For further details on our competition and the TMT Bar industry, see "*Industry Overview*" on page 126.

Intellectual Property Rights

We have entered into a retail licence agreement with Kamdhenu Limited dated November 7, 2022, which allows us to market our TMT Bars under the Kamdhenu Brand . In the nine months period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, we paid Kamdhenu Limited a royalty of ₹ 490.32 lakhs, ₹ 610.66 lakhs, ₹ 535.45 lakhs and ₹ 300.76 lakhs, respectively, representing 0.88%, 0.70%, 0.61% and 0.61% of our total revenue from operation for the same respective periods. Our retail licence agreement dated November 7, 2022 is terminable by Kamdhenu Limited by giving one-month advance notice to us without any reason.

We have a pending trademark application for our corporate logo pending with the Trademark Registry on May 30, 2024

We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in our businesses, including know-how and trade secrets related to proprietary technologies and patents, trademarks, know-how and trade secrets. Our know-how and trade secrets in our businesses may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality products to our customers. See "*Risk Factors - We have filed a trademark application for our corporate logo. We also rely on a combination of trade secret and contractual restrictions to protect our intellectual property. If we are unable to protect our intellectual property rights, our business, results of operations and financial condition may be adversely affected"* on page 52

Properties

As on the date of this Draft Red Herring Prospectus, we have the properties as listed below;

Properties Sr. No.	Location	Primary Purpose	Ownership Status	Tenure of Lease	Lessor	Is lessor Related Party	Lease/ rent	Area	Lease Agreement Date
1	Survey No. 214, Near Water Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220	Registered and Corporate Office and Manufacturing facility for TMT Bars	Owned	-	-	-	-	15378 Square meters	-
2	Survey No. 236, Near Water Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220	Manufacturing facility for TMT Bars	Owned	-	-	-	-	24792 Square meters	-
3	Survey No. 231/2, Near Water Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220	CCM Manufacturing Facility	Owned	-	-	-	-	5167 Square meters	-
4	Survey No. 235, Near Water Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220	Electricity Substation	Owned	-	-	-	-	9332 Square meters	-
5	Survey No. 213, Near Water	Labour Colony and Parking	Owned	-	-	-	-	6205 Square meters	-

Properties Sr. No.	Location	Primary Purpose	Ownership Status	Tenure of Lease	Lessor	Is lessor Related Party	Lease/ rent	Area	Lease Agreement Date
	Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220								
6	Survey No. 215, Near Water Tank, Bhayla, Ahmedabad, Bavla, Gujarat, India, 382220	Vehicle Parking	Leased	Lease of 9 years from January 01, 2023 till January 01, 2032	•Fatesang Kamabhai Rathod •Mahendrasinh Rambhai alias, Ramsangbhai Rathod, •Gitaben, wife of Hirabhai Kamabhai Rathod •Ranjanben Pravinsinh Rathod •Jaypalsinh Pravinsinh Rathod •Narendrasinh Pravinsinh Rathod	No	₹ 51,000 per month	32031 square meters	January 07, 2023
7	Shop No 17, Avani Arcade, Karanj, Mandvi, Surat - 394110	Administrative office space	Rented	Rental agreement, from January 01,2025 to November 30, 2025	Arvind Raichand Shah	No	Rs. 9000 per month	18.58 Square Meters	January 03, 2025
8	808/C Pinnacle Business Park, Coprporate Road, Prahladnagar, Ahmedabad-380015	Administrative office space	Leased	Lease for 24 months, From April 01, 2024 for a period of 24 months till March 31, 2026	VMS Industries Limited	Yes	One cabin in office to the lessee with furniture & fixture at rent of ₹ 50,000 & Office Maintenance of ₹ 5,000	94 Square Meters	May 21, 2024

Legal Proceedings

For details on any outstanding litigation against our Company, our Directors and our Promoters, see "*Outstanding Litigation and other Material Developments*" beginning on page 344.

Corporate Social Responsibilities

As per provision of Section 135 of the Companies Act, 2013, we are required to spend at least 2% of the average profits of the preceding three fiscal years towards Corporate Social Responsibility ("**CSR**"). Accordingly, our Board of Directors has constituted a CSR Committee for carrying out the CSR activities.

In Fiscal 2024, we contributed to the UMIYA Education Charitable Trust and in Fiscal 2023 we contributed to the Arya Foundation for the improvement of women's lifestyle and children's development and education.

The table below sets forth the amounts, we spent on CSR for periods indicated:

(₹ in lakhs)

Particular	For the nine months period ended December 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
CSR Expenses	Nil	10.45	7.01	0.00