# CHANDI STEEL INDUSTRIES LIMITED

Our Company was originally incorporated as a Private Limited Company under the Companies Act, 1956 in the name of "Chandi Steel Industries Private Limited" vide a certificate of incorporation dated September 09, 1978 issued by the Registrar of Companies, West Bengal. The name of the Company was subsequently changed to its present name vide a special resolution passed by the shareholders of the Company under Section 44(2)(b) of the Companies Act, 1956 and a fresh certificate of Incorporation consequent upon change of name was issued on August 18, 2003 by the Registrar of Companies, West Bengal. For further details regarding our Company, please refer to "**General Information**" beginning on page no. 36 of this Letter of Offer.

**Registered Office**: 3, Bentick Street, Kolkata West Bengal -700001; **Telephone No.**: (033) 22489808; **Fax No.:** (033) 22430021;
**Works Office**: 16, Belur Road, Liluah, Howrah- 711204; **Telephone No.**: (033) 26556779, (033) 26556667;
**Contact Person:** Ms. Seema Chowdhury (Company Secretary & Compliance Officer)
**Corporate Identity Number**: L13100WB1978PLC031670;
**E-mail id:** chandisteelindustries@gmail.com; **Website**: www.chandisteel.com;

**PROMOTER OF OUR COMPANY: MR. RAJIV JAJODIA**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CHANDI STEEL INDUSTRIES LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY**

**NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT ECONOMIC OFFENDER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY**

**RIGHTS ISSUE OF UP TO 21070000 (TWO CRORES TEN LAKHS SEVENTY THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 10/- (RUPEES TEN ONLY) PER EQUITY SHARE FOR AN AMOUNT ₹ 21,07,00,000/- (RUPEES TWENTY-ONE CRORES SEVEN LAKHS ONLY) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) RIGHT SHARES FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDER AS ON FRIDAY, APRIL 07, 2023, BEING THE RECORD DATE (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 115 OF THE LETTER OF OFFER.**

*# Assuming full subscription.*

## GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "**Risk Factors**" beginning on page 18 of this Letter of Offer before making an investment in this Issue.

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The existing Equity Shares of our Company are listed on the CSE, however there is no trading on the CSE, for further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company beginning on page 18 of this Letter of Offer. Our Company has received in-principle approval from the CSE for listing of the Right Shares pursuant to its letter bearing reference number CSE/LD/15772/2023' dated Monday, February 13, 2023. For the purposes of the Issue, the Designated Stock Exchange is the CSE.

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **VC Corporate Advisors Private Limited**<br>CIN: U67120WB2005PTC106051<br>**SEBI REGN. No.:** INM000011096<br>**Validity of Registration**: Permanent<br>**Contact Person**: Ms. Urvi Belani/ Mr. Premjeet Singh<br>**Address:** 31, Ganesh Chandra Avenue, 2nd Floor, Suite No.–2C, Kolkata- 700 013<br>**Tel. No.:** (033) 2225 3940<br>**E-mail Id**: mail@vccorporate.com<br>**Investor Grievance e-mail id**: mail@vccorporate.com<br>**Website**:www.vccorporate.com | **Maheshwari Datamatics Private Limited**<br>CIN: U20221WB1982PTC034886<br>**SEBI REGN. No.:** INR000000353<br>**Validity of Registration**: Permanent<br>**Contact Person:** Mr. Ravi Bahl<br>**Address:** 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, Tel. No.: (033) 2248 2248;<br>**Fax No.:** (033) 2248 4787<br>**Email Id**: mdpldc@yahoo.com<br>**Investor Grievance e-mail id**: mdpldc@yahoo.com<br>**Website**: www.mdpl.in |

## ISSUE PROGRAMME

| ISSUE OPENS ON | LAST DATE FOR OFF-MARKET RENUNCIATIONS* | ISSUE CLOSES ON** |
|---|---|---|
| Friday, May 05, 2023 | Monday, May 15, 2023 | Friday, May 19, 2023 |

** The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*** Our Board thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open more than 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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# SECTION I - GENERAL

## DEFINITIONS AND ABBREVIATIONS

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

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to 'the/our Company', 'we', 'our', 'us' or similar terms are to Chandi Steel Industries Limited as the context requires, and references to 'you' are to the Eligible Shareholders and/ or prospective Investors in this Issue.*

*The words and expressions used in this Letter of Offer but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto, the rules and regulations made there under. Notwithstanding the foregoing, terms used in "**Statement of Special Tax Benefits**" and "**Financial Statements**" beginning on pages 48 and 66, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.*

| **CONVENTIONAL/ GENERAL TERMS** | |
|---|---|
| **Term** | **Description** |
| Articles of Association or Articles or AOA | The Articles of Association of our Company, as amended from time to time |
| Auditor or Statutory Auditor/ Peer Review Auditor | M/s. JHS & Associates LLP |
| Audit Committee | The committee of the Board of Directors constituted as our Company's Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and Section 177 of the Companies Act, 2013. For details, see "Our Management" on page 62 of this Letter of Offer |
| Board or Board of Directors | The Board of Directors of our Company or a duly constituted committee thereof |
| Company or Our Company or the Company or the Issuer or CSIL | Chandi Steel Industries Limited incorporated under the provisions of the erstwhile Companies Act 1956, having its Registered Office at 3, Bentick Street, Kolkata-700001 |
| Chief Financial Officer / CFO | Tushar Kanti Sarkar, the Chief Financial Officer of our Company. |
| Companies Act | Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time. |
| Company Secretary and Compliance Officer | Seema Chowdhury, the Company Secretary and Compliance Officer of our Company. |
| Depositories Act | The Depositories Act, 1996 and amendments thereto; |
| Depository Participant/ DP | Depository Participant as defined under the Depositories Act; |
| Designated Stock Exchange/ DSE | The Calcutta Stock Exchange Limited |
| Directors | Directors on the Board, as may be appointed from time to time |
| Eligible Equity Shareholders | Holders of Equity Shares of the Company as on the Record Date |
| Equity Shares | Equity shares of face value of ₹ 10/- each of our Company |
| Executive Directors | Executive Directors of our Company. |
| Financial Statement | The audited financial statements of our Company for the financial years ended March 31, 2022 and March 31, 2021 which comprises the balance sheet, the statement of profit and loss, including other comprehensive income, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and un-audited financial statements of our Company for the half-year ended September 30, 2022 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Independent Directors | The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act. |
| Internal Auditor | S. Khaitan & Co. |
| IT | Information Technology |

| **CONVENTIONAL/ GENERAL TERMS** | |
|---|---|
| **Term** | **Description** |
| Key Managerial Personnel | The key managerial personnel of our Company in terms of Companies Act and as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013. |
| Materiality Policy | A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer |
| Memorandum of Association or Memorandum or MOA | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act. |
| Non-Executive Directors | Non-executive Directors of our Company. |
| Non-Executive and Independent Director | Non-executive and independent directors of our Company, unless otherwise specified |
| Promoter | The Promoter of our Company is Mr. Rajiv Jajodia |
| Promoter Group | Ms. Sangeeta Jajodia<br>Mr. Gaurav Jajodia<br>Mr. Aashish Jajodia<br>Ms. Kanchan Jajodia<br>Mr. Devendra Prasad Jajodia<br>Ms. Shashi Devi Jajodia<br>M/s. Jai Salasar Balaji Industries Pvt Ltd.<br>M/s. Shri Keshrinandan Trade Pvt Ltd. |
| QC | Quality Control |
| Registered Office | 3, Bentick Street, Kolkata West Bengal - 700001 |
| Registrar of Companies / ROC | Registrar of Companies, West Bengal, Kolkata |
| Rights Issue Committee | The Committee of our Board constituted for purposes of this Issue and incidental matters thereof. |
| SEZ | Special Economic Zone |
| Stock Exchange | Stock exchange where the Equity Shares of our Company are presently listed, being only The Calcutta Stock Exchange Limited |
| Works Office | 16, Belur Road, Liluah, Howrah- 711204 |
| We/ us/ our | Unless the context otherwise indicates or implies, refers to Chandi Steel Industries Limited; |

| **ISSUE RELATED TERMS** | |
|---|---|
| **Term** | **Description** |
| 2009 ASBA Circular | The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 |
| 2011 ASBA Circular | The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 |
| Abridged Letter of Offer or ALOF | Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto and the Companies Act |
| Additional Rights Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement |
| Allotment, Allot or Allotted | Allotment of the Rights Equity Shares pursuant to this Issue |
| Allotment Account(s) | The account(s) opened with the Banker(s) to this Issue, in to which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act |
| Allotment Account Bank(s) | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being ICICI Bank Limited |
| Allotment Advice | The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be allotted the Equity Shares pursuant to this Issue |
| Allotment Date/ Date of Allotment | Date on which the Allotment is made pursuant to this Issue |
| Allottee(s) | Persons to whom Right Shares are allotted/ issued pursuant to this Issue |

| **ISSUE RELATED TERMS** | |
|---|---|
| **Term** | **Description** |
| Applicant(s) or Investors | Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Letter of Offer |
| Application(s) | Application made through (i) submission of the Application Form or plain paper Application to the designated Branch of the SCSBs or online/electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process |
| Application Form | Unless the context otherwise requires, an application form under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue |
| Application Money | Amount payable at the time of Application, i.e., ₹ 10/- [Rupees Ten Only] per Rights Equity Share in respect of the Rights Equity Shares applied for in the Issue at the Issue Price |
| Application Supported by Blocked Amount or ASBA | Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in at the ASBA Account maintained with the SCSB |
| ASBA Account | Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application |
| ASBA Applicant/ ASBA Investor(s) | As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility |
| ASBA Bid | A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. |
| ASBA Circulars | Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/ 30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 |
| Banker(s) to the Issue | Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being ICICI Bank Limited; |
| Banker to the Issue Agreement | Agreement dated March 27, 2023 amongst our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors making an Application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the Agreement |
| Basis of Allotment | The basis on which the Rights Equity Shares will be Allotted to successful Applicants under this Issue, as described in "Terms of the Issue" beginning on page 115 of this Letter of Offer |
| Consolidated certificate | The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form; |
| Controlling Branches or Controlling Branches of the SCSBs | Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/ other/OtherAction.do?doRecognised=yes |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is applicable on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised =yes |
| Draft Letter of Offer or DLOF | The Draft Letter of Offer January 14, 2023 to be filed with the Designated Stock Exchange |
| Escrow Collection Bank | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited |
| Eligible Equity Shareholder(s) | Holder(s) of the Equity Shares of our Company as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholder For further details, see "Notice to Overseas Investors" on page 11 of this Letter of Offer |
| Fraudulent Borrower | Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI |
| IEPF | Investor Education and Protection Fund |
| Investor(s)/ Applicants | Eligible Equity Shareholder(s) of our Company on the Record Date, Friday, April 07, 2023 and the Renouncee(s) |
| ISIN | International Securities Identification Number i.e., INE204G01017 |

| **ISSUE RELATED TERMS** | |
|---|---|
| **Term** | **Description** |
| Issue Agreement | Issue agreement dated February 17, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue / Rights Issue | Rights Issue of up to 21070000 (Two Crores Ten Lakhs Seventy Thousand) Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹ 10/- (Rupees Ten Only) per Rights Equity Share not exceeding ₹ 21,07,00,000/- (Rupees Twenty-One Crores Seven Lakhs Only) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 2 (two) right shares for every 1 (one) equity shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Friday, April 07, 2023.<br>*Assuming full subscription |
| Issue Closing Date | Friday, May 05, 2023 |
| Issue Opening Date | Friday, May 19, 2023 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations |
| Issue Price | ₹ 10/- (Rupees Ten Only) per equity share |
| Issue Proceeds / Gross Proceeds | Gross proceeds of the Issue |
| Issue Size | Amount aggregating not exceeding up to ₹ 21,07,00,000/- (Rupees Twenty-One Crores Seven Lakhs Only)<br>#Assuming full subscription |
| Lead Manager | VC Corporate Advisors Private Limited |
| Letter of Offer/LOF | The final Letter of Offer to be filed with the CSE after incorporating the observations received from the CSE on the Letter of Offer |
| Listing Agreement | The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application |
| Net Proceeds | Issue Proceeds less the Issue related expenses. For further details, please refer to "Objects of the Issue" beginning on page 44 of this Letter of Offer |
| Non-ASBA Investor/<br>Non-ASBA Applicant | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees |
| Non-Institutional Investors | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations |
| Offer Document | The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto; |
| Off Market Renunciation | The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off- market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. |
| Qualified Institutional Buyers or QIBs | Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations |
| Record Date | Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Rights Equity Shares, being Friday April 07, 2023 |
| Refund Bank(s) | The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited |
| Refund through electronic transfer of Funds | Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable; |

| **ISSUE RELATED TERMS** | |
|---|---|
| **Term** | **Description** |
| Registrar to the Company/ Registrar to the Issue/ Registrar | Maheshwari Datamatics Private Limited |
| Registrar Agreement | Agreement dated February 17, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue |
| Renouncee(s) | Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation |
| Renunciation Period | Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to Friday, May 19, 2023**,** i.e., the Issue Closing Date |
| Retail Individual Bidders(s)/ Retail Individual Investor(s)/ RII(s)/RIB(s) | An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000.00/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations |
| Rights Equity Shares | Equity Shares of our Company to be Allotted pursuant to the Issue |
| Rights Entitlement(s)/ RES | Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 2 (Two) Rights Share for every 1 (One) fully paid-up Equity Shares held by an Eligible Equity Shareholder.<br>The Rights Entitlements with a separate ISIN 'INE204G20017' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date |
| Rights Equity Shares | Equity Shares of our Company to be Allotted pursuant to this Issue |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Equity Shareholders The Rights Entitlements are accessible on the website of our Company |
| SCSB(s) | Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time; |
| Transfer Date | The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the DSE |
| Willful Defaulter | Company or person, as the case may be, categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act,) or consortium thereof, in accordance with the guidelines on willful defaulters issued by RBI |
| Working Day(s) | In terms of Regulation2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Kolkata are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI |

| **CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS** | |
|---|---|
| **Term** | **Description** |
| Rs., ₹, Rupees or INR | Indian Rupees |
| AIF(s) | Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AGM | Annual General Meeting |
| AY | Assessment year |
| CSE | The Calcutta Stock Exchange Limited |

| CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS | |
|---|---|
| **Term** | **Description** |
| CAGR | Compound Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Companies Act, 1956 | Erstwhile Companies Act, 1956 along with the rules made there under |
| Companies Act, 2013 | Companies Act, 2013 along with the rules made there under |
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CRAR | Capital adequacy ratio/Capital to risk assets ratio |
| CrPC | Code of Criminal Procedure, 1973 |
| Depositories Act | Depositories Act, 1996 |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 |
| Depository Participant/ DP | A depository participant as defined under the Depositories Act |
| DP ID | Depository participant's identification |
| DIN | Director Identification Number |
| EBITDA | Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss |
| EGM | Extraordinary general meeting |
| EPS | Earnings per Equity Share |
| FCNR Account | Foreign currency non-resident account |
| FDI Circular 2020/ FDI Circular | Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India |
| FEMA | Foreign Exchange Management Act, 1999, together with rules and regulations thereunder |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year, Fiscal Year or Fiscal | Period of 12 months ended March 31 of that particular year, unless otherwise stated |
| FIR | First information report |
| FPIs | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI |
| GAAP | Generally accepted accounting principles |
| GDP | Gross Domestic Product |
| GoI or Government | Government of India |
| GST | Goods and Service Tax |
| HFC | Housing finance companies |
| HUF | Hindu Undivided Family |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| ICAI | Institute of Chartered Accountants of India |
| Income Tax Act | Income-Tax Act, 1961 |
| Ind AS | Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended |
| IFRS | International Financial Reporting Standards |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended thereto |
| ITAT | Income Tax Appellate Tribunal |
| LTV | Loan to value ratio |
| MCA | Ministry of Corporate Affairs |
| Mutual Fund | Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations,1996 |
| Net Asset Value per Equity Share or NAV per Equity Share | Net Worth/ Number of Equity shares subscribed and fully paid outstanding |

| CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS | |
|---|---|
| **Term** | **Description** |
| Net Worth | Aggregate of Equity Share capital and other equity |
| NBFC | Non-banking financial companies |
| NPA(s) | Non-performing assets |
| NRE Account | Non-resident external account |
| NRI | A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NRO Account | Non-resident ordinary account |
| NSDL | National Securities Depository Limited |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or in directly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or in directly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| PAN | Permanent account number |
| PAT | Profit after tax |
| QP | Qualified purchaser as defined in the U.S. Investment Company Act |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the U.S. Securities Act |
| RTGS | Real time gross settlement |
| Rule 144A | Rule 144A under the U.S. Securities Act |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 as amended thereto |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 as amended thereto |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended thereto |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended thereto |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended thereto |
| SEBI Rights Issue Circulars | SEBI circulars bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 read with SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 as amended thereto |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended thereto |
| Stock Exchange | Calcutta Stock Exchange Limited / CSE |
| STT | Securities Transaction Tax |
| Supreme Court | Supreme Court of India |
| Trade Mark Act | Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto; |
| TAT | Turnaround time |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended thereto |
| Total Borrowings | Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities |
| U.S.$ , USD or U.S. dollar | United States Dollar, the legal currency of the United States of America |
| U.S. Investment Company Act | Investment Company Act of 1940, as amended |
| U.S. Person | U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulations) |
| U.S. QIB | Qualified institutional buyer as defined in Rule 144A |
| USA, U.S. or United States | United States of America |
| U.S. SEC | U.S. Securities and Exchange Commission |
| U.S. Securities Act/ Securities Act | U.S. Securities Act of 1933, as amended |
| VCF | Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be. |

## NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively "**Issue Material**") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform by themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Material through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, CSE and BSE. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as in valid where they believe that Application Form is in complete or acceptance of such Application Form may in fringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material.

**THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

## NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.
The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY FROM THE LEAD MANAGER FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

**Certain Conventions**

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

In this Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

**Financial Data**

Our fiscal year commences on April 1 of each calendar year and ends on March 31 of the following calendar year, so all references to a particular "fiscal year" or "Fiscal" are to the 12-months period ended on March 31 of that year.

Unless the context otherwise requires, our financial data in this Letter of Offer is derived from the Audited Financial Statements. Our audited financial statements as of and for financial year ended March 31, 2022 have been prepared by our Company in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements ("Financial Statements"). Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details of financial statements, see "Financial Statements" on page 66 of this Letter of Offer.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

**Currency of Presentation**

All references to the "Rupees "or "₹" are to Indian Rupees, the official currency of the Republic of India.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in lakhs. Exchange Rate

The following table provides information with respect to the exchange rate for the Indian rupee per US$1.00. The exchange rates are based on the reference rates released by Foreign Benchmark India Private Limited which is available on their website. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

| Currency | As on March 31, 2022 | As on March 31, 2021 | As on March 31, 2020 |
|---|---|---|---|
| **1 US$** | **₹ 75.81** | **₹ 73.51** | **₹ 75.39** |

Source: FBIL Reference Rate as available on https://www fbil.org.in (In case March 31 of any of the respective years is a public holiday, the previous working day has been considered.)

## FORWARD LOOKING STATEMENTS

This Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled "Risk Factors", "Objects of the Issue" and "History and Corporate Structure". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, political & legal environment and geographical locations in which our Company operates, and other information that is not historical information. These forward- looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations; business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities, pandemics and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- impact of any further COVID-19 pandemic on our business and operations;
- any unforeseen situation / event having negative impact on the capital market;
- any disruption in our sources of funding or increase in costs of funding;
- our ability to obtain certain approvals and licenses;
- engagement in a highly competitive business and a failure to effectively compete; and
- our ability to manage our operations at our current size or to manage any future growth effectively

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "**Risk Factors**", on page 18 of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange' requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the CSE. The existing Equity Shares of our Company are listed on CSE, however there is no trading on CSE, for further details, kindly refer to the Risk Factor 'Our Company is currently listed only on CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company' on page 18 of this Letter of Offer.

# SECTION II- SUMMARY OF THE LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled "*Risk Factors*", "*The Issue*", *"Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Terms of the Issue*" on pages 102 and 115 of this Letter of Offer respectively.

## 1. SUMMARY OF BUSINESS:

Chandi Steel Industries Limited ("**CSIL**") was established in 1978 and is now emerging as one of the leader for manufacturing of Cathode Collector Bar, Anode Bar, Copper Inserted Cathode Bar Assembly, Anode Stub and Grinding Media Rod for the aluminum, mineral and mining industry. We are one of the leading manufacturers of forging and engineering qualify alloy and non-alloy steel Rounds, Flats, and Squares. Our manufacturing unit (i.e., works office) is located in Liluah of Howrah District of West Bengal, India, with an installed capacity of 60,000 Metric Tonnes per annum. Our flawless inspection and testing facilities have made us one of most reliable suppliers in the industry. The in-house testing & machining facilities also help us to maintain close tolerance and provide better consumption to industry. We believe in quality and the customers believe in us.

For further details, please refer to the chapter titled 'Business Overview' beginning on page 61 of this Letter of Offer.

## 2. OUR PROMOTERS:

**Individual Promoters / Promoter Group**

- Rajiv Jajodia
- Devendra Prasad Jajodia
- Gaurav Jajodia
- Sangeeta Jajodia
- Aashish Jajodia
- Kanchan Jajodia
- Shashi Devi Jajodia

**Non-Individual Promoters / Promoter Group**

- Jai Salasar Balaji Industries Private Limited
- Shri Keshrinandan Trade Private Limited

## 3. OBJECTS OF THE ISSUE:

The details of Issue Proceeds are set forth in the following table:

| **Particulars** | **Amount (₹ in Lakhs)** |
|---|---|
| Gross Proceeds from the Issue# | 2,107.00 |
| Less: Estimated Issue related Expenses | 26.00 |
| **Net Proceeds from the Issue#** | **2,081.00** |

# assuming full subscription and allotment.

**The Issue size will not exceed ₹ 21,07,00,000/- (Rupees Twenty-One Crores Seven Lakhs Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

The Net Proceeds (gross proceeds less issue expenses) are proposed to be used in accordance with the details provided in the following table:

| **Particulars** | **Amount (₹ in Lakhs)** |
|---|---|
| Repayment of unsecured loans availed by the Company | 500.00 |
| To meet the working capital requirement | 1,081.00 |
| For general corporate purposes | 500.00 |
| **Total Net Proceeds** | **2,081.00** |

*The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
*For further details, please see chapter titled "Objects of the Issue" beginning on page 44 of this Letter of Offer.*

**4. Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:**

The Individual Promoters/ Promoter Group through vide letters dated Thursday, 29th September, 2022, and Corporate Promoter Group vide their board resolutions dated Thursday, 29th September , 2022 (hereinafter collectively referred to as the "**Subscription Letters**"), have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter/ Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI ICDR Regulations. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that

remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Such subscription for Rights Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of SEBI Listing Regulations and the provisions of the SCRR. As on date our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to this Issue.

In case this Rights Issue remains unsubscribed or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

**5. Summary of Financial Information**:

The following table sets forth summary financial information derived from the Audited Financial Statements for the Financial Years ended March 31, 2022, March 31, 2021 and un-audited certified financial statements for the half-year ended period September 30, 2022, prepared in accordance with recognition and measurement principles of Ind AS 34 and Regulation 33 of SEBI Listing Regulations.

**(₹ in lakhs other than share data)**

| **Particulars** | **For Half-year period ended September 30, 2022 @** | **Financial Years ended** | |
|---|---|---|---|
| | | **March 31, 2022** | **March 31, 2021** |
| Equity share Capital | 1,053.50 | 1,053.50^ | 1,053.62 |
| Net Worth | 7,954.55* | 5,583.93 | 3,590.31 |
| Revenue (total income) | 25,977.60 | 43,234.28 | 23,029.89 |
| Net Profit/(Loss) before Tax and extraordinary items | 3,174.82 | 2,674.91 | 671.12 |
| Profit after tax and extraordinary items | 2,370.63 | 1,993.21 | 510.60 |
| Earnings per share (basic and diluted) (Rs.) | 22.50* | 18.92 | 4.85 |
| Net asset value per equity share (Rs.) | 75.51 | 53.00 | 34.08 |
| Reserves and Surplus | 6901.05 | 4,530.43 | 2,536.69 |
| Return on Net Worth (Rs.) | 0.30 | 0.36 | 0.14 |

** Non-annualized.*

*^The Company during the Financial Year 2021- 2022 has forfeited 5,000 partly paid-up equity shares amounting to ₹ 0.12 Lakhs.*

*@ As per Limited Review financial results submitted to the CSE.*

**6. Auditor Qualifications:**

There are no qualifications by the Statutory Auditors in their report to the Audited Financial Statements for the Financial Year ended March 31, 2022.

**7. Summary of Outstanding Litigations:**

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this LOF is provided below. For details of the material outstanding litigation proceedings including criminal proceedings and civil proceedings, please see "Outstanding Litigations, Defaults and Material Developments" on page 102 of this LOF.

- Litigations involving our Company:
  a. Cases filed against our Company:

| **Nature of Litigation** | **Amount involved* (₹ in lakhs)** |
|---|---|
| Litigation Involving Actions by Statutory/Regulatory Authorities | Nil |
| Litigation involving Tax Liabilities (Indirect Tax) | 18.57 |
| Proceedings involving issues of moral turpitude or criminal liability on the part of our Company | Nil |
| Proceedings involving material violations of statutory regulations by our Company | Nil |
| Labour Matters | Nil |
| Economic Offences | Nil |
| Material civil litigations above the materiality threshold | Nil |

| | |
|---|---|
| Litigation involving our Directors, Promoters and Promoter Group | Nil |
| Litigation involving our Group Companies | Nil |

**To the extent quantifiable.*

b. Cases filed by our Company:

| Nature of Litigation | Number of matters outstanding | Amount involved* (₹ in lakhs) |
|---|---|---|
| Criminal Matters | Nil | Nil |
| Other civil litigation considered to be material by our Company's Board of Directors | Nil | Nil |

**To the extent quantifiable.*

*For further details, please refer to section titled 'Outstanding Litigations, Defaults and Material Developments' beginning on page no. 102 of this Letter of Offer.*

**8. Risk Factors**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "Risk Factors" on page no. 18 of this Letter of Offer.

**9. Summary of Contingent Liabilities of our Company**

For the half-year ending period on September 30, 2022, and for the Financials Years ending on March 31, 2022, and March 31, 2021 the contingent liabilities that had not been provided for, details of the same as under:

*(Amount ₹ in Lakhs)*

| Sl. No. | Particulars | September 30, 2022 | March 31, 2022 | March 31, 2021 |
|---|---|---|---|---|
| a. | Sales Tax & Excise Duty matters under dispute/appeal | 63.85 | 34.90 | 42.77 |
| b. | Bank Guarantees outstanding | 49.11 | 86.06 | 101.93 |

*Please see the section "Financial Statements" on page no. 66 of this Letter of Offer for more information.

**10. Summary of Related Party Transactions**

For details of the related party transactions, as reported in the Financial Statements for Financial Years ending March 31, 2022, please see page no. 90 of this Letter of Offer.

**11. Financing Arrangements**

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives, Directors of the company which is a Promoter of our Company have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six months immediately preceding the date of this Letter of Offer.

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

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Letter of Offer.

## SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Rights Equity Shares. The risks described below are not the only risks relevant to our Company's business, operations or our Rights Equity Shares, but also to the industry and segments in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our equity shares could decline, and investors may lose all or part of their investment.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Financial Information "beginning on page 66 and other information contained in this Letter of Offer. In making an investment decision, investors and purchasers of the Rights Equity Shares must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors and purchasers of our Rights Equity Shares should consult their tax, financial and legal advisors about the consequences of investing in the Issue. Prospective investors and purchasers of the Rights Equity Shares should pay attention to the fact that our Company is incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", and "Our Business" on pages 53 and 61 of this Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, including the LM, has independently verified the information in the industry report or other publicly available information cited in this section.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 14 of this Letter of Offer. The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause 5 in Part B-1 of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

### INTERNAL RISK FACTOR

### BUSINESS RELATED RISKS

***1. Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for shareholders of the Company.***

The Calcutta Stock Exchange Limited was established in the year 1908. However, in terms of the exit circular May 30, 2012, SEBI, vide its various exit orders, derecognized regional stock exchanges during the period January 2013 to June 2015 including Interconnected stock exchange and Over-The-Counter Exchange of India formed with the object of providing national level liquidity. The CSE has not been able to achieve the prescribed turnover on a continuing basis in terms of the Exit Policy. The explanation given for the failure to achieve such a turnover by the CSE is that SEBI had issued a notice dated April 3, 2013, under Section 12A of the Securities Contracts (Regulation) Act, 1956 regarding non-compliance of Regulation 3 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, and thereby stopping the clearing house facility of the CSE. Without the clearing house, the business of clearance has come to a stop, thereby preventing trade of securities at the CSE. As on date, the CSE is still a recognized stock exchange as it continues to meet certain guidelines specified by SEBI in the exit orders and circulars, however no trading is permitted on the said Exchange. Due to the said factor, there shall not be any active trading in the Rights Shares to be issued by the Company, and hence the shareholders shall not be able to enjoy the listing gains.

***2. Part of the Issue proceeds will be utilized by our Company for part - repayment of unsecured loans availed by our Company.***

One of the main objects of this Issue is to repay a portion of the unsecured loans availed by our Company from lenders. As on September 30, 2022, we have outstanding unsecured loans, including interest, aggregating to ₹ 1,447.59 Lakhs. To the extent that the issue proceeds will be used to repay the unsecured loans, no capital assets will be created in the Company. For further details on the repayment of unsecured loans availed from promoters, see "*Objects of the Issue*" beginning on page 44 of this Letter of Offer.

***3. We are exposed to the risk of delays or non-payment by our clients, which may also result in cash flow mismatches.***

We are exposed to counter party credit risk in the usual course of our business dealings with our clients who may delay or fail to make payments. For the Financial Years ending March 31, 2022 and March 31, 2021 our trade receivables were ₹3,030.48 lakhs and ₹3,654.07 lakhs, respectively and for the half-year period ended September 30, 2022 it was 3,479.41 lakhs. We may incur bad debts/ shall have to write off bad debts in future.

The financial condition of our clients may be affected by the performance of their business which may be impacted by several factors including general economic conditions. For instance, the on-going pandemic has led to a slowdown in the economy which may have directly/ indirectly impacted the industries in which our clients' function. Due to the current scenario, we might be exposed to an increased risk of payment delays and/or defaults of payments. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our clients will be received in a timely manner or to that extent will be received at all. If any of our client's default in making its payments, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

***4. The steel industry is highly cyclical and a decrease in steel prices may have a material adverse effect on our business, results of operations, prospects and financial condition.***

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

Global steel prices fell sharply in 2008 as the global credit crisis led to a collapse in global demand. If there is weakness in sectors of the economy that are substantial consumers of steel products, such as the construction and automobile industries would also hurt steel produce₹ While steel prices have increased in recent years, they have been subject to fluctuation. Low steel prices adversely affect the businesses and results of operations of steel producers generally, including ours, resulting in lower revenue and margins and write downs of finished steel products and raw material inventories. In addition, the volatility, length and nature of business cycles affecting the steel industry have become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

In addition, substantial decreases in steel prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery will most likely require a broad economic recovery, in order to underpin an increase in real demand for steel products by end use₹

***5. Overcapacity and oversupply in the global steel industry may adversely affect our profitability.***

China is the largest steel producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. In addition, Chinese steel exports may have a significant impact on steel prices in markets outside of China, including in the markets where we operate. Any production overcapacity and oversupply in the steel industry would likely cause increased competition in steel markets around the world which would likely lead to reduced profit margins for steel producers, and would also likely have a negative effect on our ability to increase steel production in general. No assurance can be given that we will be able to continue to compete in such an economic environment or that a prolonged stagnation of the global economy or production overcapacity will not have a material adverse effect on our business, results of operations, financial condition or prospects.

***6. We derive a significant portion of our revenues from our top 5 (Five) customers, and any failure to maintain our relationships with such customers could have an adverse effect on our business, results of operations and profitability.***

We derive a significant portion of our revenues from top 5 (Five) customers of the Company. In the Financial Years 2021-2022 our top five customers accounted for 90% of our total revenue from operations. Our top five customers contribute a significant portion of our revenues. The loss of business derived from these customers or a significant reduction in, the revenues we receive from, one or more of these customers may adversely affect our business.

***7. Developments in the competitive environment in the steel industry, such as consolidation among our competitors, could have a material adverse effect on our competitive position and hence our business, financial condition, results of operations or prospects.***

We believe that the key competitive factors affecting our business include product quality, changes in manufacturing technology, workforce skill and productivity, cash operating costs, pricing power with large buyers, access to funding, the degree of regulation and access to low-cost raw materials. Although we believe that we are a competitive steel producer, we cannot assure prospective investors that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive facto₹

In addition, our competitors may have lower leverage and stronger balance sheets. Larger competitors may also use their resources, which may be greater than ours, against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products. The market is still highly fragmented, and if the trend towards consolidation continues, we could be placed in a disadvantageous competitive position relative to other steel producers and our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, a variety of known and unknown events could have a material adverse impact on our ability to compete. For example, changes in the level of marketing undertaken by competitors, governmental subsidies provided to foreign competitors, dramatic reductions in pricing policies, exporters selling excess capacity from markets such as China, Ukraine and Russia, irrational market behavior by competitors, increases in tariffs or the imposition of trade barriers could all affect our ability to compete effectively. Any of these events could have a material adverse impact on our business, results of operations, financial condition and prospects.

***8. We face competition in our businesses, which may limit our growth and prospects.***

Our Company faces competition in the industry that we are involved in. We compete with other companies, both in India and abroad. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India;
- More diversified operations which allow profits from certain operations to support others with lower profitability; or
- More experience and expertise.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

***9. The steel industry is characterized by a high proportion of fixed costs and volatility in the prices of raw materials and energy, including mismatches between trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, which could adversely affect our profitability.***

Steel production requires substantial amounts of raw materials and energy, including iron ore, coking coal and coke, scrap and power, which are subject to significant price volatility. The production of steel is capital intensive, with a high proportion of fixed costs to total costs. Consequently, steel producers generally seek to maintain high capacity utilization. If capacity exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, expansion of capacity requires long lead times so that, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility.

Volatility in the prices of raw materials and energy, including mismatches between trends in prices for raw materials and steel, and limitations on, or disruptions in, supply of raw materials could adversely affect our profitability. The availability and prices of raw materials may be negatively affected by, among other factors, new laws or regulations; suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; fluctuations in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers and the availability and cost of transportation. The raw materials industry is highly concentrated and suppliers in recent years have had significant pricing power. Further consolidation among suppliers would exacerbate this trend. Since 2010, raw materials suppliers began to move towards sales based on quarterly prices rather than annually priced contracts under which steel producers face increased exposure to production cost and price volatility. This change may in turn reduce the steel producers' access to reliable supplies of raw materials.

In recent years, many steel companies have been focused on acquiring raw materials around the world in an effort to limit their exposure to the volatility and instability of the markets for raw materials. To the extent such companies use these raw materials in their own steel production, these acquisitions will further limit the supply of these raw materials available for purchase in the global markets. Any prolonged interruption in the supply of raw materials or energy, or failure to obtain adequate supplies of raw materials or energy at reasonable prices or at all, or increases in costs which we are unable to pass on to our customers, could have a material adverse effect on our business, financial condition, results of operations or prospects.

Despite the high correlation between steel and raw material prices, with both having experienced significant declines during the global economic crisis, there can be no assurance that this correlation will continue. If raw materials and energy prices rise significantly (either as a result of supply constraints or other reasons) but prices for steel do not increase commensurately, it would have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, energy costs, including the cost of electricity and natural gas, represent a substantial portion of the cost of goods sold by steel producers generally, including us. Historically, energy prices have varied significantly, and this trend may continue due to market conditions and other factors beyond the control of steel produce₹ As the production of direct reduced iron and the re-heating of steel involve the use of significant amounts of energy, steel producers are sensitive to energy prices and are dependent on having access to reliable supplies.

***10. We depend significantly on sales in India, any decrease in which will adversely affect our business, revenue, results of operations and cash flows.***

In the Financial Year 2021-2022 and September 30, 2022, we derived 26,077.18 lakhs, constituting 60.39% and 13450.72 lakhs, constituting 52.08%, respectively of our revenue from operations from India. Existing and potential competitors may increase their focus on India, which could reduce our market share. For example, our competitors may intensify their efforts to capture a larger market share by undertaking aggressive pricing strategies and increasing their focus on product development. If we are unable to compete effectively in India, it could adversely affect our sales

volumes and pricing levels for our products in India, as well as erode our market share. In the event that we experience adverse effects on our sales volumes or pricing levels, or loss of market share, due to increased competition or otherwise, it could adversely affect our business, revenue, results of operations and cash flows.

***11. Inability to obtain, renew or maintain the statutory and regulatory permits, licenses and approvals required to operate our business could have a material adverse effect on our business.***

We require certain statutory and regulatory permits, licenses and approvals for our business in each of the jurisdictions in which we operate. There can be no assurance that the relevant authorities will issue such permits or approvals in the time frame anticipated by us or, at all. For further details, please see the sections entitled, "*Outstanding Litigation and Defaults*" beginning on page 102 and "*Government and Other Approvals*" on page 107 of this Letter of Offer. If we are unable to obtain and maintain the requisite licenses in a timely manner or at all, or to renew or maintain existing permits or approvals, or comply with the terms and conditions prescribed in such permits or approvals, it may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. For details of major pending approvals and licenses in relation to our major operational facilities, please see the section entitled, "*Government and Other Approvals*" on page 107 of this Letter of Offer.

***12. Our Company does not own the premise on which our Registered Office is located.***

Our Company does not own the Premises of Registered office and is taken on rent. If we are unable to renew the lease or if the lease is not renewed on favourable conditions, it may affect our operations adversely. Also, if we do not comply with certain conditions of the lease agreement, it may lead to termination of the lease. In the event of non-renewal or termination of the lease, we may have to vacate our current premises and shift to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises or increased rental expenses, may adversely affect our business operations and financial conditions.

***13. Our Company requires significant amount of working capital for a continuing growth. Our inability to meet our working capital requirements may adversely affect our results of operations.***

Our business requires a significant amount of working capital. Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payment for the services provided by us, on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we take provisions for bad debts, including those arising from such defaults based primarily on ageing and other factors such as special circumstances relating to special customers There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. All of these factors may result, or have resulted, in increase in the number of receivables and short-term borrowings. Continued increase in working capital requirements may adversely affect our financial condition and results of operations. We may also have large cash flows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims. Moreover, we may require additional finance facility in the future to satisfy our working capital needs.

***14. Our contingent liabilities could adversely affect our financial condition.***

For the half-year ending period on September 30, 2022, and for the Financials Years ending on March 31, 2022, and March 31, 2021 the contingent liabilities that had not been provided for, details of the same as under:

i. There are contingent liabilities in respect of:

| | | | | *(Amount ₹ in Lakhs)* |
|---|---|---|---|---|
| **Sl. No.** | **Particulars** | **September 30, 2022** | **March 31, 2022** | **March 31, 2021** |
| a. | Sales Tax & Excise Duty matters under dispute/appeal | 63.85 | 34.90 | 42.77 |
| b. | Bank Guarantees outstanding | 49.11 | 86.06 | 101.93 |

Except the aforementioned there are no other Contingent Liabilities including additional demands in respect of Income Tax/Excise Duty/Service Tax / Sale Tax/VAT, which have been contested by the Company.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further details, see section titled "Financial Information" on page 66 of this Letter of Offer.

***15. As the securities of our Company are listed on Stock Exchange in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed only on the Calcutta Stock Exchange Limited and therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. Our Company endeavours to comply with all such obligations/reporting requirements any delay in complying with the same may result in the Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act/ Rules and Regulations/ Circulars made there under. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares. We have however, been in compliance with the SEBI Listing Regulations for the past 12 months and therefore, this Letter of Offer is prepared and submitted in terms of Part B of Schedule VI to the SEBI ICDR Regulations.

***16. Our Promoter, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoter, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, equity shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. For further details please refer to "Related Party Disclosures" on page 90 of the Standalone Financial Statements of this Letter of Offer.

There can be no assurance that our Promoter, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

***17. Our Promoter and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, our Promoter and the members of the Promoter Group will hold approximately 39.60% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoter and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Rights Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoter has a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoter's shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

***18. If industry-wide steel inventory levels are high, customers may draw from inventory rather than purchase new products, which would reduce our sales and earnings.***

Above-normal industry inventory levels can cause a decrease in demand for our products and thereby adversely impact our earnings. High industry-wide inventory levels of steel reduce the demand for production of steel because customers can draw from inventory rather than purchase new products. This reduction in demand could result in a corresponding reduction in prices and sales, both of which could contribute to a decrease in earnings. Industry-wide inventory levels of steel products can fluctuate significantly from period to period.

***19. As we generate revenue and incur expenses in multiple currencies, exchange rate movements may have an adverse effect on our results of operations and cash flows.***

We have foreign currency exposure related to foreign-denominated revenues and costs, including export sales and costs of imported equipment and material. For example, in Financial Year 2021-2022, our earnings in foreign currency on an accrual basis were ₹ 16,443.89 lakhs, and our expenditure in foreign currency was ₹ 20.86 lakhs. We expect that our foreign currency exposure will increase as our business grows. Significant currency exchange rate fluctuations and currency devaluations could have an adverse effect on our results of operations and cash flows from period to period.

***20. The production of steel is capital intensive, with long gestation periods.***

The production of steel is capital intensive, with a high proportion of investment in fixed assets such as land, plant and machinery. Further, setting up of new capacities or expansion of existing capacities require long lead times. If total capacity in the industry exceeds demand, there is a tendency for prices to fall sharply if supply is largely maintained. Conversely, if demand grows strongly, prices increase rapidly, as unutilized capacity cannot be brought on line as quickly. The result can be substantial price volatility. While we have taken steps to reduce operating costs, we may be negatively affected by significant price volatility, particularly in the event of excess production capacity in the global steel market, and incur operating losses as a result.

***21. We have in past entered into related party transactions and we may continue to do so in the future.***

As of March 31, 2022 and September 30, 2022, we have entered into several related party transactions with our Promoter and entities forming a part of our Promoter Group, our Directors and the entities in which they hold directorships. In addition, we have in the past also entered into transactions with other related parties. Our Company has entered into related party transactions for the Fiscal ended March 31, 2022 For further details, please refer to the *Related Party Disclosures*" on page 90 of the Standalone Financial Statements of this Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

***22. Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any further issue of equity shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

***23. Our success largely depends upon the knowledge and experience of our Promoter, Directors and our Key Managerial Personnel. Loss of any of our directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

Our Company depends on the management skills and guidance of our Promoter and Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel. Some of our employees have been associated with our Company since a long period of time and have been integral to the growth and in the success of our Company. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Directors or Key Managerial Personnel are unable or unwilling to continue in his/ her present position, it could be difficult for us to find a suitable or timely replacement and our business could be adversely affected. There is significant competition for management and other skilled personnel in the industry in which we operate, and it may be difficult to attract and retain the personnel we require in the future. There can be no assurance that our competitors will not offer better compensation packages and incentives to such Key Managerial Personnel. In the event we are not able to attract and retain talented employees, as required for conducting our business, or we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, financial condition and operations may be adversely affected. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled - "Our Management" on page 62 of this Letter of Offer.

***24. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to inherent risks and hazards which may adversely impact our profitability, such as, fire, riots and natural disasters. Presently, we have obtained certain policies such as standard fire and special perils policy, The said policies insure our building, furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, godown, meeting rooms, building superstructure, any other office contents, from earthquake, fire, shock, terrorism, etc.; There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

***25. Environmental matters, including compliance with laws and regulations and remediation of contamination, could result in substantially increased capital requirements and operating costs.***

Our businesses are subject to numerous laws, regulations and contractual commitments relating to the environment in which it operates and our operations generate large amounts of pollutants and waste, some of which are hazardous. These laws, regulations and contractual commitments concern air emissions, wastewater discharges, solid and hazardous waste material handling and disposal, and the investigation and remediation of contamination or other environmental restoration. The risk of substantial costs and liabilities related to compliance with these laws and regulations is an inherent part of our business. Facilities currently or formerly owned or operated by us, or where wastes have been disposed or materials extracted, are all subject to risk of environmental cost and liabilities, which includes the costs or liabilities relating to the investigation and remediation of past or present contamination or other environmental restoration. In addition, future conditions and contamination may develop, arise or be discovered that create substantial environmental compliance, remediation or restoration liabilities and costs despite our efforts to comply with environmental laws and regulations, violations of such laws or regulations can result in civil and/or criminal penalties being imposed, the suspension of permits, requirements to curtail or suspend operations, lawsuits by third parties and negative reputational effects. There can be no assurance that substantial costs and liabilities will not be incurred in the future. For further details of material disputes related to our mining operations, please see the section entitled, "Outstanding Litigation and Defaults" beginning on page 102 of this Letter of Offer.

An increase in the requirements of environmental laws and regulations, increasingly strict enforcement thereof by governmental authorities, or claims for damages to property or injury to persons resulting from the environmental impacts of our operations or past contamination, could prevent or restrict some of our operations, require the expenditure of significant funds to bring us into compliance, involve the imposition of cleanup requirements and reporting obligations, and give rise to civil and/or criminal liability.

There can be no assurance that any such legislation, regulation, enforcement or private claim will not have a material adverse effect on our business, financial condition or results of operations. In the event that production at one of our facilities is partially or wholly disrupted due to this type of sanction, our business could suffer significantly and our results of operations and financial condition could be materially and adversely affected.

In addition, our current and future operations may be located in areas where communities may regard our activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise our profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country.

***26. Any change in existing government policies providing support to steel manufactures, or new policies withdrawing support presently available could adversely affect our business and results of operations.***

Any change in existing government policies providing support to steel manufactures, or new policies withdrawing support presently available, in the jurisdictions in which we have operations could adversely affect the supply and demand balance and the competitive environment. For example, in February, 2016, the Government of India announced a minimum import price on 173 steel products to prevent dumping of steel products. Subsequently, the minimum import price was discontinued and the Government of India imposed anti-dumping duties on steel products with effect from August, 2016 for a period of five years. Similarly, in February 2016, the European Union announced provisional antidumping duties on cold-rolled flat steel from China and Russia. If any such measures are withdrawn or not renewed upon expiry, it may adversely affect the competitive environment and we cannot assure you that we would be able to pass on any resultant increase in costs to our customers, which could adversely affect our business and results of operations.

***27. Our steel manufacturing operations are hazardous processes that can cause personal injury and loss of life, severe damage to property and equipment as well as environmental damage, which could cause us to incur significant costs and liabilities and may damage our reputation.***

We are subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which we operate. These laws and regulations, as interpreted by the relevant agencies and the courts, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the imposition of civil and/or criminal penalties, the suspension of permits or operations and lawsuits by third parties.

Despite our efforts to monitor and reduce accidents at our facilities, there remains a risk that health and safety incidents may occur. Such incidents could include explosions or gas leaks, fires or vehicular accidents and other incidents involving mobile equipment or exposure to potentially hazardous materials. Due to the nature of our business, certain incidents can and do result in employee fatalities. Some of our industrial activities involve the use, storage and transportation of dangerous chemicals and toxic substances, and we are therefore subject to the risk of industrial accidents which could have significant adverse consequences for our workers and facilities, as well as the environment. Such incidents could lead to production stoppages, the loss of key assets, or put employees at risk (and those of sub-contractors and suppliers) or persons living near affected sites. In addition, such incidents could damage our reputation, leading to the rejection of products by customers, devaluation of the brand and diversion of management time into rebuilding and restoring its reputation.

***28. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

***29. We are subject to risk of fraud, theft, embezzlement by our employees, contractors and customers, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking. We may also encounter some inventory loss on account of employee/contractor/vendor fraud, theft, embezzlement and general administrative error. Although, we have set up various security measures, including tagging our products, CCTV in our offices and the existing manufacturing facility at Howrah and Durgapur, deployment of security guards and follow stringent operational processes such as periodic stock taking there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

***30. Increased competition for skilled employees and salary increases for our employees may reduce our profit margin.***

Due to sustained economic growth in India and increased competition for skilled employees in India over the last few years, wages of skilled employees are increasing at a fast rate. Accordingly, we may need to increase our levels of employee compensation rapidly to remain competitive in attracting the quality of employees that our business requires. Salary increases may reduce our profit margins and have a material and adverse effect on our results of operations.

***31. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" on Page 53 of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

***32. We have not been paying dividends in the past and our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. We have not paid dividends in the past and there can be no assurance that our Company will declare dividends in the future also.

***33. Our business is dependent on our continuing relationships with our customers and suppliers who can suspend or cancel delivery of products.***

Events of force majeure such as disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, government actions or other events that are beyond the control of the parties and allow our suppliers to suspend or cancel deliveries of raw materials could impair our ability to source raw materials and components and to supply our products to custome₹ Similarly, our customers may suspend or cancel delivery of our products during a period of force majeure and any suspensions or cancellations that are not replaced by deliveries under new contracts or sales to third parties on the spot market would reduce cash flows and could adversely affect our financial condition and results of operations. There can be no assurance that such disruptions will not occur.

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

We sell products to major manufacturers who are engaged to sell a wide range of end products. Furthermore, our products are also sold to, and used in, certain safety-critical applications. If we were to sell steel that does not meet specifications or the requirements of the application, it could result in significant disruptions to the customer's production lines could result. There could also be significant consequential damages resulting from the use of such products. We have a limited amount of product liability insurance coverage, and a major claim for damages related to products sold could leave us uninsured against a portion or all of the award and as a result, materially harm our financial condition and future operating results.

**ISSUE SPECIFIC RISKS**

***35. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021 and October 01, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 115 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account titled as 'CSIL – RIGHTS ENTITLEMENT UNCLAIMED SUSPENSE ACCOUNT' opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to: (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on Friday, April 07, 2023 being the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) Credit of the Rights Entitlements returned/reversed/failed; or (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

***36. Investors shall not have the option to receive Right Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI ICDR Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialized/ demat form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

***37. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR /P/2020/l 3 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed

Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled 'Terms of the Issue' on page no. 115 of this Letter of Offer.

***38. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

***40. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

***41. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake

such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

***42. Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

***43. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**EXTERNAL RISK FACTORS:**

**1. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.**

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) or another wave of the Novel Coronavirus could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Corona virus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our require us to quarantine some or all of these employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the

coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

**2. Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.**

Our audited summary statements of assets and liabilities as at March 31, 2022 and audited summary statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscal 2022 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note**.** We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Audited Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited. Non-compliance or delay in implementation of the provisions of safety laws and regulations, which may lead to stoppage of operations, damage to assets and loss of reputation.

**3. Political, economic or other factors that are beyond our control may have adversely affected our business and results of operations**.

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance.

Withdrawal of favorable trade measures such as minimum import prices, antidumping laws, countervailing duties and tariffs, trade restrictions may impact profitability, stringent regulations and compliances resulting in liabilities and damage to our reputation. Non-renewal of mining leases compelling higher purchases from open market at higher prices, adversely impacting profitability

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, and volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and

high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**5. Financial instability in both Indian and international financial markets could adversely affect our Results of operations and financial condition.**

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. Technology disruptions and shifting customer preferences to alternatives are adversely impacting earnings.

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

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. Technology disruptions and shifting customer preferences to alternatives are adversely impacting earnings.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on

the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our custome₹ In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future. Withdrawal of favorable trade measures such as minimum import prices, antidumping laws, countervailing duties and tariffs, trade restrictions may impact profitability, stringent regulations and compliances resulting in liabilities and damage to our reputation. Non-renewal of mining leases compelling higher purchases from open market at higher prices, adversely impacting profitability

**7. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.**

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**8. Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.**

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**9. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Non-compliance to stringent environmental conditions leading to penalties, stoppage of operations and loss of reputation Climate change related regulations and extreme weather events may disrupt operations and supply chain. Breach of information security incidents leading to business disruption and damage to reputation. Non-compliance to IT legislations and regulations leads to penalties.

Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares

**10. Adverse geopolitical conditions such as increased tensions between India and its neighboring countries, could adversely affect our business, results of operations and financial condition.**

Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries. For instance, the Government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure which affects our raw material supply or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition.

**11. We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.**

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- hostile or war like situations with the neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

## SECTION IV- INTRODUCTION

### THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors and Shareholders on April 08, 2022 and May 26, 2022 respectively, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in ***'Terms of the Issue'*** on page 115 of this Letter of Offer.

| | |
|---|---|
| **Equity Shares outstanding prior to the Issue** | 10535000 (One Crore Five Lakhs Thirty-five Thousand) equity shares of face value of ₹ 10/- each |
| **Rights Equity Shares offered in the Issue** | 21070000 (Two Crores Ten Lakhs Seventy Thousand) rights shares |
| **Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)** | 31605000 equity shares of face value of ₹ 10/- each |
| **Rights Entitlement** | 2 (Two) rights shares for every 1 (One) equity share held as on the Record date |
| **Record Date** | Friday, April 07, 2023 |
| **Fractional Entitlement** | For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 1 (One) equity share shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Shares over and above their Rights Entitlement, if any. |
| **Face Value per Equity Share** | ₹ 10/- (Rupees Ten Only) each |
| **Issue Price per Equity Share** | ₹ 10/- (Rupees Ten Only) per rights share |
| **Issue Size** | ₹ 21,07,00,000/- (Rupees Twenty-One Crores Seven Lakhs Only) |
| **Terms of the Issue** | Please refer to the section titled **'*Terms of the Issue*'** beginning on page 115 of this Letter of Offer. |
| **Use of Issue Proceeds** | Please refer to the section titled ***'Objects of the Issue'*** beginning on page 44 of this Letter of Offer. |
| **Security Code/ Scrip Details** | ISIN: INE204G01017<br>CSE Scrip Code: 10013341<br>ISIN for Rights Entitlements: INE204G20017 |

**Issue Schedule:**

| | |
|---|---|
| Issue Opening Date | Friday, May 05, 2023 |
| Last date for Off-market renunciation of Rights Entitlements* | Monday, May 15, 2023 |
| Issue Closing Date | Friday, May 19, 2023 |

***** The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

## GENERAL INFORMATION

Our Company was originally incorporated as a Private Limited Company under the Companies Act, 1956 in the name of "Chandi Steel Industries Private Limited" vide a certificate of incorporation dated September 09, 1978 issued by the Registrar of Companies, West Bengal.

The name of the Company was subsequently changed to its present name vide a special resolution passed by the shareholders of the Company under Section 44(2)(b) of the Companies Act, 1956 and a fresh certificate of Incorporation consequent upon change of name was issued on August 18, 2003 by the Registrar of Companies, West Bengal. The CIN of the Company is L13100WB1978PLC031670. The Company made its maiden public issue in the year 2003 and got its equity shares listed and traded at the Calcutta Stock Exchange Limited on 16.12.2003 and 29.01.2004, respectively, bearing Scrip Code '10013341', and ISIN 'INE204G01017'.

The Company has forfeited 5,000 partly paid-up equity shares for the consideration of ₹ 37,500/- that remained unpaid. The Company had issued the final demand cum forfeiture notice on April 03, 2021 to the partly paid equity shareholders of the Company demanding the payment of the outstanding money. The notice specified the fact that on failure to pay the balance outstanding money within one month of the notice, their shares will liable to be forfeited. As the partly paid-up equity shareholders did not pay the calls in arrears, the Board of Directors of the Company at their meeting held on June 28, 2021 approved the forfeiture of the partly paid-up equity shares on which outstanding allotment money were still unpaid. The Calcutta Stock Exchange Limited vide its letter CSE/LD/15596/2022 dated July 15, 2022 have recorded the aforementioned forfeiture in their records. The other details of the Company are as follows:

- **Registered and Corporate Office of our Company**
  3, Bentinck Street, Kolkata - 700 001 West Bengal
  **Phone No.**: (033) 2248 9808
  **Fax No**.: (033) 2243 0021
  **Website:** www.chandisteel.com
  **Email:** chandisteelindustries@gmail.com
  **CIN:** L13100WB1978PLC031670
  **Regn. No.:** 031670
  **Works Office**: 16, Belur Road, Liluah, Howrah- 711204; **Telephone No.**: (033) 26556779, (033) 26556667;
  **E-mail id:** chandisteelindustries@gmail.com; **Website**: www.chandisteel.com;

- **Address of the Registrar of Companies (RoC)**
  Our Company is registered with the RoC Kolkata situated at the following address:
  Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road,
  Kolkata – 700 020, West Bengal

- **Board of Directors**

The Board of our Company as on the date of filing this Letter of Offer comprises of the following:

| NAME | AGE | DESIGNATION | DIN | ADDRESS |
|---|---|---|---|---|
| Devendra Prasad Jajodia | 74 | Chairman & Managing Director | 00045166 | 11, Raja Santosh Road, Kolkata -700027 |
| Harsh Jajodia | 31 | Whole-time Director | 07022106 | 11, Raja Santosh Road, Kolkata -700027 |
| Susanta Sarkar | 52 | Professional Executive Director | 06449312 | 59, Ghoshpara Lane, Uttarpara, Kotrung (M), Bhadrakali, Serampur, Uttarpara, Hoogly-712 232, West Bengal. |
| Sweta Bhutra | 32 | Non-Executive Independent Director | 09701964 | 31, Bhairab Dutta Lane, Salkia, Howrah-711106, West Bengal. |
| Sumit Kumar Rakshit | 41 | Non-Executive Independent Director | 07603642 | Buroraj Villa Ramkrishna Pally, Rahara, Khardah, North-24 Parganas Kolkata- 700 118, West Bengal. |

| NAME | AGE | DESIGNATION | DIN | ADDRESS |
|---|---|---|---|---|
| Ashok Kumar Choudhary | 61 | Non-Executive Independent Director | 07603658 | Flat No. H-8, Block-2, Merlin Warden Lake View 104, Bidhannagar Roa, Kolkata- 700 067, West Bengal. |

For further details of our Board of Directors, see "**Our Management**" on page no. 62 of this Letter of Offer.

| **Company Secretary and Compliance Officer** | **Chief Financial Officer** |
|---|---|
| **Seema Chowdhury**<br>**Address:** 3, Bentinck Street, Kolkata- 700 001, West Bengal<br>**Phone No.**: 033 2248 9808<br>**Email**: chandisteelindustries@gmail.com<br>**PAN**: BRNPS8231C | **Tushar Kanti Sarkar**<br>**Address:** 3, Bentinck Street, Kolkata- 700 001, West Bengal<br>**Phone No.**: 033 2248 9808<br>**Email**: chandisteelindustries@gmail.com<br>**PAN**: CEZPS9662D |

| **Lead Manager to the Issue** | **Registrar to the Company & Registrar to the Issue** |
|---|---|
| **VC Corporate Advisors Private Limited**,<br>**CIN:** U67120WB2005PTC106051<br>**SEBI REGN. No**.: INM000011096<br>**Validity of Registration**: Permanent<br>**Contact Person**: Ms. Urvi Belani/ Mr. Premjeet Singh<br>31, Ganesh Chandra Avenue, 2nd Floor,<br>Suite No.– 2C, Kolkata-700 013<br>**Tel. No**. : (033) 2225-3940<br>**Email**: mail@vccorporate.com<br>**Website**: www.vccorporate.com | **Maheshwari Datamatics Private Limited**<br>**CIN:** U20221WB1982PTC034886<br>**SEBI REGN. No**.: INR000000353<br>**Validity of Registration**: Permanent<br>**Contact Person**: Mr. Ravi Kumar Bahl<br>23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700001<br>**Tel. No.:** 033 2243 5029 /<br>**Fax :** 033 2248 4787<br>**Email :** mdpldc@yahoo.com<br>**Website:** www.mdpl.in |

| **Statutory Auditors of the Company** | **Internal Auditors of the Company** |
|---|---|
| **JHS & Associates LLP**<br>Chartered Accountants<br>**Firm Registration No**.: 133288W / W100099<br>Suite No. 402, 4th Floor, Vardaan Market Complex,<br>25A, Camac Street,<br>Kolkata - 700 016<br>**Tel. No.**: 033 4062 9014<br>**Email**: sharad.mohata@jhsassociates.in<br>**Website**: www.jhsassociates.in | Sandeep Khaitan<br>Proprietor<br>M/s. S. Khaitan & Co.,<br>Chartered Accountants<br>**Firm Registration No**.: 323450E<br>Membership No.: 058329<br>139, Narkeldanga Main Road, Kolkata - 700 011<br>**Tel. No.**: +91 9830010166<br>**Email**: forsandy@usa.net |

| **Banker to the Issue** | **Legal Advisor to the Issue** |
|---|---|
| **ICICI Bank Limited**<br>**CIN**: L65190GJ1994PLC021012<br>**SEBI Regn. No.**: INBI00000004<br>Capital Markets Division, 1st Floor,<br>122, Mistry Bhavan, Dinshaw Vachha Road,<br>Backbay Reclamation, Churchgate, Mumbai—400020<br>Tel. No.: 022 6805 2185<br>Fax No.: 022 2261 1138<br>Email: sagar.welekar@icicibank.com<br>Contact Person: Mr. Sagar Welekar | **M/s. J Mukherjee & Associates**<br>D-1, MMS Chambers, 4A, Council House Street, Kolkata- 700001<br>Contact Person: Mr. Jayabrata Mukherjee<br>**Tel. No.**: 9830640366<br>**Email**: jmukherjeeandassociates@gmail.com |

- **M/s. Mondal & Associates,** Cost Accountants is the Cost Auditor to the Company.

- **Changes in Statutory Auditors of the Company during the last 3 years**
  Except the appointment of M/s. JHS & Associates LLP as the Statutory Auditors of the Company from the conclusion of the Annual General Meeting in place of the retiring auditor i.e., M/s. J. Y. Jatania & Co. there is no change in Statutory Auditors of the Company during the last 3 years.

- **Self-Certified Syndicate Bankers (SCSB):**

  The lists of SCSBs notified by SEBI to act as SCSB for the ASBA process is available on the website of SEBI on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details of the Designated Branches of SCSBs collecting the Application Forms, please see to the above-mentioned SEBI link.

- **Experts**

  Our Company has received a written consent from the Statutory Auditors namely, M/s. JHS & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, and as "experts", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as an auditor and in respect of their report on financials dated November 12, 2022 and report dated November 28, 2022 on the Statement of Possible Special Tax Benefits included in this Letter of Offer and such consent has not been withdrawn as on the date of this Letter of Offer. However, they should not be construed as "experts" as defined under U.S. Securities Act, 1933.

- **Monitoring Agency**

  Since the issue size is less than ₹ 100 crores, there is no requirement to appoint the monitoring agency to monitor the utilization of the Net Proceeds in terms of Regulation 82(1) of the SEBI ICDR Regulations by our Company.

- **Appraising**

  The objects of this issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

- **Credit Rating**

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

- **Debenture Trustee**

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

- **Underwriting**

  The Issue of Rights Equity Shares is not being underwritten and/ or no standby support is being sought for the said Issue.

- **Filing**

  In terms of Clause 2(C) of SEBI Notification No. SEBI/LAD-NRO/GN/2020/31 dated September 28, 2020, the minimum threshold limit of Rights Issue for filing the Letter of Offer with SEBI as specified in SEBI ICDR Regulations has been increased from ₹10 Crores to ₹50 Crores. Accordingly, the copy of this Letter of Offer shall be filed with the CSE, being the stock exchange where the equity shares of the Company are presently listed. The Letter of Offer shall also be filed with SEBI for information purpose only.

- **Minimum Subscription**

  Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

  1. Objects of the issue being other than capital expenditure for a project; and

  2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group

- **Statement of responsibility of the Lead Manager**
  VC Corporate Advisor Private Limited, being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter- se allocation of responsibilities is not required.

- **Issue schedule**

| | |
|---|---|
| **Last date for Credit of Rights Entitlement:** | **Saturday, April 29, 2023** |
| **Issue Opening Date:** | **Friday, May 05, 2023** |
| **Last date for Off- market renunciation of rights #** | **Monday, May 15, 2023** |
| **Issue Closing Date*:** | **Friday, May 19, 2023** |
| **Finalization of Basis of Allotment (on or about)** | **Friday, May 26, 2023** |
| **Date of Allotment (on or about):** | **Friday, May 26, 2023** |
| **Date of Credit (on or about):** | **Tuesday, May 30, 2023** |
| **Date of Listing/ Trading (on or about):** | **Thursday, June 01, 2023** |

*#The Equity Shares of our Company are exclusively listed only on the CSE. Since the trading platform of CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of Limited. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

**Our Board of Directors or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date*.

*The above schedule is indicative and does not constitute any obligation on our Company.*

*Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than Tuesday, May 16, 2023, being 2 (Two) Working Days prior to Friday, May 19, 2023, being the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least by Thursday, May 18, 2023, being 1 (One) day before Friday, May 19, 2023, being the Issue Closing Date.*

*Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled 'Terms of the Issue' beginning on page 115 of this Letter of Offer. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at https://www.mdpl.in after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled 'Terms of the Issue' beginning on page 115 of this Letter of Offer.*

*Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.*

## CAPITAL STRUCTURE

The capital structure of our Company and related information as on the date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

***(Amount ₹ in Lakhs)***

| No. | Particulars | Aggregate Value at Nominal Value | Aggregate value at Issue Price |
|---|---|---|---|
| **A.** | **Authorized Share Capital** | | |
| | 3,70,00,000 Equity Shares of ₹10/- each | 3,700.00 | |
| **B.** | **Issued, Subscribed & Paid-Up Equity Share Capital before the Issue** | | |
| | 1,05,40,000 Equity shares of ₹10/- each | 1,054.00 | |
| | Less: 5000 Equity shares of ₹10/- (Forfeited) | (0.50) | |
| | **Total** | 1,053.50 | |
| **C.** | **Present Issue being offered to the Equity Shareholders through the Letter of Offer aggregating up to ₹21.07 Crores[(1)]** | | |
| | **21070000** Rights Equity Shares of face value of ₹10/- each at an issue price of ₹10/- per Equity Share. | 2,107.00 | 2107.00 |
| D. | **Issued, Subscribed and Paid-up Capital after the Offer[(2)]** | | |
| | 31605000 Equity Shares of ₹10/- each | 3,160.50 | |
| E. | **Securities Premium Account** | | |
| | Before the Issue | | 0.00 |
| | After the Issue [(3)] | | 0.00 |

*[(1)] The Issue has been authorized by a resolution of our Board passed at its meeting held on April, 08, 2022 and meeting of the shareholders passed at their meeting held on May 26, 2022, pursuant to Section 62 of the Companies Act, 2013.*
*[(2)] Assuming full subscription for and allotment of the Rights Entitlement.*
*[(3)] Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;*

**Notes to the capital structure:-**

1. Shareholding Pattern of our Company as per the last filing with the Stock Exchange in the format as prescribed under Regulation 31 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto.

   (i) The shareholding pattern of the company as on March 31, 2023 is as follows.

| Category of shareholder | Nos. of shareholders | No. of fully paid up Equity Shares held | Total no of Equity Shares held | Shareholding as a % of total no. of Equity | Number of Equity Shares held in dematerialized form |
|---|---|---|---|---|---|
| (A) Promoter & Promoter Group | 9 | 4173700 | 4173700 | 39.6175 | 4173700 |
| (B) Public | 659 | 6361300 | 6361300 | 60.3825 | 6216400 |
| **Grand Total** | **668** | **10535000** | **10535000** | **100.0000** | **10390100** |

*NOTE: The Company at their meeting held on June 28, 2021 approved the forfeiture of partly paid-up Equity shares on which outstanding allotment money are still unpaid. Further the company has received approval from NSDL, CDSL and CSE.*

(ii) Statement showing holding securities of persons belonging to the category "Promoter and Promoter Group" as at March 31, 2023 :

| Category of shareholders | Nos. of shareholders | No. of fully paid up Equity Shares held | Total no of Equity Shares held | Shareholding as (%) of total no. of Equity Shares | Number of Equity Shares held in dematerialized form |
|---|---|---|---|---|---|
| **1. INDIAN** | | | | | |
| **a. Individuals/ Hindu undivided Family** | 7 | 4173000 | 4173000 | 39.6108 | 4173000 |
| Sangeeta Jajodia | | 875000 | 875000 | 8.3056 | 875000 |
| Gaurav Jajodia | | 770000 | 770000 | 7.3090 | 770000 |
| Aashish Jajodia | | 731500 | 731500 | 6.9435 | 731500 |
| Kanchan Jajodia | | 591500 | 591500 | 5.6146 | 591500 |
| Rajiv Jajodia | | 508000 | 508000 | 4.8220 | 508000 |
| Devendra Prasad Jajodia | | 450000 | 450000 | 4.2715 | 450000 |
| Shashi Devi Jajodia | | 247000 | 247000 | 2.3446 | 247000 |
| **b. Any other (i + ii)** | | | | | |
| **i. Bodies Corporate** | 2 | 700 | 700 | 0.0066 | 700 |
| Jai Salasar Balaji Industries Private Limited | | 400 | 400 | 0.0038 | 400 |
| Shri Keshrinandan Trade Private Limited | | 300 | 300 | 0.0028 | 300 |
| **Sub-total** | **9** | **4173700** | **4173700** | **39.6175** | **4173700** |
| **2. FOREIGN** | | | | | |
| **Individuals (Non-Resident Individuals/Foreign Individuals)** | **-** | **-** | **-** | **-** | **-** |
| **Total (1+2)** | **9** | **4173700** | **4173700** | **39.6175** | **4173700** |

(iii) Statement showing holding of securities of persons belonging to the "Public" category as on March 31, 2023:

| Category of shareholder | Nos. of shareholders | No. of fully paid-up Equity Shares held | Total no of Equity Shares held | Shareholding as a % of total no. of Equity Shares | Number of Equity Shares held in dematerialized form |
|---|---|---|---|---|---|
| **B1. Institutions** | - | - | - | - | - |
| Financial Institutions / Banks | - | - | - | - | - |
| **Sub Total B1** | - | - | - | - | - |
| **B2. Central Government / State Government(s)/ President of India** | - | - | - | - | - |
| **B3. Non-Institutions** | | | | | |
| i. Individual share capital up to ₹2 lakhs | 642 | 215502 | 215502 | 2.0456 | 70602 |
| ii. Individual shareholders holding nominal share capital in excess of ₹2 Lakhs. | 4 | 1198398 | 1198398 | 11.3754 | 1198398 |

| Category of shareholder | Nos. of shareholders | No. of fully paid-up Equity Shares held | Total no of Equity Shares held | Shareholding as a % of total no. of Equity Shares | Number of Equity Shares held in dematerialized form |
|---|---|---|---|---|---|
| NBFC registered with RBI | - | - | - | - | - |
| **Any Other (specify)** | - | - | - | - | - |
| Investor Education and Protection Fund Authority | - | - | - | - | - |
| Bodies Corporate | 13 | 4947400 | 4947400 | 46.9616 | 4947400 |
| Resident Individual HUF | - | - | - | - | - |
| **Subtotal B3** | 659 | 6361300 | 6361300 | 60.3825 | 6361300 |
| **Total Public Shareholding B1+B2+B3** | **659** | **6361300** | **6361300** | **60.3825** | **6361300** |

NOTE: Company at their meeting held on June 28, 2021 approved the forfeiture of partly paid Equity shares on which outstanding allotment money are still unpaid. Further company has received approval from NSDL CDSL and CSE.

(iv) **Public Shareholders holding 1% or more of the Company as on March 31, 2023:**

| Sl. No. | Name of shareholder | No. of shares held | Percentage of Shareholding (%) |
|---|---|---|---|
| 1. | Mahabali Enterprises Private Limited | 1987900 | 18.8695 |
| 2. | Maruti Stockfin Private Limited | 769000 | 7.2995 |
| 3. | PPS Steel Trading Private Limited | 750000 | 7.1191 |
| 4 | Pawan Kumar Kanodia | 649998 | 6.1699 |
| 5. | Sadhana Sharma | 500000 | 4.7461 |
| 6. | Snapshot Distributors Private Limited | 437800 | 4.1557 |
| 7. | Bhavsagar Vyapaar Private Limited | 299300 | 2.8410 |
| 8. | Kanad Exim Limited | 250000 | 2.3730 |
| 9. | Vatsalya Dealers Private Limited | 150700 | 1.4305 |
| 10. | Gsr Tradefin Private Limited | 120800 | 1.1467 |

**(v) Details of Significant Beneficial Owners as on March 31, 2023:**

| Sr. No. | Details of SBO (I) | | Details of Registered Owner (II) | | Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III) | | | | | Date of creation/ acquisition of significant beneficial interest# (IV) |
|---|---|---|---|---|---|---|---|---|---|---|
| | Name | Nationality | Name | Nationality | Whether virtue of | | | | | |
| | | | | | Shares (%) | Voting Rights (%) | Rights on distributable dividend or any other distribution | Exercise of control | Exercise of significant influence | |
| 1. | Anshuman Dalmia | Indian | Mahabali Enterprises Private Limited | Not Applicable | 18.8695 | 18.8695 | 18.8695 | Not Applicable | Not Applicable | 19.03.2021 |

2. As on the date of this Letter of Offer, our Company does not have any other outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

3. **Intention and extent of participation by our Promoters and Promoter Group in the Issue:**
The Individual Promoters/ Promoter Group through vide letters dated Thursday, 29th September, 2022, and Corporate Promoter Group vide their board resolutions dated Thursday, 29th September , 2022 (hereinafter collectively referred to as the "**Subscription Letters**"), have confirmed that they intend to subscribe in part or to full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce

their Rights Entitlements except within the Promoter/ Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI ICDR Regulations. Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Such subscription for Rights Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of SEBI Listing Regulations and the provisions of the SCRR. As on date our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to this Issue.

In case this Rights Issue remains unsubscribed or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

4. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.

5. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

6. Since, as the Calcutta Stock Exchange Limited is non-operational, hence there has been no trading in the Equity Shares on CSE for last many years. Further, the ex-rights price arrived in accordance with the formula prescribed under clause (b) of Sub-Regulation 4 of Regulation 10 of the SEBI (SAST) Regulations, in connection with the Issue is ₹75.51 (Rupees Seventy-five and Fifty-one Paise Only).

7. Our Company does not have any stock option scheme.

8. None of the Equity Shares held by our Promoters or the members of our Promoter Group are locked-in, pledged or otherwise encumbered.

9. The Issue being a rights issue, as per Regulation 34(c) of the SEBI ICDR Regulations, the requirements of promoter's contribution and lock-in are not applicable.

10. There have been acquisitions of Equity Shares of our Company by Promoters / members of the Promoter group during the last financial year.

## SECTION V – PARTICULARS OF THE ISSUE

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds of the Issue to:

1. Repayment of unsecured loans availed by our Company,
2. To meet the working capital requirement and
3. General corporate purposes.

(Collectively, referred to hereinafter as the "**Objects**")

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects. The main object clause of our Memorandum of Association enables our Company to undertake its existing activities. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association. The loans availed by our Company, and which are proposed to be repaid / pre-paid in full or in part, from the Net Proceeds, are for activities carried out by us as enabled by the objects clause of our Memorandum of Association.

**Details of objects of the Issue**

The details of objects of the Issue are set forth in the following table:

| Means of Finance | Amount (In ₹) |
|---|---|
| Gross Proceeds from the Issue # | 21,07,00,000.00 |
| Less: Issue related expenses | 26,00,000.00 |
| Net Proceeds from the Issue | **20,81,00,000.00** |

*# Assuming full subscription and Allotment.*

**The Issue size will not exceed ₹ 21,07,00,000/- (Rupees Twenty-One Crores Seven Lakhs Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

**Requirement of funds & utilization of Net Proceeds**

The proposed utilization of Issue Proceeds is set forth below:

| Sr. No. | Particulars | Amount (In ₹) |
|---|---|---|
| 1. | Repayment of unsecured loans availed by the Company | 5,00,00,000.00 |
| 2. | To meet the working capital requirement | 10,81,00,000.00 |
| 3. | General corporate purposes* | 5,00,00,000.00 |
| | **Total** | **20,81,00,000.00** |

** The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds.*

**Means of Finance**

The fund requirements set out in the Objects of the Issue are proposed to be met entirely from the Proceeds of the Rights Issue and internal accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue as required under SEBI ICDR Regulations.

**Schedule of Utilization and Deployment of Funds**

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Financial Year 2023-24. The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements

at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund's requirements described herein.

**Details of the Objects of the Issue**

1. **Repayment in part of unsecured loans availed by our Company from lenders**

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and unsecured borrowing from associates or group companies or other lenders These unsecured borrowing carry relatively higher interest cost. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. The rationale for repaying these unsecured loans is, inter alia, to reduce our outstanding obligation and the interest cost. We believe such repayment of unsecured loans apart from reducing our cost of finance will also significantly augment our ability to deploy resources for further investment in our business and reduce our dependency on debt. The exponential growth in our segments and the consistent increase in the performance in this sector have provided our company an opportunity to utilize its growing potential for expansion in the coming yea₹ By reducing debt and interest cost, our Company will have enhanced financial strength to capitalize the growing potential in the industry. We believe that such repayment will enable our Company to significantly augment our ability to deploy internal accruals towards meeting our working capital requirements and towards further investments into our business**,** along with significantly increasing our ability to raise resources for future investments and asset creation by way of equity, loans and working capital facilities**.** We propose to utilise ₹ 5,000.00 Lakhs from the Net Proceeds of the Issue for repayment of unsecured loan availed by our Company. Our Statutory Auditors have provided a certificate dated 03.12.2022 confirming the amount outstanding as Unsecured Loan is ₹ 1,447.59 Lakhs as on 30.09.2022, which is payable on demand to the lenders.

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding unsecured loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail unsecured loans. In such cases or in case any of the above unsecured loans are paid or further unsecured loans have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment or prepayment of such additional unsecured loans.

2. **Augmenting our Working Capital Requirements**

We fund a majority of our working capital requirements in the ordinary course of business from internal accruals. We propose to utilise ₹ 1,081.00 Lakhs from the Net Proceeds of the Issue to fund the working capital requirements of our Company in Fiscal Year 2023-2024.

3. **General Corporate Purposes:**

In terms of Regulation 62(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceeding 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

**Undertaking by our Promoter**

Our Promoter and our Promoter Group members have undertaken to: (a) subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group; and (b) subscribe to, either individually or jointly, with the Promoter or member of the Promoter Group, for Additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Such subscription for Rights Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion

of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 75.51.

**Expenses for the issue:**

The Issue related expenses consist of fees payable to the Lead Manager, Legal Counsel, statutory and processing fee to the SCSBs, Registrars to the Issue, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹ 26,00,000.00 towards these expenses, a break-up of the same is as follows:

| Sl. No. | Particulars | Estimated Expense (Amount in ₹) | % of Total Expenses (%) | As a % of Issue size[#] (%) |
|---|---|---|---|---|
| 1. | Fees payable to the intermediaries (including Lead Manager fees, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditors fees, and other allied expenses) | 12,00,000.00 | 46.15 | 0.57 |
| 2. | Expenses relating to statutory advertising, printing, marketing, distribution and stationery expenses | 2,00,000.00 | 7.70 | 0.09 |
| 3. | Regulatory fees, filing fees, listing fees, depository fees and other miscellaneous expenses and Stamp Duty | 12,00,000.00 | 46.15 | 0.57 |
| | **Total estimated issue expenses[*^#]** | **26,00,000.00** | **100.00** | **1.23** |

*[*]Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.*
*[^]Excluding taxes.*
*[#]Assuming full subscription.*

**Strategic and/ or Financial Partners**

There are no Strategic and Financial partners to the objects of the Issue.

**Appraisal**

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

**Bridge Financing Facilities**

Our Company has not availed any bridge financing facilities from any banks or financial institutions as on the date of this Letter of Offer, which is proposed to be repaid from the proceeds of the Issue.

**Interim Use of Funds**

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

**Monitoring of utilization of funds**

Since the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

**Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Bengali, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the Objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company.

**Schedule of Implementation and Deployment of Funds**

An Issue Price of ₹10/- (Rupees Ten Only) shall be payable by the public shareholders of the Company for the purpose of this Issue. Accordingly, our Company retains the right to utilize the Net Proceeds to meet the stated Objects.

**Statement of Tax Benefits**

JHS & Associates LLP
Chartered Accountants

**Date:** 28.11.2022

To,
The Board of Directors,
**Chandi Steel Industries Limited,**
3, Bentick Street,
Kolkata, West Bengal – 700001 India.

**Statement of Possible Special Tax Benefits available to the Company and its shareholders under the Applicable Direct Tax & Indirect Tax Laws in India.**

**Proposed Right Issue of equity shares of face value of Rs 10 each ("the equity shares Offer") by Chandi Steel Industries Limited (the "Issuer"/" Company") for an amount not exceeding Rs 49 Crore (Rights Issue).**

1. This report is issued in accordance with the terms of our engagement letter dated 1st October 2022 with Chandi Steel Industries Limited.

2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "**the Statement**") under the Income-tax Act, 1961 (read with Income tax Rules, circulars, notifications) as amended by the Finance Act, 2022 (herein after referred to as the "**Direct Tax Regulations**") and under the Central Goods and Services Tax Act 2017, and respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended the rules and regulations, circulars and notifications issued under Foreign Trade Policy presently in force in India available to the Company 2017 (Collectively referred to as "**Indirect Tax Regulations**") has been prepared by the management of the Company in connection with the proposed Offer which we have initialed for identification purposes.

**Management's Responsibility**

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Letter of Offer (DLOF) and Letter of Offer (LOF) (Collectively the Issue Documents), is the responsibility of the management of the company and has been approved by the Board of Directors of the Company at its meeting held on 8th April, 2022 for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

JHS & ASSOCIATES LLP Kolkata Chartered Accountants

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www.jhsassociates.in| ICAI FRN 133288W/W100099| MCA No. AAE6757

**Auditor's Responsibility**

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('**ICAI**'). The Guidance note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. It is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders in accordance with the Income Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offer.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other assurance and related services engagements issued by ICAI.

**Inherent Limitations**

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence there liability of the information.

   Several of the benefits, if any, mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

   Further, we give no assurance that the Revenue Authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

**Opinion**

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available, to the Company and it's shareholders, in accordance with the Direct Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

JHS & ASSOCIATES LLP * Kolkata * Chartered Accountants

(i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

(ii) The conditions prescribed for availing the benefits per the Statement have been / would be met with.

**Restriction on Use**

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DLOF and LOF, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, West Bengal at Kolkata, the Calcutta Stock Exchange of India Limited where the equity shares of the Company are listed.

For **JHS & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.133288W

**Place**: Kolkata

**Date**: 28th November 2022

JHS & ASSOCIATES LLP * Kolkata * Chartered Accountants

**CA SHARAD MOHATA**
Partner
Membership No.055392
UDIN: 22055392BEHRKI9428

**ANNEXURE 'A' TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

**A. Special tax benefits available to the Company and its shareholders under IT Act:**

**I. Under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2022 (herein after referred to as the "Direct Tax Regulations")**

**a) Special tax benefits available to the Company.**

There are no special tax benefits available to the Company.

**b) Special tax benefits available to Shareholders.**

There are no special tax benefits available to the shareholders of the Company.

**Notes:**

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022- 2023.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **JHS & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.133288W

**CA SHARAD MOHATA**
Partner
Membership No.055392
UDIN: 22055392BEHRKI9428

**Place**: Kolkata
**Date**: 28th November 2022

JHS & ASSOCIATES LLP * Kolkata * Chartered Accountants

**B. Special tax benefits under the Indirect tax regulations in the hands of the Company and its shareholders:**

**I. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

**a) Special tax benefits available to the Company**

There are no special indirect tax benefits available to the Company under indirect tax regulations.

**b) Special tax benefits available to Shareholders**

There are no special indirect tax benefits available to the shareholders of the company under indirect tax regulations.

**Notes:**

b. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

c. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For **JHS & ASSOCIATES LLP**
Chartered Accountants
Firm Registration No.133288W

**Place**: Kolkata

**Date**: 28th November 2022

JHS & ASSOCIATES LLP * Kolkata * Chartered Accountants

**CA SHARAD MOHATA**
Partner
Membership No.055392
UDIN: 22055392BEHRKI9428

## SECTION VI – ABOUT THE COMPANY

## DESCRIPTION OF THE INDUSTRY

*The information presented in this section has been obtained from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries, industry websites and publicly available industry reports. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe industry, market and government data used in this Letter of Offer is reliable, it has not been independently verified.*

*Accordingly, Our Company and the Lead Manager do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained.*

### INDUSTRY OVERVIEW

As of April 2022, India was the world's second-largest producer of crude steel, with an output of 10.14 MT. In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

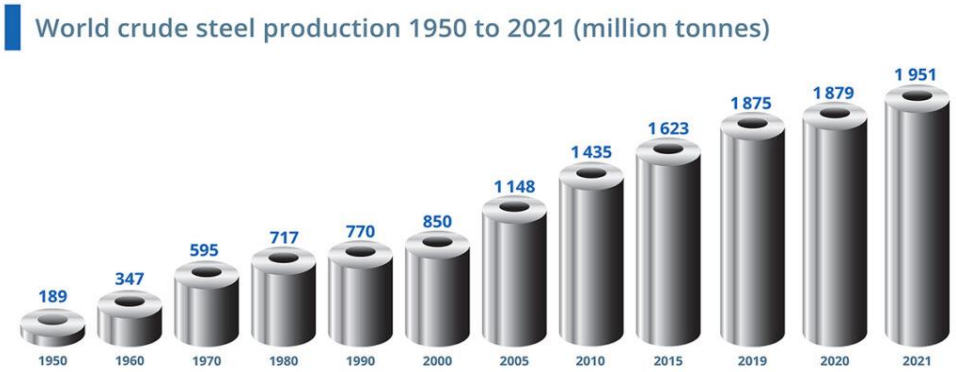
The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels. The Indian steel industry is classified into three categories - major producers, main producers and secondary produce₹

### Global Overview

The global economy grew by 5.9% in 2021 following a contraction of 3.1% in 2020 (Source: IMF World Economic Outlook, January 2022). Countries across the globe focused on vaccination coverage and implemented various economic stimuli to minimize the impact of COVID-19 and hasten economic recovery.

The growth momentum started slowing towards the end of 2021, as the effects of fiscal and monetary stimuli dissipated. The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies.

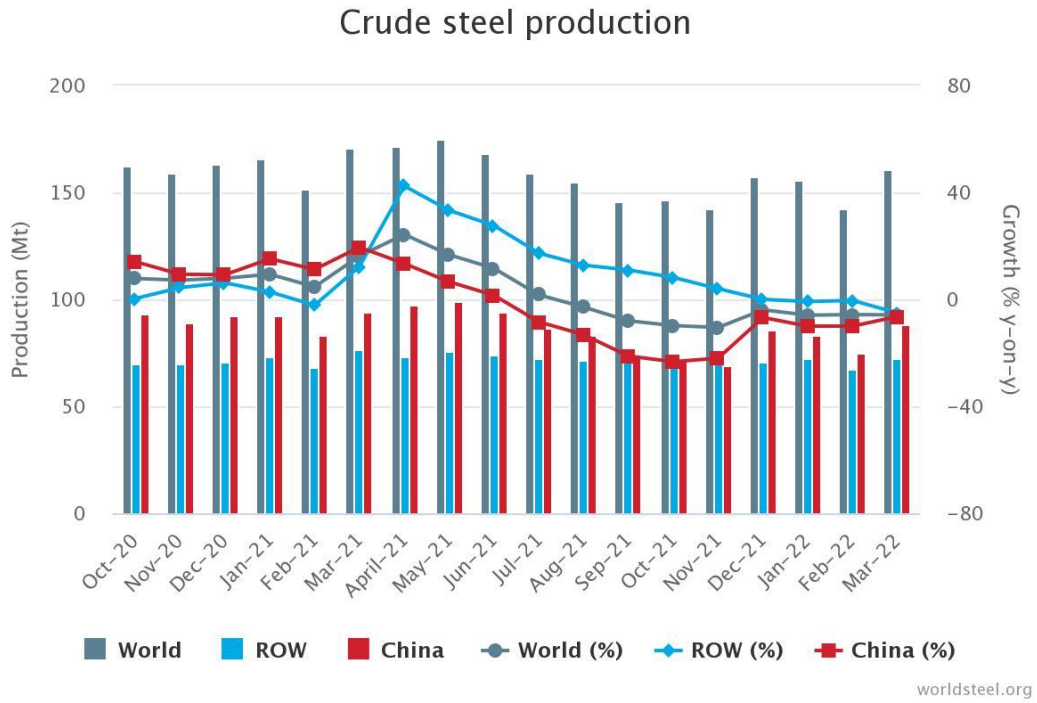
The global steel industry has partially recovered with increase in global steel production by 3.7% during 2021, compared to 2020. This is primarily due to economies opening up after wide scale vaccinations, gradual commencement of economic activity, and significant change in retail consumer behaviour mainly in automotive and construction secto₹ Further, increase in raw material prices mainly concerning coking coal, iron ore and oil & fuel have pushed the market prices of steel.




*www.worldsteel.org*

Global crude steel production reached at 1,951 million tonnes (Mt) in 2021, which was higher by around 70 Mt than 2020. While China continued to be the largest global crude steel producer, there were moderate growth in steel production in countries such as India, Japan, USA, Germany and Brazil, amongst others, signifying normalcy in operations during the pandemic.

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 161.0 million tonnes (Mt) in March 2022, a 5.8% decrease compared to March 2021.



**Indian Overview**

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.



As per reports of India Brand Equity Foundation (IBEF), some of the recent economic developments in India are as follows:

- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US$ 332.7 billion.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.
- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 572.80 billion between April 2000 - December 2021.

From the fledgling one million tonne capacity status at the time of independence, India has now risen to be the 2nd largest crude steel producer in the world and the largest producer of sponge iron. From a negligible global presence, the Indian steel industry is now globally acknowledged for its product quality. As it traversed its long history since independence, the Indian steel industry has responded to the challenges of the highs and lows of business cycles.

**Crude Steel Production: Top 10 Countries (January-December, 2021)**

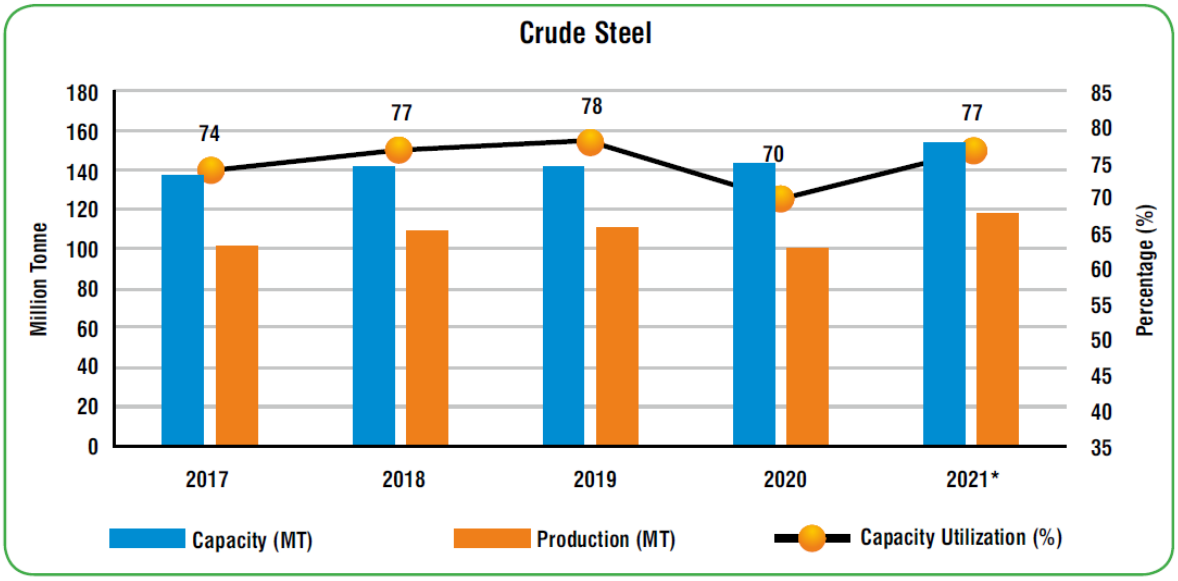
| Rank | Country | Qty (in Million Tonne)* | % change over 2020 |
|---|---|---|---|
| 1 | China | 1032.8 | -3.0 |
| **2** | **India** | **118.1** | **17.8** |
| 3 | Japan | 96.3 | 14.9 |
| 4 | United States | 86.0 | 18.3 |
| 5 | Russia | 76.0 | 6.1 |
| 6 | South Korea | 70.6 | 5.2 |
| 7 | Turkey | 40.4 | 12.7 |
| 8 | Germany | 40.1 | 12.3 |
| 9 | Brazil | 36.0 | 14.7 |
| 10 | Iran | 28.5 | -1.8 |

Source: World Steel Association;
*Provisional

Indian Steel Sector has brought a new hope in Indian economy considering production of steel product as well as employment generation. Data on crude steel production, capacity and capacity utilization during the last five years is given in the table below:-

| Year | Crude Steel | | |
|---|---|---|---|
| | Capacity (MT) | Production (MT) | Capacity Utilisation (%) |
| **2017** | 137.975 | 101.455 | 74 |
| **2018** | 142.236 | 109.250 | 77 |
| **2019** | 142.299 | 111.344 | 78 |
| **2020** | 143.914 | 100.256 | 70 |
| **2021*** | 154.269 | 118.134 | 77 |

*Source: JPC; *Provisional (January-December, 2021)*




- Crude Steel production grew from 101.455 MT in 2017 to 118.134 MT in 2021.
- The growth in production was driven by capacity expansion, from 137.975 Million Tonnes (MT) in 2017 to 154.269 MT in 2021, during this five-year period.
- Domestic consumption of Total Finished Steel (alloy + non-alloy) was at 106.134 MT in 2021 as against 88.679 MT in 2017.
- Export of Total Finished Steel (alloy + non-alloy) during 2021 stood at 12.799 MT as compared to 10.871 MT in 2017; import of Total Finished Steel (alloy + non-alloy) during the same year stood at 5.001 MT as compared to 7.828 MT in 2017.
- India was a net exporter of Total Finished Steel in 2021.

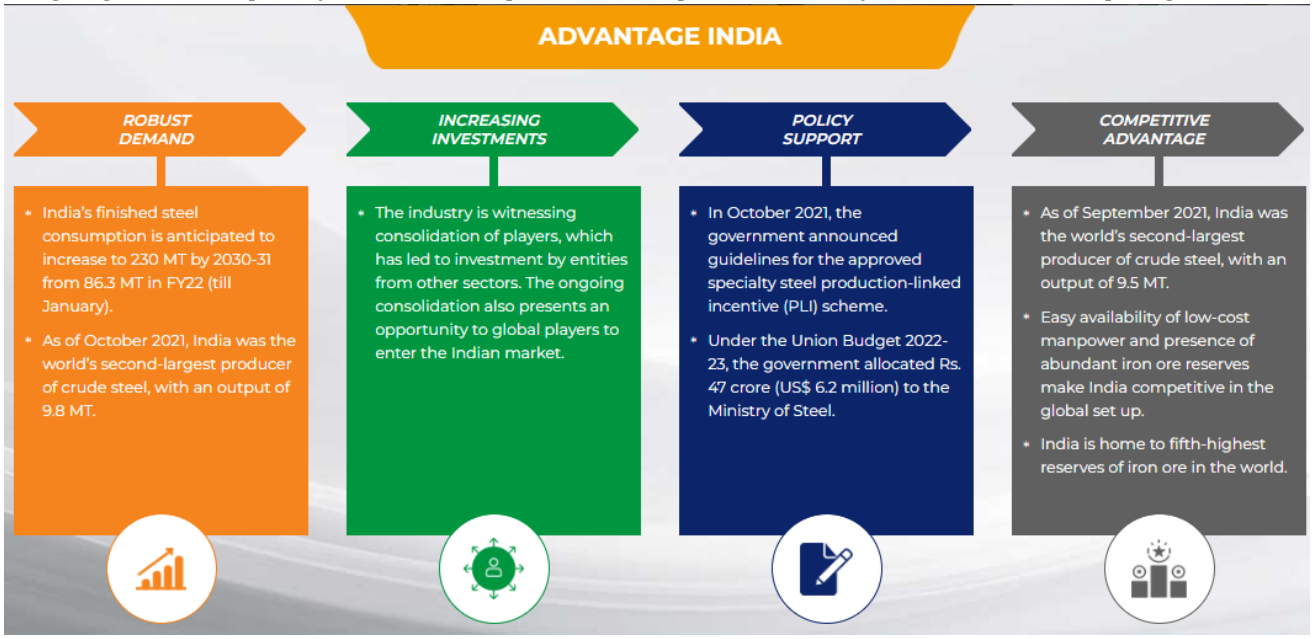
***Opportunities, threats, risks and concern***

**Opportunities**

Steel is crucial in the development of the infrastructure of any economy. Steel is a commodity that is used in our day-to-day life. It is used in constructing homes we live in, the cars we drive, the utensils we eat in, etc. Steel finds usage in various sectors including construction and infrastructure, engineering, automobiles, etc. It is an important engineering and construction material. Steel is widely used all around the world because of its strength and it can be recycled over and over again without loss of its property.

The steel industry derives its demand from other important sectors like infrastructure, aviation, engineering, construction, automobile, etc.

- **Capital Goods**: The capital goods sector accounts for 11% of steel consumption and is expected to increase 14-15% by FY2025-26 and has the potential to increase in tonnage and market share.
- **Automotive Industry**: The Automotive industry accounts for around 10% of demand of steel in India. It is forecasted to grow in size to US$ 260-300 billion by 2026. Demand from the sector for steel is expected to be robust.
- **Infrastructure sector**: The Infrastructure sector accounts for 9% of steel consumption and expected to increase 11% by FY2025-26. Because of rising investments in infrastructure, the demand for long steel products would increase in the years ahead.
- **Railways**: laying of tracks and construction of foot over bridges, rail coaches, railway stations will also drive the steel demand.
- **Airport:** The number of operational airports stood at 103 as on 31st March 2019.. Under union budget 2020, Government is targeting 100 more airports by FY2024. Development of new airports in Tier-II city would sustain consumption growth.




*Source: www.ibef.org/*

**Threats, risks and concern**

The industry operates in a dynamic environment which not only provides opportunities but also exposes the business to various risks.

The world economy continues to suffer from a series of destabilizing shocks. After more than two years of pandemic, the Russian Federation's invasion of Ukraine and its global effects on commodity markets, supply chains, inflation, and financial conditions have steepened the slowdown in global growth.

Elevated inflation is expected to persist longer, with ongoing supply chain disruptions and high energy prices continuing in 2022. Risks to the global baseline are tilted to the downside which is primarily brought by the new COVID-19 variant which may prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures have enhanced the uncertainty around inflation and policy paths. Other global risks may crystallize with the surging geopolitical tensions, and the ongoing adverse climate conditions leading to the probability for natural disaste₹

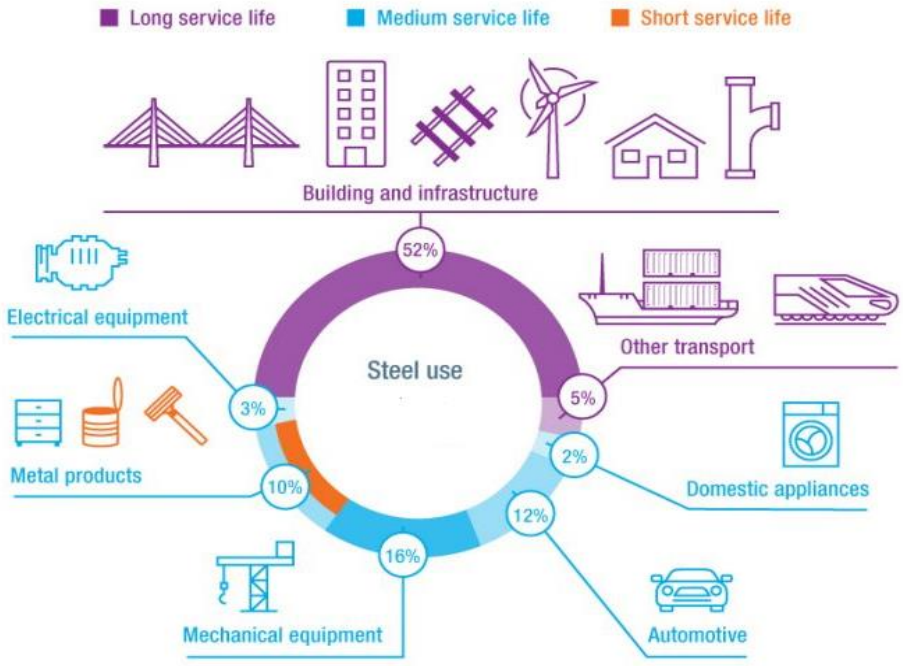
The export duty, imposed to check rising inflation in the country, has resulted in volatile steel prices in the domestic market. Most domestic steel makers are under margin pressure due to rise in input cost and are concerned with the availability of raw materials. Anticipated high interest rates might limit the growth in private demand. The industry still has huge dependence on imported coking coal, low production efficiency, inadequate infrastructure & technology. The steel industry is challenged by dwindling investments, turbulence in the financial market and geopolitical conflicts in many developing regions.

***Outlook***

Global growth is projected to slow-down from an estimated 6.1% in 2021 to 3.6% in 2022—0.8 percentage-point lower than what was envisioned in the last World Economic Outlook (WEO) of January 2022, largely reflecting forecast markdowns in USA and China. In USA, a revised assumption of removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages have induced a downgrade in the outlook by 1.2 percentage-points. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow down to 3.6% in 2023.




As populations grow and nations around the world seek to improve their standards of living, it is inevitable that the demand for steel will increase. Steel is critical simply because no other material has the same unique combination of strength, formability and versatility. New generations of steel continue to be developed that make it possible for manufacturers and builders to implement durable, lightweight designs. Without being aware of it, society now depends on steel. Humankind's future success in meeting challenges such as climate change, poverty, population growth, water distribution and energy limited by a lower carbon would depends on applications of steel.




As per world steel association, despite the sporadic COVID infection waves and the manufacturing sector's supply chain constraints, steel demand recovered strongly in 2021, especially in the EU and the US. However, the outlook for 2022 has weakened due to inflationary pressure, which is further reinforced by the events surrounding Ukraine. The impact of the war will be particularly pronounced in the EU due to its high dependence on Russian energy and refugee inflows. Steel demand in the developed world is forecast to increase by 1.1% and 2.4% in 2022 and 2023 respectively, after recovering by 16.5% in 2021.

World steel forecasts that steel demand will grow by 0.4% in 2022 to reach 1,840.2 Mt after increasing by 2.7% in 2021. In 2023 steel demand will see further growth of 2.2% to reach 1,881.4 Mt.

## HISTORY, BUSINESS OVERVIEW AND CORPORATE STRUCTURE

### BRIEF CORPORATE HISTORY OF OUR COMPANY

Our Company was originally incorporated as a Private Limited Company under the Companies Act, 1956 in the name of "Chandi Steel Industries Private Limited" vide a certificate of incorporation dated September 09, 1978 issued by the Registrar of Companies, West Bengal. The name of the Company was subsequently changed to its present name vide a special resolution passed by the shareholders of the Company under Section 44(2)(b) of the Companies Act, 1956 and a fresh certificate of Incorporation consequent upon change of name was issued on August 18, 2003 by the Registrar of Companies, West Bengal. The CIN of the Company is L13100WB1978PLC031670. The Company made its maiden public issue in the year 2003 and got its equity shares listed and traded at the Calcutta Stock Exchange Limited on 16.12.2003 and 29.01.2004, respectively, bearing Scrip Code '10013341', and ISIN 'INE204G01017'.

### CHANGES IN OUR REGISTERED OFFICE

Our registered office is situated at 3, Bentinck Street, Kolkata - 700 001, West Bengal. The changes in the registered office of our Company are as follows:

| Year | From | To |
|---|---|---|
| 1993 - 1994 | 32, Armenian Street, Kolkata – 700001, West Bengal | 3, Bentinck Street, Kolkata- 700001, West Bengal |

### MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. To become vested with the partnership business now being carried on under the name and style of 'Harayana Steel Corporation', including all its assets, moveable and Immoveable, rights, quotas, licenses, debts & liabilities and the rights &liabilities of the parties hereto in the said partnership business and in connection therewith,

2. To carry on all and or any business as manufacturers; processors, rollers, re-rollers, refiners, smelters, converters, producers, galvenisers, assemblers, fitters, 'engineers, erectors, founders, makers, drawers, workers, repairers, hirers, hirepurcha.se, dealers, exporters, importers, traders, contractors, dealers; distributors; stockists, boyars; seller* proprietors, agents, merchants, suppliers, and dealers in all kinds and forms of ferrous And nonferrous metals and alloys, terra alloys, machineries castings; forgoing machinery part, accessories, tools and implements., articles, including mild high carbon spring high speed tool alloy stainless, and special steel iron metal and alloy and ingot s, billets bar joists rods squares structural tubes poles pipes sheets ;castings, wires, rolling material other material made 'wholly. or partly of iron steel, alloys aluminum, zinc, copper tin lead and other material required in our use for Industrial, agricultural, transport, Mining export commercial domestic building hospital, surgical or scientific appliances power transmission and or construction purpose.

3. To carry on business as iron masters, iron founder, Iron workers, steelmakers, electric and blast furnace proprietors, brass founders and metal makers, refiners and workers generally iron and steel converters, smiths, tin plate makers, manufacturer of industrial agricultural and other fittings, parts and all kinds of machineries, tools and impliments boiler makers and metallurgists.

4. To carry on any other business: whether manufacturing or otherwise that may seem to the company capable of being conveniently carried on in, connection with the above object or calculated directly or indirectly to enhance the value or render profit any of the company's property or rights or which it may be advisable to undertake with a. view to improve; render Valuable or turn to account any properly real or personal belonging to the company or in which the company may be interested.

5. To purchase, take on lease, hire or otherwise acquire weather in India or abroad, and either singly or jointly, (with or without surface),any mines, quarries, easements, sea bed, refineries, gas fields, oilfields, wells, rigs refineries land and hereditanient and other property incidental for the aforesaid, ground, mining and other right grants, patents, permissions, concessions and to prospect, explore, examine, work, raise, bring to surface, extract, pump drill, operate, exercise, develop, quarry, assay, refine; purify, distill, dress amalgamate; manipulate; wash, process, beneficiate calcine, smelt, blend, reduce, crush, cut, polish, size, prepare for market and generally to carry on all kinds of business of mining, exploring, drilling, manufacturing, producing ,processing, refining, liquefaction, regasification, compression, beneficiation, washery crusher, distributing, trading, importing, exporting, staring; and transporting of all kind and types of coal, lignite, oil, natural gas, hydrocarbon products or substance , fossil fuel, iron ore: bauxite, manganese, silica, chrome, chromium, manganese; phosphates, quartz, copper, tin, felspar, dolomite, limestone, nickel, sulphur, gold, silver,

earth, talc, stones, rock, brimstone, mercury, kyanite, clay, calcium, berryium, zinc, lead, asbestos, mica, platinum, tungsten, titanium, uranium, nuclear fuel, diamond ,sapphire, ruby, topaz, garnet, emerald,, other precious stones, all sorts of major and minor minerals, metal & mineral substances of all kinds, drilling platform rigs, specialized: vessels, ships, equipments, machineries, ancillaries., 'Spares; stores or any other item essential to undertake such activities/ services successfully, to undertake, contract for seismic activities or surveys, research, data collection and interpretation and all other technical, non-technical or specialized services, in the aforementioned.

**CHANGES IN MEMORANDUM OF ASSOCIATION:**

| Sl. No. | Particulars | Date of Meeting | Type of Meeting |
|---|---|---|---|
| 1. | Company converted from Private to Public Company and name of the Company changed from 'Chandi Steel Industries Private Limited' to 'Chandi Steel Industries Limited' | 25/07/2003 | EGM |
| 2. | The Authorised Share capital of the Company increased from ₹ 10,00,000/- (Rupees Ten Lakhs only) divided into 1,00,000 (One Lakh) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 4,50,00,000/- (Rupees Four Crores Fifty Lakhs only) divided into 45,00,000 (Forty Five Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each. | 02/09/1994 | AGM |
| 3. | The Authorised Share capital of the Company increased from ₹ 4,50,00,000/- (Rupees Four Crores Fifty Lakhs only) divided into 45,00,000 (Forty Five Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 5,25,00,000/- (Rupees Five Crores Twenty Five Lakhs only) divided into 52,50,000 (Fifty Two Lakhs Fifty Thousand) equity shares of ₹ 10/- (Rupees Ten Only) each. | 01/03/2002 | EGM |
| 4. | The Authorised Share capital of the Company increased from ₹ 5,25,00,000/- (Rupees Five Crores Twenty Five Lakhs only) divided into 52,50,000 (Fifty Two Lakhs Fifty Thousand) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each. | 11/08/2003 | EGM |
| 5. | The Authorised Share capital of the Company increased from ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 37,00,00,000/- (Rupees Thirty Seven Crores only) divided into 3,70,00,000 (Three Crore Seventy Lakhs) equity shares of ₹ 10/- (Rupees Ten Only) each. | 26/05/2022 | EGM by Postal Ballot |
| 6. | Alteration of Object Clause of the Memorandum of Association of the Company by deleting the existing clause 4(B) and 4(C) and inserting a new Clause IV(B)/4(B) as "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE IV(A)/4(A)." | 26/05/2022 | EGM by Postal Ballot |
| 7. | Adoption of new set of the Articles of Association of the Company in accordance with the Companies Act, 2013 | 26/05/2022 | EGM by Postal Ballot |

**BUSINESS OVERVIEW**

The Company's cumulative product wise sale details are given hereunder:

The sale of Non-Alloy Steels was ₹ 38,077.52 Lakhs during the Financial Year 2021-2022 as compared to ₹ 19,637.1 Lakhs during the financial year 2020-21. The sale of Alloy Steels was ₹ 1,190.91 Lakhs during the financial year 2021-22 as compared to ₹ 1,190.90 Lakhs during the financial year 2020-21. The net revenue from operations and other income for the financial year during the Financial Year 2021-2022 was ₹ 43,234.28/- Lakhs in 2021-22 in comparison to ₹ 23,029.89 Lakhs in 2021-22. The Profit before Tax (PBT) for the Financial Year 2021-2022 increased to ₹ 2,674.91 Lakhs as compared to ₹ 671.12 Lakhs in the previous year.

The Company is now emerging as one of the leader for manufacturing of Cathode Collector Bar, Anode Bar, Copper Inserted Cathode Bar Assembly, Anode Stub and Grinding Media Rod for the aluminum, mineral and mining industry. We are one of the leading manufacturers of forging and engineering qualify alloy and non-alloy steel Rounds, Flats, and Squares. Our manufacturing unit (i.e., works office) is located in Liluah of Howrah District of West Bengal, India, with an installed capacity of 60,000 Metric Tonnes per annum. Our flawless inspection and testing facilities have made us one of most reliable suppliers in the industry. The in-house testing & machining facilities also help us to maintain close tolerance and provide better consumption to industry. We believe in quality and the customers believe in us.

## OUR MANAGEMENT

Our Articles of Association provide that our Board shall consist of minimum three Directors and not more than twelve Directors, unless otherwise determined by our Company in a general meeting.

On the date of this Letter of Offer, our company is having Six Directors, comprising of Three Non-Executive Independent Directors and Three Executive Directors The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

**Our Board of Directors:**

The following table sets forth details regarding our Board of Directors as on the date of this Letter of Offer:

| No. | Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN | Age (Years) | Other directorships |
|---|---|---|---|
| 1. | **Name: Devendra Prasad Jajodia**<br>**Designation**: Chairman & Managing Director<br>**Address**: 11, Raja Santosh Road, Alipore Kolkata - 700027<br>**Occupation**: Business<br>**Period of Directorship**: Since December 22, 2007.<br>**Term:** For a period of 5 years from the date of re-appointment (April 01, 2023).<br>**Date of expiration of the current term of office:-** March 31, 2028<br>**Date of Birth**:1st June, 1948<br>**DIN**: 00045166<br>**Nationality**: Indian | 74 | Public Limited Entities:<br>• Hari Management Limited<br><br>Private Limited Entities:<br>• K D Jajodia Steel Industries Private Limited<br>• Jai Salasar Balaji Industries Private Limited |
| 2. | **Name: Susanta Sarkar**<br>**Designation:** Professional Executive Director<br>**Address**: 59, Ghoshpara Lane, Uttarpara, Kotrung (M), Bhadrakali, Serampur, Uttarpara, Hoogly- 712 232, West Bengal<br>**Occupation**: Service<br>**Period of Directorship**: Since November 19, 2012<br>**Term:** Not Applicable<br>**Date of expiration of the current term of office:** Liable to retire by rotation<br>**Date of birth**: 15th October,1970<br>**DIN**: 06449312<br>**Nationality**: Indian | 52 | Public Limited Entities: Nil<br><br>Private Limited Entities: Nil |
| 3. | **Name: Harsh Jajodia**<br>**Designation**: Whole-time Director.<br>**Address**: 11, Raja Santosh Road, Alipore, Kolkata-700027, West Bengal.<br>**Occupation**: Business<br>**Period of Directorship**: Since July 01, 2022.<br>**Term:** For a period of 3 years from the date of appointment.<br>**Date of expiration of the current term of office**: June 30, 2025<br>**Date of birth**: December 04, 1991<br>**DIN**: 07022106<br>**Nationality**: Indian | 31 | Public Limited Entities: Nil<br><br>Private Limited Entities: Nil |
| 4. | **Name: Sweta Bhutra**<br>**Designation**: Non-Executive Independent Director.<br>**Address**: 31, Bhairab Dutta Lane, Salkia, Howrah-711106, West Bengal. | 32 | Public Limited Entities: Nil<br><br>Private Limited Entities: Nil |

| No. | Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN | Age (Years) | Other directorships |
|---|---|---|---|
| | **Occupation**: Company Secretary<br>**Period of Directorship**: Since August 13, 2022.<br>**Term:** For a period of 5 years from the date of appointment.<br>**Date of expiration of the current term of office**: August 12, 2027<br>**Date of birth**: September 06, 1990.<br>**DIN**: 09701964<br>**Nationality**: Indian | | |
| 5. | **Name: Sumit Kumar Rakshit**<br>**Designation:** Non-Executive Independent Director.<br>**Address**: Buroraj Villa Ramkrishna Pally, Rahara, Khardah, North-24 Parganas Kolkata- 700 118, West Bengal.<br>**Occupation**: Service<br>**Period of Directorship**: Since September 01, 2016.<br>**Term:** For a period of 5 years from the date of re-appointment (September 01, 2021)<br>**Date of expiration of the current term of office:** August 31, 2026.<br>**Date of birth**: September 16,1981<br>**DIN:** 07603642<br>**Nationality**: Indian | 41 | Public Limited Entities:<br>• Enfield Suppliers Limited<br><br>Private Limited Entities: Nil |
| 6. | **Name: Ashok Kumar Choudhary**<br>**Designation**: Non-Executive Independent Director.<br>**Address**: Flat No. H-8, Block-2, Merlin Warden Lake View 104, Bidhannagar Roa, Kolkata- 700 067, West Bengal.<br>**Occupation**: Service<br>**Period of Directorship**: Since September 01, 2016.<br>**Term:** For a period of 5 years from the date of re-appointment (September 01, 2021)<br>**Date of expiration of the current term of office:** August 31, 2026.<br>**Date of birth**: February 07, 1961<br>**DIN**: 07603658<br>**Nationality**: Indian | 62 | Public Limited Entities: Nil<br><br>Private Limited Entities: Nil |

**Past Directorships in listed companies**

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last five years preceding the date of this Letter of Offer.

**Past Directorships in delisted companies**

None of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last five years preceding the date of this Letter of Offer.

**BRIEF SYNOPSIS OF THE KEY MANAGERIAL PERSONNEL'S:**

- **Mr. Devendra Prasad Jajodia:**
  Mr. Devendra Prasad Jajodia, Chairman & Managing Director of the company has colossal experience in the Steel Industry. His educational qualification is B.E (Hons.) Mechanical and has expertise in iron & steel industry. He is well known among industry circle as a highly successful entrepreneur.

- **Mr. Susanta Sarkar:**
  Mr. Susanta Sarkar is qualified in Draughtsman ship (Mechanical and Civil) and has wide and varied experience in Steel Sector. He also has expertise in Central Excise.

- **Mr. Harsh Jajodia**:
  Mr. Harsh Jajodia is a Commerce Graduate. He has a varied experience in Iron & Steel Industry and is known for his innovative and modern ideas and implementing the same practically and efficiently empowering the corporates to meet its objectives and surpass industrial benchmarks. He has an in-depth knowledge in Corporate Finance, Accounts, Planning & Strategy.

- **Ms. Sweta Bhutra:**
  Ms. Sweta Bhutra is a Company Secretary with more than 05 years of experience in the fields of Secretarial and legal functions. A Commerce Graduate from Calcutta University she has rich experience in handling due diligence, financial reporting, statutory compliance, taxation and finance.

- **Mr. Sumit Kumar Rakshit:**
  Mr. Sumit Kumar Rakshit is a commerce graduate from Calcutta University and also a MBA (Finance) from ICFAI University. He has also completed "Industrial Accountant Plus" course from IA Barrackpore. He possesses rich experience in the field of Accounts, Taxation and Finance Sector.

- **Mr. Ashok Kumar Choudhary**
  Mr. Ashok Kumar Choudhary holds a degree in Bachelor of Commerce (Hons.) and has vast experience in the field of Accounts and Taxation and possesses a rich experience of over 20 years in various Capacity.

- **Mr. Tushar Kanti Sarkar:**
  Mr. Tushar Kanti Sarkar holds a degree in Bachelor of Commerce (Hons.) and has vast experience in the field of Accounts and Taxation and possesses a rich experience of over 20 years in various Capacity.

- **Ms. Seema Chowdhury:**
  Ms. Seema Choudhury has done her graduation from Shri Shikshayatan College, Kolkata and an associate member of the Institute of Company Secretaries of India (ICSI), she possesses over 10 years of experience in handling Company Law, SEBI, Listing Agreement and matters related to FEMA.

**Relationship between the Directors:**

| Name of the Member | Relationship |
|---|---|
| Mr. Devendra Prasad Jajodia | Except Mr. Harsh Jajodia who is nephew of Mr. Devendra Prasad Jajodia there exists no relationship between the Directors inter-se. |
| Mr. Harsh Jajodia | |
| Mr. Susanta Sarkar | |
| Ms. Sweta Bhutra | |
| Mr. Sumit Kumar Rakshit | |
| Mr. Ashok Kumar Choudhary | |

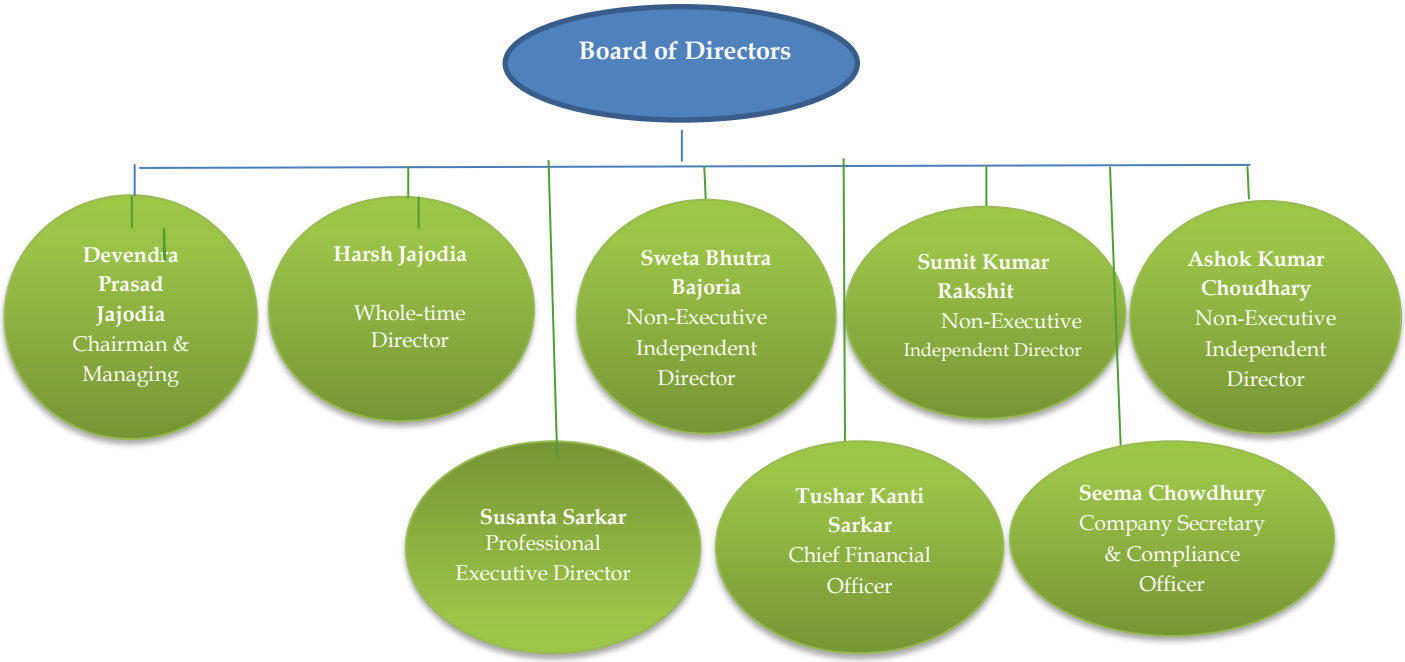
**Arrangement or understanding with major Shareholders, customers, suppliers or others:**

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board of Directors.

**Details of service contracts entered with Directors:**

There are no service contracts entered between our Company and our Directors which provide for benefits upon termination of employment.

**Management Organisation Structure:**



## SECTION VII - FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT

To
The Members of **Chandi Steel Industries Limited**
**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **Chandi Steel Industries Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (Including Other Comprehensive income),the statement of change in equity and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind As") and other accounting principal generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics, We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matte₹ We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1. | **Revenue recognition**<br>We Identified revenue recognition as a key audit matter because there is an inherent industry risk around the accuracy of revenue recorded by the Company specifically exports of Goods.<br><br>The company's revenue consists of straight-forward product sales where revenue is recognized when the significant risk and rewards connected with ownership of goods have been transferred to the buyer depending on terms of contract with the custome₹<br><br>Recognizing the Export Revenue is the bigger issue as it depends on the basis of commonly used FOB and CIF. | Our audit included a combination of testing of internal control over financial reporting with respect to revenue recognition including procedures relating to business reviews performed by the different business Areas, analytical procedures and detailed test of significant new customer contract. Different contracts may contain different delivery terms that need to be considered in terms of revenue recognition.<br><br>Our audit also included details test of proof of delivery to confirm that risk had been transferred to the customer. We have in our audit had special focus on revenue recognition with the business area of export of goods.<br><br>We have verified each and every shipment documents and the exporter's obligation connected with the transfer of ownership of goods to the buyer both in FOB and CIF. |

| | | |
|---|---|---|
| | | Our audit also included the test verification for entitlement of duty draw back and its recognition.<br><br>Based on our work, we had no materials observations for the overall audit on Company's accounting for revenue recognition. |
| 2. | **Measurement of Inventory**<br>The company keep significant stock of raw materials, consumable stores, spare parts at its production units and stores of finished goods mostly at its sales and distribution centre. Measurement of Inventory is important for a fair representation of gross margin.<br><br>It is demanding to prepare accurate reporting of the acquisition cost when procurement, production and logistical processes are complex. Establishing product costing requires many instance of management judgment with effect on the reported values. This includes considering normal production levels, foreign currency and prices of raw materials and allocation of other direct and indirect costs. For finished goods, assessment is needed of obsolescence and how sellable the products are. Finally, there is a complexity in monitoring and measuring volumes particularly for some raw materials and work in progress.<br>The accounting policies included the company's accounting principles for measuring inventory. | Our audit included but was not limited to the following activities :<br><br>Mapped and evaluated selected systems and methodology applied by the management for consistency with prior years and our knowledge of industry practice and tested a sample of key controls for establishing volumes and cost.<br><br>Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product costing for work in progress and finished goods.<br><br>Participated in stock takes at a great number of locations and tested the cut-off of deliveries in or out of inventory.<br><br>Testing the estimated future sales values, less estimated costs to sell against the carrying value of the inventories.<br><br>Recalculating the arithmetical accuracy of the computations.<br><br>Obtained the Management's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices. |

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or others wise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind As and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Financial Statements, management is responsible for assessing the company's liability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance in a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exist, Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' ability to continue as a continue as a going concern. If we conclude that a material uncertainty exists, we are require to draw attention I n our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion, On our conclusions are based on the audit evidence obtained up to the date of our auditors, report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall representation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charges with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matte₹ We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not communicated in our report because the

adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS Specified under section 133 of the act read with rule 7 of the companies (Accounts) rules, 2014.

   e) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With Respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's report in accordance with the requirement of section 197(16) of the act , as amended:
   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the Ind AS standalone financial statements:

   j) The Company has made provision, as required under the applicable law or Accounting Standards, for materials foreseeable losses, if any, on long term contracts including derivative contracts.

   k) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   l) Based on the written representation received from the management that to the best of it's knowledge and belief,

      a) no funds have been advanced or loaned or invested by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writhing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf f the Ultimate Beneficiaries.

b) no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries: and

c) based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

i) During the year the company has not declared any dividend.

**For B Y Jatania & Co.**
Chartered Accountant
FRN- 0311010E
Sd/-
**CA Yaswant Kumar Jatania**
**(Proprietor)**
**Membership No. 050031**
**UDIN: 21050031AAAACN8828**

Place: Kolkata
Dated: 14-May-2022

**"Annexure A" to the Independent Auditor's Report**

(Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" section of our report to the member of Chandi Steel Industries Ltd. of even date.)

**Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")**

We have audited the internal financial controls over financial reporting of Chandi Steel Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance

Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain the reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us the company has , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**B Y Jatania & Co.**
*Chartered Accountants*
Firm's registration number: 0311010E
Sd/-
**CA Yashwant Kumar Jatania**
***Proprietor***
**Membership number: 050031**
**UDIN: 22050031AIYWWP8563**

Place: Kolkata
Date: 14-May-2022

**"Annexure B" to the Independent Auditor's Report of even date on the Statements of Chandi Steel Industries Limited.**

**(Referred to in paragraph 2 under "Report on other Legal and regulatory requirements" section of our report to the members of Chandi steel Industries Ltd. of even date.)**

(i) In respect of Companies Property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant and equipment have been physically verified by the management during the period but there is a regular programme of verification in a phased manner to cover all the items of fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) There was no disposal of substantial part of fixed assets during the period.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company had granted loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013.

(a) The receipts of the principal amount and interest have been regular.

(b) The above loan is stated to be re-payable on demand. We are informed that, the Company has received back the amount of loan to the extent demanded by it and thus there has been no default on the part of such party to whom the money has been lent. The payment of interest has been regular.

(c) As the party has repaid the amount of loan whenever demanded, therefore there is no overdue amount for the above loan granted to a Company listed in the register maintained under section 189 of the Companies Act, 2013

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 & 186 of the act in respect of grant loans, making investments and providing guarantees and securities as applicable.

**(v) The Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rule framed there under.**

**(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, related to the manufacture of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.**

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service act, custom duty, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other materials statutory dues in arrears as at March 31,2022 for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of sales-tax, service tax, excise duty and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | Show Cause Notice | 4.09 | 2010-11 to 2014-15 | Commissioner Pending for adjournment |
| Central Excise Act, 1944 | Short Payment of GTA | 2.20 | 2013-14 | Commissioner (Appellate) |
| Central Excise Act, 1944 | Irregular Availment of Service Tax Credit | 26.51 | 2009-10, 2010-11 and 2011-12 | Appeal Hearing pending before CESTAT & HC |
| The Central Sales Tax Act, 1956 | Pending statutory Forms | 2.10 | 2014-15 | West Bengal Appellate and Revision Board. |

**(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. During the year the company has not taken any loan either from financial institutions or from the government and has not issued any debentures.**

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company and hence not commented upon.

(x) According to the information and explanations given to us, no materials fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**(xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.**

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order in not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For, B Y Jatania & Co.**
Chartered Accountant
FRN- 0311010E
Sd/-
**CA YASHWANT KUMAR JATANIA**
(Proprietor)

Place: Kolkata
Dated: 14-May-2022

**Balance Sheet as at 31st March, 2022**

***(Amount ₹ in Lakhs)***

| Particulars | | | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| **A.** | **ASSETS** | | | | |
| **1** | | **Non-current assets** | | | |
| | | **Property, Plant and Equipment** | | | |
| | | a) Property, plant and equipment | 3.1 | 2,696.69 | 2,337.95 |
| | | b) Capital work-in-progress | 3.2 | 1,200.00 | 2,528.83 |
| | | c) Other non-current assets | 4 | 12.69 | 10.63 |
| | | | | **3,909.38** | **4,877.41** |
| **2** | | **Current assets** | | | |
| | | a) Inventories | 5 | 5,804.91 | 3,377.13 |
| | | b) Financial assets | | | |
| | | i) Trade receivables | 6.1 | 3,030.48 | 3,654.07 |
| | | ii) Cash and Cash equivalents | 6.2 | 570.51 | 85.72 |
| | | iii) Bank balance other than (ii) above | 6.3 | 232.51 | 419.44 |
| | | iv) Loans | 6.4 | 172.23 | 259.75 |
| | | c) Income Tax assets (Net) | 15 | 19.69 | 11.82 |
| | | d) Other current assets | 7 | 1,510.05 | 1,113.61 |
| | | | | **11,340.38** | **8,921.54** |
| | **Total Assets** | | | **15,249.76** | **13,798.95** |
| **B.** | **EQUITY AND LIABILITIES** | | | | |
| | **1** | **EQUITY** | | | |
| | | a) Equity Share capital | 8 | 1,053.50 | 1,053.62 |
| | | b) Other equity | 9 | 4,530.43 | 2,536.69 |
| | | | | **5,583.93** | **3,590.31** |
| | **2** | **LIABILITIES** | | | |
| | i) | **Non-current liabilities** | | | |
| | | a) Financial liabilities | | | |
| | | i) Borrowings | 10 | 583.35 | 406.66 |
| | | b) Deferred tax liabilities (Net) | 11 | 102.89 | 107.74 |
| | | c) Provisions | 12 | 29.34 | 19.42 |
| | | | | **715.58** | **533.82** |
| | ii) | **Current liabilities** | | | |
| | | a) Financial liabilities | | | |
| | | i) Borrowings | 13.1 | 4,441.00 | 4,756.00 |
| | | ii) Trade Payables | 13.2 | | |
| | | Total outstanding dues of micro enterprises and small enterprises | | 57.97 | 55.77 |
| | | Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,066.00 | 3,676.77 |
| | | iii) Other financial liabilities | 13.3 | 250.68 | 183.58 |
| | | b) Provisions | 14 | 3.31 | 0.99 |
| | | c) Other current liabilities | 16 | 1,131.29 | 1,001.71 |
| | | | | **8,950.25** | **9,674.82** |
| | **Total Equity and liabilities** | | | **15,249.76** | **13,798.95** |
| | | | | | |

Significant accounting policies (1-2) and other accompanying notes form an integral part of financial statements:

As per Report of even date
For **B.Y. JATANIA & CO.**
Chartered Accountants
FRN : 0311010E
Sd/-
**CA Yaswant Kumar Jatania**
(Proprietor)
M.No. : 050031
Kolkata Date: 14-May-2022;
**UDIN : 22050031AIYWWP8563**

**For and on behalf of the Board**

**Sd/-**
**Devendra Prasad Jajodia**
Managing Director
(DIN : 00045166)

**Sd/-**
**Susanta Sarkar**
Director
(DIN : 06449312)

**Sd/-**
**Tushar Kanti Sarkar**
Chief Financial Officer

**Sd/-**
**Seema Chowdhury**
Company Secretary
M. No. : ACS21224

**Statement of Profit & Loss for the period ended 31st March, 2022**

***(Amount ₹ in Lakhs)***

| Sl. No | Particulars | Note No. | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| **I.** | Revenue from operations | 17 | 43,181.21 | 22,986.17 |
| **II.** | Other Income | 18 | 53.07 | 43.72 |
| **III.** | **Total income(I+II)** | | **43,234.28** | **23,029.89** |
| **IV.** | **EXPENSES** | | | |
| | Cost of material consumed | 19 | 34,645.31 | 18,166.64 |
| | Change in inventories of finished goods, stock in trade and work -in-progress | 20 | (1,419.15) | (703.32) |
| | Employee benefit expense | 21 | 824.07 | 517.47 |
| | Finance costs | 22 | 631.47 | 534.45 |
| | Depreciation and amortization expense | 23 | 289.83 | 225.33 |
| | Other expenses | 24 | 5,587.84 | 3,618.20 |
| | **Total expense (IV)** | | **40,559.37** | **22,358.77** |
| | | | | |
| **V.** | **Profit/(loss) before exceptional items and tax (III-IV)** | | **2,674.91** | 671.12 |
| **VI.** | Exceptional items | | - | - |
| **VII.** | **Profit/(loss) before tax (V-VI)** | | 2,674.91 | 671.12 |
| **VIII.** | **Tax expense:** | 25 | | |
| | (1) Current tax | | 684.96 | 173.42 |
| | (2) Short Provision related to earlier year | | 1.73 | - |
| | (3) Deferred tax | | (4.99) | (12.90) |
| **IX.** | **Profit/(loss) for the year (VII-VIII)** | | **1,993.21** | **510.60** |
| **X.** | **Other Comprehensive Income** | | | |
| **A** | (i) Items that will not be reclassified to profit or loss | | 0.56 | 1.23 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (0.14) | (0.31) |
| **B** | (i) Items that will be reclassified to profit or loss | | - | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| | **Total Other Comprehensive Income X(A+B)** | | 0.42 | 0.92 |
| **XI.** | **Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)** | | **1,993.63** | **511.52** |
| **XII.** | **Earnings per equity share :** | | | |
| | Basic EPS | | 18.92 | **4.85** |
| | Diluted EPS | | 18.92 | **4.85** |

As per Report of even date
For **B.Y. JATANIA & CO.**
Chartered Accountants
FRN : 0311010E
Sd/-
**CA Yaswant Kumar Jatania**
(Proprietor)
M.No. : 050031
Kolkata Date: 14-May-2022;
**UDIN : 22050031AIYWWP8563**

**For and on behalf of the Board**

**Sd/-**
**Devendra Prasad Jajodia**
Managing Director
(DIN : 00045166)

**Sd/-**
**Susanta Sarkar**
Director
(DIN : 06449312)

**Sd/-**
**Tushar Kanti Sarkar**
Chief Financial Officer

**Sd/-**
**Seema Chowdhury**
Company Secretary
M. No. : ACS21224

**Statement of Cash Flow for the period ended 31st March, 2022**

***(Amount ₹ in Lakhs)***

| Particulars | | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| **A:** | **Cash Flow From Operating Activities** | | |
| | **Net Profit Before Taxes** | 2,674.91 | 671.12 |
| | Adjustments For : | | |
| | Depreciation | 289.83 | 225.33 |
| | OCI-Gratuity | 0.56 | 1.23 |
| | Prior Period Expenditure | 9.99 | 0.34 |
| | (Gain)/Loss on sale / disposal of Property, plant and equipment | (1.38) | - |
| | Provision for doubtful debts / advances | 11.26 | - |
| | Irrecoverable Debts and Advances Written off | 528.11 | 175.83 |
| | Interest on Term Loans and Others | 539.98 | 491.29 |
| | Interest income | (12.91) | (22.02) |
| | Insurance Claims | (1.35) | (1.07) |
| | Income from Investment | - | (6.82) |
| | Liability no longer required written back | (21.34) | (5.64) |
| | Gain on Foreign Exchange Fluctuations (Net) | (13.64) | 5.90 |
| | **Operating Profit Before Working Capital Changes** | **4,004.02** | **1,535.49** |
| | | | |
| | Movements in Working Capital : | | |
| | Decrease / (Increase) in Trade Receivables | 417.84 | (2,024.15) |
| | Decrease / (Increase) in Loans and Advances and Other Current / Non Current Assets | 85.45 | 382.44 |
| | Decrease / (Increase) in Inventories | (2,427.78) | (1,167.92) |
| | (Decrease) / Increase in Trade Payables, Other Current Liabilities and Provisions | (322.28) | 1,119.07 |
| | **Cash Generated From Working Capital Changes** | **(2,246.77)** | **(1,690.56)** |
| | Direct Taxes paid | (676.66) | (311.83) |
| | **Net Cash generated from Operating Activities** | **1,080.59** | **(466.90)** |
| | | | |
| **B:** | **Cash Flow From Investing Activities** | | |
| | Purchase of property, plant and equipment | (648.57) | (224.93) |
| | Proceeds from disposal of property, plant and equipment | 653.83 | - |
| | Interest received | 12.91 | 22.02 |
| | Investments | - | 6.82 |
| | **Net Cash Used In Investing Activities** | **18.17** | **(196.09)** |
| | | | |
| **C:** | **Cash Flow From Financing Activities** | | |
| | Repayment of long / short term Borrowings | (138.31) | 16.88 |
| | Interest Paid | (475.66) | (620.06) |
| | **Net Cash generated from Financing Activities** | **(613.97)** | **(603.18)** |
| | **Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)** | **484.79** | **(1,266.17)** |
| | | | |
| | **Cash and Cash Equivalents as at the beginning of the year** | 85.72 | 1,351.88 |
| | **Cash and Cash Equivalents as at the end of the year** | **570.51** | **85.72** |
| | **Components of cash and cash equivalents** | | |
| | Cash on hand | 8.35 | 13.22 |
| | Balance with Scheduled Banks on: | | |
| | Current Account | 562.16 | 72.50 |
| | **Cash and Cash Equivalents in Cash Flow Statement:** | **570.51** | **85.72** |

As per Report of even date
For **B.Y. JATANIA & CO.**
Chartered Accountants
FRN : 0311010E
Sd/-
**CA Yaswant Kumar Jatania**
(Proprietor)
M.No. : 050031
Kolkata Date: 14-May-2022;
**UDIN : 22050031AIYWWP8563**

**For and on behalf of the Board**

| | | | |
|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **Devendra Prasad Jajodia** | **Susanta Sarkar** | **Tushar Kanti Sarkar** | **Seema Chowdhury** |
| Managing Director | Director | Chief Financial Officer | Company Secretary |
| (DIN : 00045166) | (DIN : 06449312) | | M. No. : ACS21224 |

**Note-4: Other non-current assets**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Unsecured, considered good** | | |
| Security deposits | 12.69 | 10.63 |
| **Total** | **12.69** | **10.63** |

**Note-5: Inventories**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Raw Materials | 2,716.64 | 1,874.12 |
| Stores and Spares | 399.12 | 233.01 |
| Finished Goods | 2,577.56 | 1,176.44 |
| By Products and Scrap | 111.59 | 93.56 |
| **Total** | **5,804.91** | **3,377.13** |

**Note-6.1: Trade Receivables**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade Receivable (Unsecured, considered good) | 3,042.70 | 3,655.03 |
| Less: Allowance on Doubtful Debts | 12.22 | 0.96 |
| **Total** | **3,030.48** | **3,654.07** |

**Ageing analysis of Sundry Debtors**

| Particulars outstanding for following periods from due date of payment as on 31st March 2022 | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **0 - 6 months** | **6 months - 1 years** | **1 - 2 years** | **2 - 3 years** | **More than 3 years** | **Total** |
| MSME | - | - | - | - | - | - |
| Others | 2,964.40 | 74.29 | 3.73 | 0.28 | - | 3,042.70 |
| Disputed dues to MSME | - | - | - | - | - | - |
| Disputed dues to others than MSME | - | - | - | - | - | - |

**Ageing analysis of Sundry Debtors**

| Particulars outstanding for following periods from due date of payment as on 31st March 2021 | | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **0 - 6 months** | **6 months - 1 years** | **1 - 2 years** | **2 - 3 years** | **More than 3 years** | **Total** |
| MSME | - | - | - | - | - | - |
| Others | 3,650.91 | 0.72 | 3.40 | - | - | 3,655.03 |
| Disputed dues to MSME | - | - | - | - | - | - |
| Disputed dues to others than MSME | - | - | - | - | - | - |

**Note-6.2: Cash and Cash Equivalents**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Balance with banks | | |
| Current Account Balances | 562.16 | 72.50 |
| Cash in hand | 8.35 | 13.22 |
| | | |
| **Total** | **570.51** | **85.72** |

**Note-6.3: Bank Balances other than Note 7.2 above**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Deposits with original maturity for more than 3 months & less than 12 months | 232.51 | 419.44 |
| **Total** | **232.51** | **419.44** |
| Fixed Deposits of ₹232.51 lakh (₹169.44) Lakhs pledged with banks and others as margin money against borrowings/ other facilities. | | |

**Note-6.4: Loans**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| **Unsecured Considered Goods** | | |
| Security deposits | 121.18 | 158.70 |
| Loans to Related parties | 23.00 | 23.00 |
| Loans to Others | 28.05 | 78.05 |
| **Total** | **172.23** | **259.75** |

**Note-7 Other Current Assets**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Advance to Suppliers-Unsecured Considered Goods | 172.41 | 325.59 |
| Interest Accrued | - | 0.34 |
| Balance with Excise and other Government Authorities | 1,274.47 | 782.69 |
| Duty Drawback Receivable | 63.17 | 4.99 |
| | | |
| **Total** | **1,510.05** | **1,113.61** |

**Note- 8: Equity Share Capital**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| **Authorised** | | |
| 12,000,000 Equity Shares of ₹10/- each | 1,200.00 | 1,200.00 |
| **Total** | 1,200.00 | 1,200.00 |
| **Issued, subscribed and fully paid up** | | |
| 10,535,000 Equity Shares of ₹ 10 each, Fully paid up | 1,053.50 | 1,054.00 |
| Less: Calls unpaid (Due from other than directors or officers) | - | 0.38 |
| **Total** | **1,053.50** | **1,053.62** |

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :**

| **Particulars** | **As at March 31, 2022** | | **As at March 31, 2021** | |
|---|---|---|---|---|
| | **No. of Shares** | **(₹ in Lakhs)** | **No. of Shares** | **(₹ in Lakhs)** |
| **Equity Shares of ₹ 10/- each** | | | | |
| At the beginning of the period | 1,05,40,000 | 1,053.62 | 1,05,40,000 | 1,053.62 |
| Forfeiture of Shares during the period | (5,000.00) | (0.12) | - | - |
| **At the end of the year** | **1,05,35,000** | **1,053.50** | **1,05,40,000** | **1,053.62** |

**(b) Terms/rights attached to equity shares**

The Company has only one class of ordinary shares (equity shares) having at par value of ₹ 10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share .The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

**(c) Details of shareholders holding more than 5% shares in the Company**

| **Particulars** | **As at March 31, 2022** | | **As at March 31, 2021** | |
|---|---|---|---|---|
| | **No. of Shares** | **% holding in the class** | **No. of Shares** | **% holding in the class** |
| Mahabali Enterprises Pvt. Ltd. | 19,87,900 | 18.86% | 19,87,900 | 18.86% |
| Sangeeta Jajodia | 8,75,000 | 8.31% | 7,75,000 | 7.35% |
| Gaurav Jajodia | 7,70,000 | 7.31% | 7,70,000 | 7.31% |
| PPS Steel Trading Pvt. Ltd. | 7,50,000 | 7.11% | 7,50,000 | 7.11% |
| Aashish Jajodia | 7,31,500 | 6.94% | 7,31,500 | 6.94% |
| Pawan Kumar Kanodia | 6,51,998 | 6.19% | 6,51,998 | 6.19% |
| Maruti Stockfin Pvt. Ltd. | 7,69,000 | 7.30% | 6,19,000 | 5.87% |
| Kanchan Jajodia | 5,91,500 | 5.61% | 5,11,500 | 4.85% |
| **Total** | **71,26,898** | **67.63%** | **67,96,898** | **64.48%** |

As per records of the Company, including its register of shareholders / members, the above share holdings represents legal ownership of shares.

| **(d) Disclosure pertaining to shareholding of Promoters** | | | |
|---|---|---|---|
| **Promoter name** | **As at March 31, 2022** | | **% change in holding in the class** |
| | **No. of Shares** | **% holding in the class** | |
| Sangeeta Jajodia | 8,75,000 | 8.31% | 0.96% |
| Gaurav Jajodia | 7,70,000 | 7.31% | 0.00% |
| Aashish Jajodia | 7,31,500 | 6.94% | 0.00% |
| Kanchan Jajodia | 5,91,500 | 5.61% | 0.76% |
| Rajiv Jajodia | 5,08,000 | 4.82% | 0.81% |
| Devendra Prasad Jajodia | 4,50,000 | 4.27% | 1.42% |
| Shashi Devi Jajodia | 2,47,000 | 2.34% | 0.95% |
| Jai Salasar Balaji Industires Pvt. Ltd. | 400 | 0.00% | 0.00% |
| Shri Keshrinandan Trade Pvt. Ltd. | 300 | 0.00% | 0.00% |
| **Total** | **41,73,700.00** | **39.61%** | **4.90%** |

**Note 9: Other Equity**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Capital Reserve | 35.04 | 34.92 |
| Retained Earning** | 4,492.31 | 2,499.11 |
| **OCI** | | |
| Opening OCI | 2.66 | 1.74 |
| Add: During the year OCI | 0.56 | 1.23 |
| Less : Deferred Tax | (0.14) | (0.31) |
| **Total OCI** | **3.08** | **2.66** |
| **Total** | **4,530.43** | **2,536.69** |
| | | |
| **Retained Earning**** | | |
| | 2,499.11 | 1,988.51 |
| Profit & Loss Account | 1,993.20 | 510.60 |
| Add: Profit for the Year | **4,492.31** | **2,499.11** |
| **Retained Earning** | | |

Note: Retained Earing represents the undisputed profit/amount of accumulated earnings of the Company.
Note: Other Comprehensive Income (OCI) comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.

**Note 10: Borrowings**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Unsecured Non-Convertible Debentures | 200.00 | 200.00 |
| Deferred Payment Liability | 383.35 | 206.66 |
| **Total** | **583.35** | **406.66** |

Note: 200000 Unsecured, Unlisted, Non-Convertible Debentures of ₹ 100/- each fully paid redeemable within 3 months from the expiry of ten years from the date of allotment at par or at premium as may be decided by the Board. The Debentures shall carry interest of 8% p.a.

**Note 11: Deferred tax liabilities (Net)**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Deferred tax liability** | | |
| Provisions/Expenses Allowable in future under IT Act | (8.22) | (4.89) |
| Tax Difference on Depreciable Assets | 110.97 | 112.32 |
| IND AS Adjustment | 0.14 | 0.31 |
| **Total** | **102.89** | **107.74** |

**Note:** Deferred Tax for IND AS Adjustment represents the effect of Re-measurement of Profit & Loss Account as per IND AS.

**Note 12: Provisions**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Gratuity | 29.34 | 19.42 |
| **Total** | **29.34** | **19.42** |

**Note 13.1: Borrowings**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Unsecured** | | |
| Loans & advances from Other Body Corporate | 4,441.00 | 4,756.00 |
| **Total** | **4,441.00** | **4,756.00** |

**Note 13.2: Trade Payables**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total outstanding dues of micro enterprises and small | 57.97 | 55.77 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,066.00 | 3,676.77 |
| **Total** | **3,123.97** | **3,732.54** |

**Ageing analysis of Sundry Creditors**

Particulars outstanding for following periods from due date of payment as on 31st March 2022

**(₹ in Lakhs)**

| Particulars | Less than 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| MSME | 55.95 | 0.02 | - | - | 55.97 |
| Others | 3,026.31 | 33.73 | 4.24 | 1.72 | 3,066.00 |
| Disputed dues to MSME | - | - | - | - | - |
| Disputed dues to others than MSME | - | - | - | - | - |

Particulars outstanding for following periods from due date of payment as on 31st March 2021

**(₹ in Lakhs)**

| Particulars | Less than 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| MSME | 55.75 | - | - | 0.02 | 55.77 |
| Others | 3,509.62 | 33.38 | 0.18 | 133.59 | 3,676.77 |
| Disputed dues to MSME | - | - | - | - | - |
| Disputed dues to others than MSME | - | - | - | - | - |

Note: The Company has circulated confirmation for the identification of supplier registered under Mirco, Small & Medium Enterprises Development Act, 2006. On the basis of information received with the enterprises under the aforesaid act there are some Enterprises to whom the company owes dues which are outstanding at year end.

**Note 13.3: Other financial liabilities**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Current Maturity of Long term borrowings | 141.18 | 83.14 |
| Capital Creditors | 35.16 | 35.64 |
| Due to employees | 74.34 | 64.80 |
| **Total** | **250.68** | **183.58** |

**Note 14: Provisions**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Leave Salary | 3.31 | 0.99 |
| **Total** | **3.31** | **0.99** |

**Note 15: Income Tax Liabilities / (Assets) (Net)**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance Income Tax | 715.73 | 196.31 |
| Less :Provision for Taxation | 696.04 | 184.49 |
| **Total** | **19.69** | **11.82** |

**Note 16: Other current liabilities**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advance from Customers | 580.51 | 511.25 |
| Statutory dues payable | 32.54 | 36.54 |
| Interest Accrued & Due | 518.24 | 453.92 |
| **Total** | **1,131.29** | **1,001.71** |

**Note 17: Revenue from Operations**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Sale of products** | | |
| Finished Goods | 39,268.43 | 20,828.00 |
| Scraps | 3,423.43 | 1,801.21 |
| **Other Operating Revenue** | | |

| | | |
|---|---|---|
| Conversion Charges | 108.20 | 160.59 |
| Export Incentives | 381.15 | 196.37 |
| **Total** | **43,181.21** | **22,986.17** |
| | | |
| **Details of Sales (Product wise)** | | |
| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
| **Finished Goods** | | |
| Non-Alloys Steels | 38,077.52 | 19,637.10 |
| Alloys Steels | 1,190.91 | 1,190.90 |
| **Total** | **39,268.43** | **20,828.00** |
| | | |
| **By-Products** | | |
| Non-Alloys Steel Scrap | 3,267.91 | 1,736.82 |
| Alloys Steel Scrap | 112.30 | 31.24 |
| Coal Fines | 43.22 | 33.15 |
| **Total** | **3,423.43** | **1,801.21** |

**Note 18: Other Income**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Interest on : | | |
| Fixed Deposits with Banks [Gross, TDS ₹ 1.19 Lakhs (₹1.48 Lakhs)] | 12.91 | 22.02 |
| Profit on sale of Short term Investments (other than trade) | - | 6.82 |
| Net gain/(loss) on disposal of property, plant and equipment | 1.38 | - |
| Profit on Exchange Fluctuation (Net) | 13.64 | - |
| Impairment Allowance | - | 8.15 |
| Discount Received | 2.45 | 0.02 |
| Other items | 22.69 | 6.71 |
| **Total** | **53.07** | **43.72** |

**Note 19: Cost of Raw Material Consumed**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Opening Stock | 1,874.12 | 1,443.00 |
| Purchases | 35,487.83 | 18,597.76 |
| | **37,361.95** | **20,040.76** |
| Less: Closing Stock | 2,716.64 | 1,874.12 |
| **Total** | **34,645.31** | **18,166.64** |
| **Consumption of Raw Material** | | |
| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
| Non Alloys Steel (Billet & Ingot) | 26,565.75 | 13,507.43 |
| Alloys Steel (Billet & Ingot) | 733.63 | 758.21 |
| Copper Rod | 7,345.93 | 3,901.00 |
| **Total** | **34,645.31** | **18,166.64** |

**Note 20: Change in inventories of finished goods, stock in trade and work -in-progress**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Opening stock (Finished Goods) | 1,176.44 | 311.06 |
| Closing stock (Finished Goods) | 2,577.56 | 1,176.44 |
| | **(1,401.12)** | **(865.38)** |
| | | |
| Opening stock (Scrap) | 93.56 | 255.62 |
| Closing stock (Scrap) | 111.59 | 93.56 |
| | **(18.03)** | **162.06** |
| **Total** | **(1,419.15)** | (703.32) |

**Note 21: Employee benefit expense**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Salaries, Bonus & Allowances | 671.45 | 439.01 |
| Contribution to Provident and other funds | 43.25 | 27.52 |
| Staff welfare expenses | 21.54 | 24.63 |
| Directors remuneration | 87.83 | 26.31 |
| **Total** | **824.07** | **517.47** |

Post Retirement Employee Benefits: Refer Note – 26

**Note 22: Finance cost**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Interest expenses : | | |
| On Others | 539.98 | 491.29 |
| Finance charges | 91.49 | 43.16 |
| **Total** | **631.47** | **534.45** |

**Note 23: Depreciation and amortisation expense**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Depreciation of tangible assets | 289.83 | 225.33 |
| **Total** | **289.83** | **225.33** |

**Note 24: Other expenses**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Consumption of Stores and Spares | 925.74 | 704.44 |
| Labour Charges | 719.61 | 415.36 |
| Power and Fuel | 1,261.75 | 748.48 |
| **Repairs and Maintenance:** | | |
| - Plant and Machinery | 218.82 | 36.38 |
| - Buildings | 10.21 | 8.13 |
| - Others | 35.81 | 17.90 |
| Freight and Transportation | 733.78 | 412.49 |
| Rent and Hire | 172.39 | 76.35 |
| Discount Allowed | - | 0.14 |

| | | |
|---|---|---|
| Rates and Taxes | 3.18 | 4.45 |
| Insurance | 8.76 | 1.90 |
| Advertisement | 0.31 | 0.37 |
| Brokerage and Commission | 156.34 | 239.72 |
| Travelling and Conveyance | 51.34 | 42.22 |
| Printing & Stationery | 3.32 | 0.09 |
| Telephone and Postage | 3.28 | 3.28 |
| Legal and Professional Charges | 217.12 | 409.74 |
| Allowance on Doubtful Debts | 11.26 | - |
| Loss on Foreign Exchange Fluctions (net) | - | 5.90 |
| Business Development Expenses | 346.01 | 203.27 |
| **Auditors' remuneration** | | |
| - Audit Fees | 0.45 | 0.45 |
| - Tax Audit Fees | 0.15 | 0.20 |
| - In Other Capacity for certificates and others | 0.25 | 0.10 |
| CSR Expenses | 25.55 | 19.25 |
| Charity and Donations | 1.40 | 6.18 |
| Security and Service Charges | 56.89 | 59.47 |
| Prior Period Expenses | 9.99 | 0.34 |
| Sundry Balance Written off | 528.11 | 175.83 |
| Miscellaneous Expenses | 86.02 | 25.77 |
| **Total** | **5,587.84** | **3,618.20** |

**Note 24.1: Expenditure on Corporate Social Responsibility (CSR) activities**

**(₹ in Lakhs)**

| **Particulars** | | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|---|
| (a) Gross amount required to be spent by the Company During the year | | **25.55** | **19.10** |
| (b) Amount Spent during the year | | | |
| i) On purpose - in cash | | **25.54** | **19.25** |
| (i) The various heads under the CSR expenditure were incurred in cash in detailed as follows : | | | |
| **Relevant Clause of Schedule VII to the Act** | **/ Description of CSR activities** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
| Clause - i | Promoting health care which includes sanitation and preventive health care * | **25.54** | **-** |
| Clause - x | Rural Development projects ** | **-** | **19.25** |
| * Contribution to (Millennium Health Care) for Health Camp and Free vaccination of Covid-19 | | | |
| ** Contribution to related trust (Ram Kumar Jajodia Trust) amounting to ₹ 19.25 lakh | | | |

**Note 25: Tax Expenses**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| (1) Current tax | | |
| Current tax expense | 684.96 | 173.42 |
| Income tax relating to previous year | 1.73 | - |
| **Total** | **686.69** | **173.42** |
| (2) Deferred tax | (4.99) | (12.90) |
| **Total** | **(4.99)** | (12.90) |

**Note 26: Post Retirement Employee Benefits**

The disclosers required under IND As 19 on "Employee Benefits", are given below:
**Defined Contribution Plan**
Contributions w to Defined Contribution Plans, recognized for the year (included in Statement of Profit & Loss) as under:

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Employer's Contribution to Provident Fund | 7.73 | 5.19 |
| Employer's Contribution to Pension Scheme | 17.32 | 11.71 |

**Gratuity:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The disclosures required under Indian Accounting Standard 19 'Employee Benefits' are given below:

**(a) Expenses recognized in statement of Profit & Loss Account for the year ended 31st March 2022**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Current Service Cost | 8.30 | 6.10 |
| Interest Cost on benefit obligation | 1.31 | 0.91 |
| **Total Expenses / (Income)** | **9.61** | **7.01** |

**(b) Other Comprehensive Income (OCI) for the year ended 31st March 2022.**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Actuarial (gain)/Loss due to DBO Experience | 1.87 | (0.40) |
| Actuarial (gain)/Loss due to DBO assumption changes | (1.58) | (0.87) |
| Return on plan asset (greater)/less than discount rate | 0.27 | 0.04 |
| **actual (gains)/losses recognized in OCI** | **0.56** | **(1.23)** |

**(C) Defined Benefit cost for the year ended 31st March 2022.**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Service Cost | 8.30 | 6.10 |
| Net interest on net defined benefit liability/(asset) | 1.31 | 0.91 |
| Actual(gains)/Losses recognized in OCI | 0.56 | (1.23) |
| **Defined Benefit Cost** | **10.17** | **5.78** |

**(d) Net Assets / (Liability) recognized in Balance Sheet as at 31st March 2022**

**(₹ in Lakhs)**

| **Particulars** | **Year ended 31 March 2022** | **Year ended 31 March 2021** |
|---|---|---|
| Defined Benefit Obligation(DBO) | (55.98) | (44.38) |
| Fair value of plan assets (FVA) | 26.64 | 24.96 |
| Net defined benefit asset/(Liability) | **(29.34)** | **(19.42)** |

**(e) Reconciliation of Net Balance Sheet Position as at 31st March 2022**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Net defined benefit asset/(Liability) at end of prior Period | (19.42) | (13.89) |
| Service Cost | (8.30) | (6.10) |
| Net interest on net define benefit liability/ (asset) | (1.31) | (0.91) |
| Amount recognised in OCI | (0.56) | 1.23 |
| Employer Contribution | 0.25 | 0.25 |
| Net defined benefit asset/(Liability) at the current Period | **(29.34)** | **(19.42)** |

**(f) Change in the present value of the defined benefit obligation during the year ended 31st March 2022**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Present Value of Defined Benefit Obligation at the beginning of the year | 44.37 | 40.48 |
| Current Service Cost | 8.30 | 6.10 |
| Interest Cost | 3.02 | 2.56 |
| Actual Loss / (gain) experience | 1.87 | (0.40) |
| Actual Loss / (gain) Financial assumption | (1.58) | (0.87) |
| Benefit Payments | - | (3.49) |
| **Present Value of Defined Benefits Obligation at the end of the year** | **55.98** | **44.38** |

**(g) Change in the Fair Value of Plan Assets during the year ended 31st March 2022**

**(₹ in Lakhs)**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Fair Value of Plan Assets at the beginning of the year | 24.95 | 26.59 |
| Interest income on plan asset | 1.71 | 1.64 |
| Employer Contribution | 0.25 | 0.25 |
| Return on plan assets greater/(lesser) than discount rate | (0.27) | (0.04) |
| Benefits Paid | - | (3.49) |
| **Fair Value of Plant Assets at the end of the year** | **26.64** | **24.95** |

**(h) The major categories of plan assets as percentage of the fair value of the total plan assets**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Investment with the insurer | 100% | 100% |

**(i) The principal assumptions used in determining gratuity and leave obligations for the Company's plans are shown below:**

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Discount Rate | 7.10% | 6.80% |
| Expected Rate of return on assets | 7.10% | 6.80% |
| Rate of increase in salaries | 7.00% | 7.00% |
| Mortality Table | Indian Assured Life Mortality (2006-08) (Modified) Ult. | Indian Assured Life Mortality (2006-08) (Modified) Ult. |

**Note 27: Unhedged Foreign Currency exposures outstanding at the yearend are as follows:**

| Particulars | Foreign Currency (FC) | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | in FC | (₹ in Lakhs) | in FC | (₹ in Lakhs) |
| **Receivables** | | | | | |
| - Trade Receivables | US$ | 1,91,313.00 | 797.75 | 1,78,958.78 | 130.73 |
| **Total** | | **1,91,313.00** | **797.75** | **1,78,958.78** | **130.73** |
| | | | | | |
| **Payables** | | | | | |
| - Advance from customers | US$ | 48,712.32 | 36.93 | - | - |
| **Total** | | **48,712.32** | **36.93** | **-** | **-** |

**Hedged Foreign currency exposures outstanding at the yearend are as follows:**

| Particulars | Foreign Currency (FC) | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | in FC | (₹ in Lakhs) | in FC | (₹ in Lakhs) |
| **Receivables** | | | | | |
| - Trade Receivables | US$ | 14,11,509.43 | 417.30 | 10,54,135.07 | 770.10 |
| **Total** | | **14,11,509.43** | **417.30** | **10,54,135.07** | **770.10** |

**Note- 28 Contingent Liabilities not provided for**

**(₹ in Lakhs)**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Sales Tax & Excise Duty matters under dispute/appeal | 34.90 | 42.77 |
| Bank Guarantees outstanding | 86.06 | 101.93 |

**Note- 29 Related Party Transactions**

**List of Related Parties**

| Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives | List of Key Managerial Personnel | |
|---|---|---|
| Jai Balaji Industries Ltd. | Devendra Prasad Jajodia | Managing Director |
| Jai Salasar Balaji Industries Pvt. Ltd. | Susanta Sarkar | Director |
| Balaji Ispat Udyog | Tushar Kanti Sarkar | Chief Financial Officer |
| Jai Balaji Jyoti Steels Ltd. | Seema Chowdhury | Company Secretory |
| Jai Balaji Infotech Pvt. Ltd. | | |

**List of Relatives of Key Managerial Personnel**

Sangeeta Jajodia
Kanchan Jajodia

**Transactions with Related Parties**

The following transactions occurred with related parties:

**Compensation of key managerial personnel**

**(₹ in Lakhs)**

| Particulars | Devendra Prasad Jajodia | Susanta Sarkar | Tushar Kanti Sarkar | Seema Chowdhury | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|---|---|
| Short-term employee benefits | 84.00 | 3.83 | 5.78 | 11.10 | 104.71 | 37.29 |
| Post-employment benefits | - | - | - | - | - | - |
| Other long-term benefits | - | - | - | - | - | - |
| Termination benefits | - | - | - | - | - | - |
| **Total compensation paid to key managerial personnel** | | | | | **104.71** | **37.29** |

**Other transactions**

**(₹ in Lakhs)**

| Relation | Purchases | Sales | Balance Payable | Balance Receivable | Rent Paid | CSR Expenses |
|---|---|---|---|---|---|---|
| **Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives** | | | | | | |
| Jai Balaji Industries Limited | 12.24 | 251.58 | - | 1.74 | - | - |
| | (547.90) | (52.46) | (10.13) | - | - | - |
| Jai Salasar Balaji Industries (P) Ltd. | 5,763.16 | 3,259.49 | 1,172.77 | - | - | - |
| | (4,122.76) | (1,711.34) | (2,002.20) | - | - | - |
| Balaji Ispat Udyog | - | - | 2.59 | - | - | - |
| | - | - | - | - | - | - |
| Jai Balaji Infotech Pvt Limited | - | - | - | 23.00 | - | - |
| | - | - | - | (23.00) | - | - |
| Ram Kumar Jajodia Trust | - | - | - | - | - | - |
| | - | - | - | - | - | (19.25) |
| **Relatives of Key Managerial Person** | | | | | | |
| Sangeeta Jajodia | - | - | - | - | 15.00 | - |
| | - | - | - | - | (3.60) | - |
| Kanchan Jajodia | - | - | - | - | 33.00 | - |
| | - | - | - | - | (6.60) | - |
| **Other transactions (Full Figure)** | | | | | | |

| Relation | Purchases | Sales | Balance Payable | Balance Receivable | Rent Paid | CSR Expenses |
|---|---|---|---|---|---|---|
| **Enterprises owned or significantly influenced by Key Managerial Personnel or their relatives** | | | | | | |
| Jai Balaji Industries Limited | 12.24 | 251.58 | - | 1.74 | - | - |
| | (547.90) | (52.46) | (10.13) | - | - | - |
| Jai Salasar Balaji Industries (P) Ltd. | 5,763.16 | 3,259.49 | 1,172.77 | - | - | - |
| | (4,122.76) | (1,711.34) | (2,002.20) | - | - | - |
| Balaji Ispat Udyog | - | - | 2.59 | - | - | - |
| | - | - | - | - | - | - |
| Jai Balaji Infotech Pvt Limited | | | | 23.00 | - | - |
| | | | | (23.00) | - | - |
| Ram Kumar Jajodia Trust | | | | | - | (19.25) |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Relatives of Key Managerial Person** | | | | | | |
| Sangeeta Jajodia | | | | | 15.00 | |
| | | | | | (3.60) | |
| Kanchan Jajodia | | | | | 33.00 | |
| | | | | | (6.60) | |

**Note-30 Earnings per share**

**( ₹ in Lakhs)**

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| **A. Basic earnings per share** | | |
| Net Profit after tax | 1,993.21 | 510.60 |
| Profit attributable to equity shareholders (₹ in lakhs) | 1,993.21 | 510.60 |
| Weighted average number of equity shares for basic EPS (₹ in lakhs) | 105.35 | 105.36 |
| **Basic EPS** | **18.92** | **4.85** |
| **B. Diluted earnings per share** | | |
| Profit attributable to equity shareholders (₹ in lakhs) | 1,993.21 | 510.60 |
| Weighted average number of equity shares for diluted EPS (₹ in lakhs) | 105.36 | 105.36 |
| **Diluted EPS** | **18.92** | **4.85** |

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year

Diluted EPS amounts are calculated by dividing the adjusted profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.

**Note 31: Registration of Charges or satisfaction with Registrar of Companies**

No such charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period to be disclosed.

**Note 32: Subsequent Events**

There is no such events occurred after the date of balance sheet which needs to be disclosed in the account

**Note 33: Disclosures under section 186 (4) of the companies Act 2013**

**(₹ in Lakhs)**

| **Particulars** | **Utilisation of the recipient** | **Outstanding as on** | |
|---|---|---|---|
| | | **31 March 2022** | **31 March 2021** |
| Jai Balaji Infotech (P) Ltd. | normal business activities | 23.00 | 23.00 |
| Suraj Khandelwal | normal business activities | 28.00 | 28.00 |
| Parag Vinimay Pvt. Ltd. | normal business activities | 0.05 | 50.05 |
| **Total** | | **51.05** | **101.05** |

**Note 34: Confirmation of Debtors, Creditors and Dues of Small Scale Units**

In the absence of balance confirmation from Sundry Debtors, Creditors, Loans, Advances and Security Deposits which are on selective basis, the balances appearing in the books of accounts have been taken as correct

**Note 35: Value of Indigenous Material Consumed**

**(₹ in lakhs)**

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Raw Material | 34,645.31 | 16,166.64 |

| | | |
|---|---|---|
| Stores and Spares | 925.74 | 704.44 |

**Note 36: Segment Reporting**

The company is predominantly engaged in production and sale of Iron & Steel and other connected products, which are subject to similar risks and returns. Moreover, there is no separate geographical segment. Hence, segment reporting is not applicable as prescribed by Ind AS-108.

**Note 37: Earnings in foreign currency transactions for the year**

**(₹ in lakhs)**

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Exports at FOB Value | 16,443.89 | 9,103.14 |

**Note 38: Expenditure in foreign currency transactions for the year**

**(₹ in lakhs)**

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Business Promotion | 7.84 | 13.00 |
| Travelling | 13.02 | - |

**Note- 39 Fair Value Measurements**

**(₹ in lakhs)**

| **Particulars** | **31st March 2022** | | | **31st March 2021** | | |
|---|---|---|---|---|---|---|
| | **FVPL** | **FVOCI** | **Amortised Cost** | **FVPL** | **FVOCI** | **Amortised Cost** |
| **Financial Assets** | | | | | | |
| Investment | - | - | - | - | - | - |
| Trade Receivables | - | - | 3,030.48 | - | - | 3,654.07 |
| Security Deposits | - | - | 133.87 | - | - | 169.33 |
| Cash and Cash Equivalents | - | - | 570.51 | - | - | 85.72 |
| Other Bank Balances | - | - | 232.50 | - | - | 419.44 |
| Loans to Related Party | - | - | 23.00 | - | - | 23.00 |
| Loans to Other | - | - | - | - | - | - |
| Advances | - | - | 28.05 | - | - | 78.05 |
| **Total Financial Assets** | **-** | | **4,018.41** | **-** | **-** | **4,429.61** |
| | | | | | | |
| **Financial Liabilities** | | | | | | |
| Borrowings | - | - | 5165.53 | - | - | 5,245.80 |
| Trade Payables | - | - | 3123.97 | - | - | 3,732.54 |
| Capital Creditors | - | - | 35.16 | - | - | 35.64 |
| Advance from Related party | - | - | - | - | - | - |
| Due to employees | - | - | 74.34 | - | - | 64.80 |
| **Total Financial Liabilities** | **-** | **-** | **8,399.00** | **-** | **-** | **9,078.78** |

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**ii) Valuation technique used to determine fair value**

Investment in Mutual Fund were valued using quoted market price (i.e., NAV as on 31st March 2022).

**Note 40: Financial risk management**

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost. | Aging analysis Credit Ratings | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR) | Cash flow forecasting, Sensitivity analysis | Forward foreign ex. contracts, Foreign currency options |
| Market risk – interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| Market risk – security prices | Investments in equity securities | Sensitivity analysis | Portfolio diversification |

The company's risk management is carried out by a central treasury department (company treasury) under policies approved by the board of directo₹ company treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**(A) Credit risk**

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

**(i) Credit risk management**

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, the company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed on a company basis for each class of financial instruments with different characteristics. Value Ind AS Limited assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.
VL 1 : High-quality assets, negligible credit risk

VL 2 : Quality assets, low credit risk
VL 3 : Standard assets, moderate credit risk
VL 4 : Substandard assets, relatively high credit risk
VL 5 : Low quality assets, very high credit risk
VL 6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:
i) Internal credit rating
ii) external credit rating (as far as available)
iii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
iv) actual or expected significant changes in the operating results of the borrower
v) significant increase in credit risk on other financial instruments of the same borrower
vi) significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
vii) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the company and changes in the operating results of the borrower.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.
In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.
A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic facto₹

**(B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.
Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**i) Financial Arrangements**

The company had not access to the undrawn borrowing facilities during the reporting period:

**(ii) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity company based on their contractual maturities for:

i) all non-derivative financial liabilities, and
ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Note- 41 Capital management**

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by sound capital position.
The capital structure is as follows:

**(₹ in Lakhs)**

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Total equity attributable to the equity shareholders of the company | 5,583.93 | 3,590.31 |
| As percentage of capital | 53% | 41% |
| Total loans and borrowings | 5,024.35 | 5,162.66 |
| Total lease liabilities | - | - |
| Total loans, borrowings and lease liabilities | 5,024.35 | 5,162.66 |
| As a percentage of total capital | 47% | 59% |
| **Total capital (loans, borrowings, lease liabilities and equity)** | **10,608.28** | **8,752.97** |

**Note 42: Financial ratios**

| **Ratio** | | **Numerator** | **Denominator** | **Current period** | **Previous Period** | **% Variance** |
|---|---|---|---|---|---|---|
| (a) | Current Ratio | Current asset | Current liabilities | 1.27 | 0.93 | 0.35 |
| (b) | Debt - equity ratio | Long term and short term borrowings | Total equity | 0.78 | 1.32 | (0.54) |
| (c ) | Debt Service Coverage ration | EBIDTA | Interest + Principle | 0.63 | 0.25 | 0.38 |
| (d) | Return on equity | Net Income | Share holders' equity | 0.36 | 0.14 | 0.21 |
| (e) | Inventory turnover ration | Cost of goods sold | Avarage stock | 9.52 | 8.84 | 0.68 |
| (f) | Trade receivables turnover ration | Avarage Trade receivable | Credit sales / 365 | 28.25 | 44.39 | (16.14) |
| (g) | Trade payable turnover ratio | Avarage Trade payable | Cost of sales /365 | 28.98 | 41.50 | (12.52) |
| (h) | Net capital turnover ratio | Revenue from operation | Total share holders fund | 7.73 | 6.40 | 1.33 |
| (i) | Net profit ratio | Net Profit before tax | Revenue operation | 0.06 | 0.03 | 0.03 |
| (j) | Return on capital employed | Net profit after tax | Revenue operation | 0.05 | 0.02 | 0.02 |
| (k) | Return on Investment | Net profit after tax | Net worth | 0.36 | 0.14 | 0.21 |

The limited reviewed financial for the six months period ended September 30, 2022 are as follows:

JHS & Associates LLP
Chartered Accountants

**Auditor's Report on unaudited quarterly and half yearly financial result of M/S Chandi Steel Industries Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015**

To
Board of Directors of **M/S Chandi Steel Industries Limited**

We have reviewed the accompanying statement of unaudited financial results together with notes thereon of **M/S Chandi Steel Industries Limited** ('the Company') and its share of the net profit/(loss) after tax, other comprehensive income and total comprehensive income/(loss) for the quarter and half year ended September 30, 2022 (the statement), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. These quarterly/ half yearly financial results have been prepared on the basis of the related financial statements, which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement(s). A review of interim financial information is limited primarily to making inquiries from company personnel responsible for financial and accounting matters and applying analytical procedures to financial data thereby being substantially less in scope as compared to an audit and thus provides less assurance than an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under regulation 33 (8) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended, to the extent applicable.

Based on our review conducted and procedure performed as stated in above, we report that nothing has come to our attention that causes us to believe that the accompanying statements of unaudited financial results prepared in accordance with the recognition and measurements principles laid down in the aforesaid Indian accounting standards and other accounting Principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Date : 12/11/2022**
**Place: Kolkata**

JHS & ASSOCIATES LLP * Kolkata * Chartered Accountants

**For JHS & Associates LLP**
***Chartered Accountants***

**(CA Sharad Mohata)**
**Partner**
**Membership No. :055392**
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# CHANDI STEEL INDUSTRIES LIMITED

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2022

(₹ in lakhs)

| Sl No. | Particulars | Quarter Ended | | | Half Year Ended | | Year Ended |
|---|---|---|---|---|---|---|---|
| | | 30.09.22 (Unaudited) | 30.06.22 (Unaudited) | 30.09.21 (Unaudited) | 30.09.22 (Unaudited) | 30.09.21 (Unaudited) | 31.03.22 (Audited) |
| 1 | **Income** | | | | | | |
| | (a) Revenue from Operations | 13,140.61 | 12,712.24 | 10,877.53 | 25,852.85 | 19,574.07 | 43,181.21 |
| | (b) Other Income | 79.02 | 45.73 | 34.62 | 124.75 | 53.76 | 53.07 |
| | **Total Income ( 1a to 1b)** | **13,219.63** | **12,757.97** | **10,912.15** | **25,977.60** | **19,627.83** | **43,234.28** |
| 2 | **Expenses** | | | | | | |
| | a) Cost of Materials Consumed | 9,493.91 | 9,417.78 | 9,201.95 | 18,911.69 | 16,077.55 | 34,645.31 |
| | b) Changes in inventories of finished goods,work-In-progress and stock-in-trade | 215.40 | (85.66) | (603.57) | 129.74 | (945.77) | (1,419.15) |
| | c) Employee benefits expense | 232.85 | 220.98 | 200.51 | 453.83 | 393.72 | 824.07 |
| | d) Finance Costs | 241.33 | 161.24 | 180.10 | 402.57 | 324.39 | 631.47 |
| | e) Depreciation and amortisation expense | 53.23 | 72.46 | 80.33 | 125.69 | 136.66 | 289.83 |
| | f) Other expenses | 1,430.94 | 1,348.32 | 1,330.65 | 2,779.26 | 2,847.47 | 5,587.84 |
| | **Total expenses (2a to 2f)** | **11,667.66** | **11,135.12** | **10,389.97** | **22,802.78** | **18,834.02** | **40,559.37** |
| 3 | **Profit/(Loss) before exceptional and extraordinary items and tax (1-2)** | **1,551.97** | **1,622.85** | **522.18** | **3,174.82** | **793.81** | **2,674.91** |
| 4 | Exceptional items | - | - | - | - | - | - |
| 5 | **Profit/(loss) before tax (3-4)** | **1,551.97** | **1,622.85** | **522.18** | **3,174.82** | **793.81** | **2,674.91** |
| 6 | Tax Expense | | | | | | |
| | - Current Tax | 387.99 | 413.38 | 137.38 | 801.37 | 205.66 | 684.96 |
| | - Short provision related to earlier year | 2.82 | - | - | 2.82 | - | 1.73 |
| | - Deferred Tax | - | - | - | - | - | (4.99) |
| 7 | **Net Profit/(Loss) for the period (5-6)** | **1,161.16** | **1,209.47** | **384.80** | **2,370.63** | **588.15** | **1,993.21** |
| 8 | **Other Comprehensive Income** | | | | | | |
| A | (i) Items that will not be reclassified to profit or loss | - | - | - | - | - | 0.56 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - | - | (0.14) |
| B | (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | **Total other comprehensive income (8A+8B)** | - | - | - | - | - | **0.42** |
| 9 | **Total Comprehensive income for the period (7+8)** | **1,161.16** | **1,209.47** | **384.80** | **2,370.63** | **588.15** | **1,993.63** |
| 10 | Paid-up Equity Share Capital (Equity Share of ₹ 10/- each) | 1,053.50 | 1,053.50 | 1,053.50 | 1,053.50 | 1,053.50 | 1,053.50 |
| 11 | Other Equity | - | - | - | - | - | 4,530.43 |
| 12 | **Earnings Per Share** | | | | | | |
| | - Basic (not annualised) (₹) | 11.02 | 11.48 | 3.65 | 22.50 | 5.58 | 18.92 |
| | - Diluted (not annualised) (₹) | 11.02 | 11.48 | 3.65 | 22.50 | 5.58 | 18.92 |






**Regd. Office** 3, Bentinck Street, Kolkata - 700 001.
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CIN - L13100WB1978PLC031670

**Works** 16, Belur Road,
Liluah, Howrah
Phone : 2655 6779, 2655 6667

# CHANDI STEEL INDUSTRIES LIMITED

| STATEMENT OF ASSETS & LIABILITIES | | | (₹ in lakhs) |
|---|---|---|---|
| Particulars | As at 30.09.2022 (Un-audited) | As at 30.09.2021 (Un-audited) | As at 31.03.2022 (Audited) |
| **ASSETS** | | | |
| **I. Non-current assets** | | | |
| a) Property, plant and equipment | 2,659.73 | 2,674.79 | 2,696.69 |
| b) Capital work-in-progress | 1,200.00 | 1,200.00 | 1,200.00 |
| c) Other non-current assets | 174.82 | 31.30 | 12.69 |
| | **4,034.55** | **3,906.09** | **3,909.38** |
| **II. Current assets** | | | |
| a) Inventories | 5,333.07 | 6,468.20 | 5,804.91 |
| b) Financial Assets | | | |
| i) Trade receivables | 3,479.41 | 2,793.04 | 3,030.48 |
| ii) Cash and cash equivalents | 990.25 | 792.20 | 570.51 |
| iii) Bank balance other than (ii) above | 575.38 | 244.75 | 232.51 |
| iv) Loan and advances | 127.15 | 251.45 | 172.23 |
| c) Other current assets | 1,328.82 | 1,845.74 | 1,530.75 |
| | **11,834.08** | **12,395.38** | **11,341.39** |
| **Total Assets** | **15,868.63** | **16,301.47** | **15,250.77** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| a) Equity share capital | 1,053.50 | 1,053.50 | 1,053.50 |
| b) Other equity | 6,901.05 | 3,124.96 | 4,530.43 |
| | **7,954.55** | **4,178.46** | **5,583.93** |
| **LIABILITIES** | | | |
| **I. Non-current liabilities** | | | |
| a) Financial liabilities | | | |
| i) Long term borrowings | 513.83 | 651.93 | 583.35 |
| b) Deferred tax liabilities (Net) | 102.89 | 107.74 | 102.89 |
| c) Long term provisions | 34.34 | 19.42 | 29.34 |
| | **651.06** | **779.09** | **715.58** |
| **II. Current liabilities** | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 664.10 | 5,056.00 | 4,441.00 |
| ii) Trade Payables | | | |
| Total outstanding dues of micro enterprises and small enterprises | 36.30 | 57.61 | 57.97 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,698.16 | 4,606.60 | 3,066.00 |
| iii) Other financial liabilities | 265.53 | 276.32 | 250.68 |
| b) Other current liabilities | 1,207.61 | 1,346.40 | 1,131.29 |
| c) Short term provisions | 391.32 | 0.99 | 4.32 |
| | **7,263.02** | **11,343.92** | **8,951.26** |
| **Total Equity and Liabilities** | **15,868.63** | **16,301.47** | **15,250.77** |

J.H.S. & ASSOCIATES LLP Kolkata Chartered Accountants

For CHANDI STEEL INDUSTRIES LIMITED 3, Bentinck Street

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# CHANDI STEEL INDUSTRIES LIMITED

## CHANDI STEEL INDUSTRIES LTD

### STATEMENT OF CASH FLOW FOR THE HALF YEAR ENDED 30 TH SEPTEMBER, 2022

(₹ in Lakhs)

| Particulars | Half year ended September 30, 2022 (Unaudited) | Half year ended September 30, 2021 (Unaudited) | Previous year ended March 31, 2022 (Audited) |
|---|---|---|---|
| **A: Cash Flow From Operating Activities** | | | |
| **Net Profit Before Taxes and Extraordinary items** | 3,174.82 | 793.81 | 2,674.91 |
| Adjustments For : | | | |
| Depreciation | 125.69 | 136.66 | 289.83 |
| OCI-Gratuity | - | - | 0.56 |
| Prior Period Expenditure | - | - | 9.99 |
| (Gain)/Loss on sale / disposal of Property, plant and equipment | - | (1.38) | (1.38) |
| Provision for doubtful debts / advances | - | - | 11.26 |
| Irrecoverable Debts and Advances Written off | 1.10 | 528.09 | 528.11 |
| Interest on Term Loans and Others | 254.01 | 284.70 | 539.98 |
| Interest income | (3.98) | (4.46) | (12.91) |
| Insurance Claims | - | (1.35) | (1.35) |
| Income from Investment | - | - | - |
| Liability no longer required written back | (58.87) | (21.34) | (21.34) |
| Gain on Foreign Exchange Fluctuations (Net) | (61.90) | (25.23) | (13.64) |
| **Operating Profit Before Working Capital Changes** | **3,430.87** | **1,689.50** | **4,004.02** |
| Movements in Working Capital : | | | |
| Decrease / (Increase) in Trade Receivables | (528.98) | 328.82 | 417.84 |
| Decrease / (Increase) in Loans and Advances and Other Current / Non Current Assets | (117.05) | (12.37) | 85.45 |
| Decrease / (Increase) in Inventories | 471.84 | (3,091.07) | (2,427.78) |
| (Decrease) / Increase in Trade Payables, Other Current Liabilities and Provisions | 1,204.46 | 1,178.73 | (322.28) |
| **Cash Generated From Working Capital Changes** | **1,030.27** | **(1,595.89)** | **(2,246.77)** |
| Direct Taxes paid | - | (108.15) | (676.66) |
| **Net Cash generated from Operating Activities** | **4,461.14** | **(14.54)** | **1,080.59** |
| **B: Cash Flow From Investing Activities** | | | |
| Purchase of property, plant and equipment | (88.73) | (472.12) | (648.57) |
| Proceeds from disposal of property, plant and equipment | - | 653.83 | 653.83 |
| Interest received | 3.98 | 4.46 | 12.91 |
| Investments | - | - | - |
| **Net Cash Used In Investing Activities** | **(84.75)** | **186.17** | **18.17** |
| **C: Cash Flow From Financing Activities** | | | |
| Repayment of long / short term Borrowings | (3,846.42) | 545.27 | (138.31) |
| Interest Paid | (110.24) | (10.42) | (475.66) |
| **Net Cash generated from Financing Activities** | **(3,956.66)** | **534.85** | **(613.97)** |
| **Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)** | **419.73** | **706.48** | **484.79** |
| **Cash and Cash Equivalents as at the beginning of the year** | 570.51 | 85.72 | 85.72 |
| **Cash and Cash Equivalents as at the end of the year** | **990.25** | **792.20** | **570.51** |
| | | | |
| **Components of cash and cash equivalents** | | | |
| Cash on hand | 6.39 | 11.21 | 8.35 |
| Balance with Scheduled Banks on: | | | |
| Current Account | 983.86 | 780.99 | 562.16 |
| **Cash and Cash Equivalents in Cash Flow Statement:** | **990.25** | **792.20** | **570.51** |

**Notes :**

1. The above financial results for quarter and half year ended on September 30, 2022 have been reviewed by Audit Committee and approved by the Board of Directors at their meeting held on November 12, 2022. The Limited Review of the results of the quarter/half year ended on September 30, 2022 as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed by the Auditors and issued an unqulified report.
2. This statement has been prepared in accordance with the Companies (Ind -Accounting Standered) Rule, 2015 (Ind As) Priscribed under section 133 of the companies Act, 2013 and other Recognised accounting Practices and policies to the Extent applicable.
3. The company is predominantly engaged in one reportable segment which is Iron & Steel and hence no further disclosure is required under Indian Accounting Standard - 108.
4. There was no exceptional/extraordinary item during the quarter ended September 30, 2022
5. The Figures of the previous quarter/year have been regrouped / reclassified wherever necessary.

For **Chandi Steel Industries Ltd.**

H. Jajodia

**Harsh Jajodia**
Director
DIN : 07022106

**Place : Kolkata**
**Dated : 12th November, 2022.**

SHS & ASSOCIATES LLP Kolkata Chartered Accountants

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## ACCOUNTING RATIOS

| Particulars | Based on Audited Financial Statements for the Financial Year ending 31.03.2022 | Based on Audited Financial Statements for the Financial Year ending 31.03.2021 |
|---|---|---|
| Current Ratio | 1.27 | 0.93 |
| Debt-equity ratio | 0.78 | 1.32 |
| Debt Service Coverage ratio | 0.63 | 0.25 |
| Return on Equity | 0.36 | 0.14 |
| Inventory turnover ratio | 9.52 | 8.84 |
| Trade receivables turnover ratio | 28.25 | 44.39 |
| Trade payable turnover ratio | 28.98 | 41.50 |
| Net capital turnover ratio | 7.73 | 6.40 |
| Net profit ratio | 0.06 | 0.03 |
| Return on capital employed | 0.05 | 0.02 |
| Return on investment | 0.36 | 0.14 |

## STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Since our company is listed only on the Calcutta Stock Exchange Limited only and thus our equity shares are not traded therefore stock market data is not available.

## SECTION VIII – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

*Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the Letter of Offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:*

- *In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';*

- *For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

*Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.*

### *I. CONTINGENT LIABILITIES OF OUR COMPANY*

For the half-year ending period on September 30, 2022, and for the Financials Years ending on March 31, 2022, and March 31, 2021 the contingent liabilities that had not been provided for, details of the same as under:

| | | | | ***(Amount ₹ in Lakhs)*** |
|---|---|---|---|---|
| **Sl. No.** | **Particulars** | **September 30, 2022** | **March 31, 2022** | **March 31, 2021** |
| a. | Sales Tax & Excise Duty matters under dispute/appeal | 63.85 | 34.90 | 42.77 |
| b. | Bank Guarantees outstanding | 49.11 | 86.06 | 101.93 |

Except the aforementioned there are no other Contingent Liabilities including additional demands in respect of Income Tax/Excise Duty/Service Tax / Sale Tax/VAT, which have been contested by the Company.

### I. LITIGATION INVOLVING OUR COMPANY

#### A. LITIGATION AGAINST OUR COMPANY

1. **Litigation Involving Criminal matters:** NIL

2. **Litigation Involving Civil matters:** NIL

3. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

4. **Litigation involving Tax Liabilities:**

**(i) Direct Tax Liabilities:** NIL

**(ii) Indirect Taxes Liabilities:**

| Statutory Authority / Act applicable | Nature of Dues | Amount involved (₹ in Lakhs) | Brief Particulars and Status |
|---|---|---|---|
| Central Excise Act, 1944 | Show Cause Notice Cum Demand | 1.17 | A Show Cause Notice Cum Demand has been received by the Company on 20/06/2017 from the office of the Superintendent of Central Excise, Kolkata. It was alleged that the Company has contravened the provisions of Rule 2, 3, 4 & 9 of the Cenvat Credit Rules, 2004 as they have wrongly availed input service credit on Customs House Agent Charges and other expenses related |

| Statutory Authority / Act applicable | Nature of Dues | Amount involved (₹ in Lakhs) | Brief Particulars and Status |
|---|---|---|---|
| | | | to export and utilised such credit for payment of Central Excise duty on finished goods during the period from July, 2015 to March, 2016.<br>The matter is pending for adjudication before the Superintendent of Central Excise. |
| Central Excise Act, 1944 | Show Cause Notice Cum Demand | 2.91 | A Show Cause Notice Cum Demand has been received by the Company on 09/07/2018 from the office of the Superintendent of Central Excise, Kolkata. It was alleged that the Company has contravened the provisions of Rule 2, 3, 4 & 9 of the Cenvat Credit Rules, 2004 as they have wrongly availed input service credit on Customs House Agent Charges and other expenses related to export and utilised such credit for payment of Central Excise duty on finished goods during the period from April, 2016 to June, 2017.<br>The matter is pending for adjudication before the Superintendent of Central Excise. |
| Central Excise Act, 1944 | Short payment of Service Tax | 3.25 | A show cause cum demand notice was issued by the Deputy Commissioner, Central Excise 28/06/2016. It was alleged that, the Company has short paid service tax for the F.Y. 2013-14 against Security Services. Subsequently, the Adjudicating Authority, Assistant Commissioner CGST & CX vide its impugned order dated 23/11/2017 has Demanded Service Tax of ₹1,04,718 along with interest at applicable rate and a penalty of ₹1,15,293 was imposed.<br>Aggrieved by the said order the Company has filed an appeal with the Commissioner (Appeal).<br>The Appellate Authority vide its order dated 15/12/2020 has set aside the order dated 23/11/2017 and directed the Adjudicating Authority for issuance of fresh demand and pass a speaking order after providing opportunity to the Company. |
| Central Excise Act, 1944 | Show Cause Notice Cum Demand | 1.48 (along with interest & Penalty) | Show cause notice was issue against the company dated 13/05/2011 for short payment/non-payment of exercise duty of ₹ 11.71 Lakhs for the financial year 2008-2009. Subsequently O-I-O dated 30th March, 2012 was passed by the additional commissioner demanding an amount of ₹ 11.71 Lakhs along with interest and penalty. Subsequently the company availed a settlement scheme of government, SVLDRS, 2019 and pre-deposited the amount of ₹8 Lakhs. However, the assesse deposit the balance amount finalized after the specify time limit that is ₹1.48 Lakhs. The company filed a writ petition before the Hon'ble High court for condonation of delay and posed reliance on the prevailing Tola Act. The Hon'ble high court vide its order dated 3rd March 2022 has directed the Central Board of Indirect Taxes and Customs to consider the representations the dated 3rd February, 2022 of the petitioner and pass a speaking order.<br>The Joint Commissioner of Central Excise has passed a speaking order dated 20/10/2022 and thereby stated that the benefit of the SVLDRS, 2019 is not available to the Company. |

| Statutory Authority / Act applicable | Nature of Dues | Amount involved (₹ in Lakhs) | Brief Particulars and Status |
|---|---|---|---|
| Central Excise Act, 1944 | Show Cause Notice Cum Demand | 7.02 | A show cause notice was issued against the company for allegedly paying 'Director's Remuneration' during 2012-13 without discharging the service tax liability of ₹4,44,960/-. Assistant Commissioner observed that the Director was a full-time employee and remuneration was paid as salary. Accordingly, the demand was dropped. Subsequently, the Commissioner reviewed the order and directed the Assistant Commissioner to file an appeal. The Appeal was filed by the Commissioner of CGST (Appeals).<br>The Commissioner of CGST (Appeals) vide its order dated 25/04/2019 directed the Company to pay Service Tax of ₹3.51 Lakhs and ₹3.51 Lakhs towards Penalty. As on date an appeal is pending before the CESTAT, Kolkata. |
| Central Excise Act, 1944 | Show Cause Notice Cum Demand | 2.43 | Show cause notice was issue against the company from the office of the Superintendent of Central Excise, Kolkata. It was alleged that the Company has contravened the provisions of Rule 6, 7 (Determination of Price of Excisable Good) Rules, 2000 and the extra realization by the consignment agent by violating the provision of Rule 4 and Rule 8(1) of the Central Excise Rules, 2002. During the period from 2010-2011. Subsequently the Assistant Commissioner, Central Excise in Howrah, passed an order, dated 08/02/2016, for short-payment of C.Ex. Duty of ₹ 2,43,359/- (including Cess).<br>Aggrieved by the said order, the Company filed an appeal before the Commissioner of CGST (Appeals). The appeal was rejected vide order dated 26/02/2018. As on date an appeal is pending before the CESTAT, Kolkata. |
| Central Sales Tax Act, 1956 | Demand Notice Cum Order | 0.31 | An appeal has been directed against the order of assessment passed by the JCCT, LB Charge u/s 9 of the C.S.T. Act, 1956 in respect of the period 4Q.E 31/03/15 for an amount of ₹0.31 Lakhs.<br>The Sr. Joint Commissioner vide its order dated 06/06/2018 determined the amount of Tax payable to ₹0.31 Lakhs. |

**5. Other Pending Litigations/Actions: NIL**

**B. CASES FILED BY OUR COMPANY**

**1. Litigation Involving Criminal matters:** NIL

**2. Litigation Involving Civil matters:** NIL

**3. Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

**4. Other Pending Litigations:** NIL

## II. LITIGATION INVOLVING OUR DIRECTORS

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Litigation Involving Criminal matters:** NIL

2. **Litigation Involving Civil matters:** NIL

3. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

4. **Litigation involving Tax Liabilities**

   i. **Direct Tax Liabilities:** NIL

   ii. **Indirect Taxes Liabilities:** NIL

6. **Other Pending Litigations:** NIL

**B. LITIGATION FILED BY OUR DIRECTORS**

1. **Litigation Involving Criminal matters:** NIL

2. **Litigation Involving Civil matters:** NIL

3. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

4. **Other Pending Litigations:** NIL

## III. LITIGATION INVOLVING OUR PROMOTERS AND PROMOTER GROUP

**A. LITIGATION AGAINST OUR PROMOTERS AND PROMOTER GROUP**

1. **Litigation Involving Criminal matters:** NIL

2. **Litigation Involving Civil matters:** NIL

3. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

4. **Litigation involving Tax Liabilities**

   (a) **Direct Tax Liabilities:** NIL
   **(b) Indirect Taxes Liabilities:** NIL

5. **Other Pending Litigations:** NIL

**B. LITIGATION FILED BY OUR PROMOTERS AND PROMOTER GROUP**

1. **Litigation Involving Criminal matters:** NIL

2. **Litigation Involving Civil matters: NIL**

3. **Litigation Involving Actions by Statutory/Regulatory Authorities: NIL**

4. **Other Pending Litigations: NIL**

## IV. LITIGATION INVOLVING OUR GROUP ENTITIES

1. **Litigation Involving Criminal matters:** NIL

2. **Litigation Involving Civil matters :** NIL

3. **Litigation Involving Actions by Statutory/Regulatory Authorities:** NIL

4. **Litigation involving Tax Liabilities**

**(a) irect Tax Liabilities:** NIL

**iii. Indirect Taxes Liabilities:** NIL

**5. Other Pending Litigations:** NIL

**V. Penalties imposed in past cases for the last five years:** NIL

**OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on September 30, 2022:

| Name | Balance as on September 30, 2022 ₹(in Lakhs) |
|---|---|
| Total Outstanding dues to Micro and Small & Medium Enterprises (MSME) | **36.30** |
| Total Outstanding dues to Creditors other than MSME# | **4698.16** |

*# As per restated audited balance sheet.*

**Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.**

Except as described above, as on date of this draft prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company's results of operations or financial position.

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.**

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

**Material Fraud against our Company in the last five years**

There has been no material fraud committed against our Company since incorporation.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences for default or outstanding defaults.

**Non-Payment of Statutory Dues**

There is no non-payment of statutory dues.

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

There have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

**Approvals from government / regulatory authority in relation to our business:**

i. Material approvals for which applications have been made by our Company but are currently pending grant: Nil

ii. Material approvals which have expired and for which renewal applications have been made by our Company: Nil

iii. Material approvals which have expired and for which renewal applications are yet to be made by our Company: Nil

iv. Material approvals for which no application has been made by our Company: Nil

Further, CSE vide their letter bearing reference number ‘CSE/LD/15722/2022’ dated Friday, December 02, 2022 has granted in-principle approval for listing of the captioned Right Shares.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

This Issue is authorized by our Board pursuant to a resolution passed in its meeting held on April 8, 2022 as per Section 62 of the Companies Act, 2013, and by way of an ordinary resolution passed by our shareholders on May 26, 2022 through postal ballot.

Our Company has received 'in-principle' approval from the CSE for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letter no. CSE/LD/15772/2023' dated Monday, February 13, 2023 being the Designated Stock Exchange.

The Rights Issue Committee of our Board in their meeting held on April 19, 2023 have determined the Issue Price as Rs. 10/- per Rights Equity Share and the Rights Entitlement as 2 Rights Equity Share for every 1 Equity Share held on the Record Date i.e., Friday, April 07, 2023. The Issue Price has been determined at in consultation with the Lead Manager to the Issue.

Our Company has been allotted the ISIN INE204G20017 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company.

### Prohibition by SEBI or RBI or other governmental authorities

Our Company, the Promoters, the members of the Promoter Group and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, SEBI has not initiated any action against any entity with which the Directors are associated.

The Companies with which our director or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither our Promoters, the members of the Promoter Group nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange.

There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies.

**Prohibition by RBI**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

**Eligibility for the Issue**

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the CSE. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations.

Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations. Our Company undertakes to make an application to the CSE for listing of the Right Shares to be issued pursuant to this Issue.

**Compliance with Regulations 61 and 62(1) of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application for "in-principle" approval for listing of the Rights Equity Shares to CSE. We have received such approval from the CSE vide its letter no. CSE/LD/15772/2023' dated Monday, February 13, 2023. We will apply to CSE for final approval for the listing and trading of the Rights Equity Shares. CSE is the Designated Stock Exchange for the Issue.

**Disclaimer Clause of SEBI**

The Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹ 5,000.00 lakhs. However, the Letter of Offer will be filed with SEBI.

**Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:**

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the SEBI and until date;

2. The reports, statements and information referred to above in clause (1) are available on the website of the CSE;

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations.

**COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

**Caution**

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date of this Letter of Offer.

**Disclaimer from our Company and Lead Manager:**

Our Company and Lead Manager accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice/ evaluation as to their ability and quantum of investment in this Issue.

**Disclaimer with respect to jurisdiction**

This Letter of Offer has been prepared under the provisions of the Companies Act, 2013, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable rules and regulations there under. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Kolkata, India, only.

**Designated Stock Exchange**

The Designated Stock Exchange for the purposes of this Issue will be The Calcutta Stock Exchange Limited only.

**Disclaimer clause of the Calcutta Stock Exchange Limited ("CSE"/ "Exchange"):**

As required, a copy of this Letter of Offer has been submitted to the CSE. CSE has given, vide its letter CSE/LD/15772/2023' dated Monday, February 13, 2023 permission to this Company to use the Exchange's name in the Letter of Offer as the Stock Exchange on which this Company's securities are proposed to be listed. The CSE does not in any manner:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or'

ii. Warrant that this Company's securities will be listed or will continue to be listed on the CSE; or

iii. Take any responsibility for the financial or their soundness of this Company, its promoters, its management or any scheme or project of this Company;

It should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the CSE.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the CSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**DISCLAIMER CLAUSE OF BSE LIMITED**

The Equity Shares of the Company are not listed on BSE Limited. Based on the application made by the Company, BSE Limited has given permission to the Company to use the bidding platform of BSE Limited i.e. Internet based-Book Building Software (iBBS) for the Rights Issue. BSE Limited does not in any manner:

• Warrant, certify or endorse the correctness, accuracy, or completeness of any of the contents of this Letter of Offer; and
• Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company; and
• Monitor any compliances / non-compliances, as the case may be, with respect to the filings made by the Company; and
• Will allow any person associated, directly or indirectly, including but not limited to the subscriber to the rights issue, any recourse to the investor grievance redressal mechanism including arbitration mechanism for any action undertaken in consonance with or pursuant to the Letter of Offer or even otherwise also.

And it should not for any reason be deemed or construed that this Letter of Offer has been scrutinized, cleared, or approved by BSE Limited.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Every person who desires to participate in the Rights Issue of the Company expressly understands that BSE Limited is only providing its iBBS platform to the Company for its Rights Issue, that securities of the Company are listed on The Calcutta Stock Exchange Limited, that any complaint/grievances with regards to Rights Issue has to be filed with The Calcutta Stock Exchange Limited and that Equity Shares issued by the Company will not be listed at BSE Limited pursuant to Rights Issue.

In addition to the aforesaid, to the full extent possible and permissible by law, BSE Limited disclaims all the contents of the Letter of Offer, express or implied, including but not limited to the particular purpose of letter of offer vis-à-vis rights issue. It is understood and agreed that the Company's access to and use of the iBBS is at Company's own risk. BSE Limited will not be liable for any damages of any kind arising from the use of iBBS. BSE Limited shall not be liable for any direct, indirect, incidental, special, consequential, or punitive damages, or any loss of capital, profit or revenue, whether incurred directly or indirectly, or any loss of data, use, goodwill or other intangible losses resulting from the letter of offer, rights issue or the use of iBBS. Any use of the iBBS and the related services are subject to Indian laws and Courts exclusively situated in Mumbai.

**Filing:**

In terms of the SEBI ICDR Regulations, the minimum threshold limit of Rights Issue for filing the Letter of Offer with SEBI as specified in SEBI ICDR Regulations has been increased from ₹ 10 Crores to ₹ 50 Crores. In light of the above, the Company may open the Rights Issue if the size is less than ₹ 50 Crores subject to the following conditions**:**

i. The issuer shall prepare the final letter of offer in accordance with requirements as specified in SEBI ICDR Regulations, 2018 and file the same with the Stock Exchange and SEBI

ii. The eligibility and general conditions as specified in Regulation 61 & 62 SEBI ICDR Regulations, 2018respectively shall be complied with.

iii. All other provisions in SEBI LODR Regulations, 2015 and SEBI Circulars shall continue to apply.

iv. Abridged letter of offer and the common application form shall be sent to all the shareholders on recorddate as specified in SEBI ICDR Regulations, 2018 and Circulars issued there under.

Further, this Letter of Offer is being filed with the CSE.

**Selling Restrictions**

Each person who exercises Rights Entitlement and subscribes for Rights Equity Shares or excess Rights Equity Shares, or who purchases Rights Entitlement or Rights Equity Shares shall do so in accordance with the restrictions set out below:

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively "**Issue Material**") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform by themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Material through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. This Letter of Offer will be provided, through email and courier, by the Registrar, on behalf of our Company, to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, the Lead Manager, BSE Limited, and CSE. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as in valid where they believe that Application Form is in complete or acceptance of such Application Form may in fringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of the Issue Material nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of the Issue Material.

**THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

## NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of these Rights Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Material will be dispatched only to Eligible Equity Shareholders who have an address in India. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not, and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

The Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights

Equity Shares applied for do not exceed the applicable limits under the applicable laws or regulations.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY FROM THE LEAD MANAGER FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

**Investor Grievances and Redressal System:**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint. Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., Maheshwari Datamatics Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investo₹

**Status of outstanding investor complaints in relation to Our Company:**

As on the date of this Letter of Offer, there were no outstanding investor complaints in relation to our Company**.**

**Investor Grievances arising out of the Issue**

Our Company's investor grievances arising out of the Issue will be handled by M/s. Maheshwari Datamatics Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post- Issue correspondence. The agreement between our Company and the Registrar provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio number / demat account number, name and address, contact telephone / cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the renouncee should be furnished. In case of non-routine grievances where verification at other agencies is involved, it would be the Endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner. The investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint. Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled 'Terms of the Issue' on page 115 of this Letter of Offer.

The contact details of the Compliance Officer and Registrar to the Issue are as follows:

| Registrar to the Issue | Company Secretary and Compliance Officer |
|---|---|
| **Maheshwari Datamatics Private Limited**<br>SEBI REGN. No.: INR000000353<br>Validity of Registration: Permanent<br>CIN: U20221WB1982PTC034886<br>(Contact Person: Mr. Ravi Bahl)<br>23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001,<br>Tel. No.: 033 2248 2248; Fax No.: 033 2248 4787<br>Email ID: mdpldc@yahoo.com<br>Website: www.mdpl.in | Seema Chowdhury<br>Address: 3,Bentick Street, Kolkata WB-700001<br>Telephone: 03322489808<br>Email: chandisteelindustries@gmail.com |

# SECTION IX – ISSUE INFORMATION

## TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modific128ations or changes in applicable laws or regulations, which may occur after the date of this 128Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.*

*Investors are requested to note that application in this Issue can only be made through ASBA facility.*

### Overview

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Offer Documents, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the CSE and the terms and conditions as stipulated in the Allotment advice by the BSE Limited.

### Important

**1. Dispatch and availability of Issue materials**

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Offer Documents only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent /dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid email address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can access the Offer Documents (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

- Our Company's website at www.chandisteel.com
- Registrar to the Issue's website at www.mdpl.in
- BSE Limited's website at www.bseindia.com
- CSE's website at www.cse-india.com

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.mdpl.in by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at www.chandisteel.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Shareholders who have provided their Indian address through other means, as may be feasible.

**2. Facilities for Application in this Issue**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circular, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors

should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the paragraph titled "***Procedure for Application through the ASBA Process***" on page 125 of this Letter of Offer.

**a. ASBA facility**

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see 'Grounds for Technical Rejection' on page no. 134 of this Letter of Offer. Our Company, the Lead Manager, the Registrar, and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see 'Application on Plain Paper under ASBA process' on page no. 129 of this Letter of Offer.

**b. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account titled as 'CSIL – Rights Entitlement Unclaimed Suspense Account' opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to: (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on **Friday, April 07, 2023**, being the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) Credit of the Rights Entitlements returned/reversed/failed; or (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Shareholders as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than Tuesday, May 16, 2023, being 2 (Two) Working Days prior to the Issue Closing Date, i.e., Friday, May 19, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer.

**c. Application by Eligible Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least 1 (One) day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least 2 (Two) Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

a. The Eligible Equity Shareholders are residents;
b. The Eligible Equity Shareholders are not making payment from non-resident account;
c. The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
d. The Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account titled as CSIL – Rights Entitlement Unclaimed Suspense Account' opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

**d. Application for Additional Equity Shares**

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in 'Basis of Allotment' beginning on page 136 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

e. Investors are requested to kindly note that after purchasing the Rights Entitlements through Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through Off Market Renunciation, please refer to the heading titled "Procedure for Application through the ASBA process" on page 125 of this Letter of Offer.

**Other Important Links and Help Lines**

The Investors can visit following links for the below-mentioned purposes:

I. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.mdpl.in

II. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: www.mdpl.in

III. Updating of demat account details by Eligible Equity Shareholders holding shares in physical form: www.mdpl.in

IV. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.mdpl.in

**f. Renouncees**

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

**g. Authority For the Issue**

The Issue has been authorized by a resolution of Board of Directors and Shareholders of our Company passed at their meeting held on April 08, 2022 and May 26, 2022 respectively in accordance with the provisions of Section 62 of the Companies Act.

The Board of Directors in their meeting held on April 19, 2023 have determined the Issue Price at ₹10/- per Equity Share and the Rights Entitlement as 2 Rights Equity Shares for every 1 fully paid-up Equity Share held on the Record Date.

The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from the CSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated February 13, 2023.

**h. Basis for the issue**

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

**i. Rights entitlements**

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.mdpl.in by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on our Company's website at www.chandisteel.com.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Rights Issue Opening Date only in dematerialized form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Rights Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account titled as CSIL – Rights Entitlement Unclaimed Suspense Account' to their respective demat accounts, at least 1 (One) day before the Rights Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the Registrar's website at www.mdpl.in. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and (an additional optional facility).

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions.

The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company, and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited's website and CSE's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer filed with CSE and the Letter of Offer to be filed with SEBI, BSE and the CSE. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Right Shares under the laws of any jurisdiction which apply to such person. Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible.

## j. Principal Terms of This Issue.

### 1. Face Value

Each Right Shares will be having face value of ₹10/- (Rupees Ten Only) each.

### 2. Issue Price

Each Rights Equity Share is being offered at a price of ₹10/- (Rupees Ten Only) per Rights Share and shall be payable by the Eligible Shareholders while making an Application for this Issue.

The Issue Price for Rights Equity Shares has been determined by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

### 3. Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 (Two) Rights Shares for every 1 (One) fully paid-up Equity Share held by the Eligible Equity Shareholders as on the Record Date.

**4. Mode of Payment of Dividend.**

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association**.**

**5. Terms of Payment**

Each Rights Equity Share is being offered at a price of ₹10/- (Rupees Ten Only) per Rights Share. On Application, Investors will have to pay the Issue Price of ₹10/- (Rupees Ten Only) per Right Share aggregating to Rs. 20/- (Rupees Twenty Only) for 2 (Two) Rights Share for every 1 (One) Equity Share held. Where an Applicant has applied for additional Right Shares and is allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded /unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

**6. Separate ISIN for Right Shares**

In addition to the present ISIN "INE204G01017" for the existing Equity Shares, our Company would obtain a separate ISIN "INE204G20017" for the Right Shares. The ISIN "INE204G20017" representing the Right Shares will be terminated on payment of the Application Money in respect of the Right Shares and merged with the existing ISIN "INE204G01017" of our Equity Shares.

**7. Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The renunciation of Rights Entitlements credited in your demat account can be made by sale of such Rights Entitlements through an off-market transfer.

In accordance with SEBI Right Issue circulars the Eligible Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

**8. Process of Credit of Rights Entitlements in dematerialized account**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to: (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account titled as 'CSIL – Rights Entitlement Unclaimed Suspense Account' opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to: (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on Friday, April 07, 2023, being the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) Credit of the Rights Entitlements returned/reversed/failed; or (f) The ownership of the Equity Shares currently under dispute, including any court proceedings.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE204G20017. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than Tuesday, May 16, 2023, being 2 (Two) Working Days prior to the Issue Closing Date, i.e., Friday, May 19, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.mdpl.in). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

**PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED 'PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS' ON PAGE NO. 125 OF THIS LETTER OF OFFER.**

## 9. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 2 (Two) Rights Shares for every 1 (One) fully paid-up Equity Share held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.

For example, if an Eligible Equity Shareholder holds 1 Equity Shares, such Equity Shareholder will be entitled to 2 Rights Equity Shares and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

## 10. Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the CSE and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

**11. Trading of the Rights Entitlements**

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. Investors shall be able to trade their Rights Entitlements through Off Market Renunciation. The trades through Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Prior to the Issue Opening Date, our Company will obtain the approval from the CSE for listing and trading approval of Rights Entitlements. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see 'Procedure for Renunciation of Rights Entitlements – Off Market Renunciation' on page no. 128 of this Letter of Offer.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

**12. Credit Rating**

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

**13. Listing and trading of the Right Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the CSE through letter bearing reference number 'CSE/LD/15772/2023' dated Monday, February 13, 2023. Our Company will apply to the CSE for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on CSE Bearing Scrip Code '013341' under ISIN INE204G01017. The Rights Equity shall be credited to temporary ISIN INE204G20017 which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up equity share of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the CSE, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (Four) days of receipt of intimation from the CSE, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

For further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company' beginning on page no. 18 of this Letter of Offer. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

**14. Subscription to this Issue by our Promoter and our Promoter Group**

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '***Intention and extent of participation by our Promoter and Promoter Group****'* under the section titled *'**Capital Structure'*** on page no. 40 of this Letter of Offer.

**15. Rights of holders of Right Shares of our Company**

Subject to applicable laws, holders of the Right Shares shall have the following rights:

a. The Right Shares shall rank pari-passu with the existing Equity Shares in all respects;
b. The right to receive dividend, if declared;`
c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
d. The right to receive surplus on liquidation;
e. The right to free transferability of Right Shares;
f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

**Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue**

**General Terms of the Issue**

**1) Market Lot**

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 1 (One) Equity Share. For further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company' beginning on page no. 18 of this Letter of Offer.

**2) Minimum Subscription**

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

- Objects of the issue being other than capital expenditure for a project; and
- Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement, in part or to full extent and will not renounce rights except to the extent of renunciation within the promoter group

The objects of the Rights Issue involve financing of working capital i.e., other than the financing of capital expenditure for a project.

**3) Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

**4) Nomination**

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

**5) Arrangements for Disposal of Odd Lots**

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required. For further details, kindly refer to the Risk Factor 'Our Company is currently listed only on the CSE, which does not have an active on-line market for trading of these Equity Shares and hence no benefit of listing and trading shall be available for the shareholders of the Company' beginning on page no. 18 of this Letter of Offer.

**6) Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

**7) Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 03/2022, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the CSE and BSE for making the same available on their website.

**8) Offer to Non-Resident Eligible Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Rights Shares over and above their Rights Entitlements;
2. Renounce the Right Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares, and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on mdpldc@yahoo.com or physically/postal means at the address of the

Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as 'OCBs') have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

**Procedure for Application**

**How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circular, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Equity Shares of our Company are exclusively listed on CSE. Since the trading platform of CSE is not functional, the Company shall be using the bidding platform of BSE Limited i.e., Internet based-Book Building Software (iBBS) for the Rights Issue. Hence, Applicants desirous shall use the ASBA platform of BSE Limited for applying in the Issue. Please note that the Equity Shares being issued in this Rights Issue shall not be listed on BSE Limited.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page no. 131 of this Letter of Offer.

**Application Form**

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders only to:

1. E-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses;
2. Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company;
3. Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
4. E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

**Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non- availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).**

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.mdpl.in. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

- Our Company at www.chandisteel.com;
- The Registrar at www.mdpl.in;
- The Lead Manager at www.vccorporate.com;
- The Designated Stock Exchange at www.cse-india.com;
- BSE Limited's website at www.bseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.mdpl.in by entering their DP-ID and Client-ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company at www.chandisteel.com.

The Application Form can be used by the Eligible Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Right Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Right Shares by:

I. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

II. Please note that Applications made with payment using third party bank accounts are liable to be rejected. Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

III. The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

**Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "Grounds for Technical Rejection" on page no. 134 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar, BSE, CSE and Lead

Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" on page 128 of this Letter of Offer.

**Options Available To The Eligible Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

I. Apply for its Right Shares to the full extent of its Rights Entitlements; or
II. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
III. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
IV. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
V. Renounce its Rights Entitlements in full.

**Procedure For Application Through the ASBA Process**

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Company shall be using the bidding platform of BSE Limited i.e., Internet based-Book Building Software (iBBS) for the Rights Issue. Hence, Applicants desirous shall use the ASBA platform of BSE Limited for applying in the Issue. Please note that the Equity Shares being issued in the Issue shall not be listed on BSE Limited.

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

**Self-Certified Syndicate Banks**

Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId =35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

**Acceptance of This Issue**

Investors may accept this Issue and apply for the Right Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made Available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA*** *process*" on page 128 of this Letter of Offer.

**Additional Right Shares**

Investors are eligible to apply for additional Rights Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity Share. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page no. 136 of this Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.**

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines; can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

**Procedure for Renunciation of Rights Entitlements**

The Equity Shares of our Company are exclusively listed on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of the CSE. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The Rights Entitlements can be transferred in dematerialized form only. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE204G20017 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) must issue a receipt instruction slip to their depository participant.

The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account. The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the Depositories from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS. PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.**

**Application on Plain Paper Under ASBA Process**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

**PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH ASBA FACILITY.**

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

(i) Name of our Company, being 'Chandi Steel Industries Limited';
(ii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository.
(iii) Registered Folio No./DP and Client ID No.;
(iv) Number of Equity Shares held as on Record Date;
(v) Allotment option – only dematerialized form;
(vi) Number of Rights Equity Shares entitled to;
(vii) Total number of Rights Equity Shares applied for.
(viii) Number of additional Rights Equity Shares applied for, if any;
(ix) Total number of Rights Equity Shares applied for;
(x) Total amount paid at the rate of ₹ 10/- (Rupees Ten Only) for Rights Equity Shares issued in one Rights Entitlement;
(xi) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
(xii) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules;
(xiii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
(xiv) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
(xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
(xvi) Additionally, all such Applicants are deemed to have accepted the following:

I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as '**Regulation S**'), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration

requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.mdpl.in.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

**Mode of Payment**

All payments against the Application Forms shall be made only through ASBA. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB. The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

**1. Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility and Applicants are requested to strictly adhere to these instructions.

**2. Mode of payment for non-resident Investors**

As regards the Application by non-resident Investors, the following conditions shall apply:

(i) Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager;

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the email addresses of the foreign corporate or institutional shareholders.*

*The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable*

*effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard*.

(ii) Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws;

(iii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

**Notes:**

(i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

(ii) In case Right Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;

(iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

(iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment

(v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

(vi) Non-resident Renouncees who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

**Application by Eligible Shareholders Holding Equity Shares in Physical Form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least 2(Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.mdpl.in.

**Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form,**

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a. The Eligible Equity Shareholders shall send a letter to the Registrar to the Issue containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar to the Issue no later than 2 (Two) Working Days prior to the Issue Closing Date.
b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
c. The Eligible Equity Shareholders can access the Application Form from:
   - Our Company at www.chandisteel.com;
   - The Registrar at www.mdpl.in;

- The Lead Manager at www.vccorporate.com;
- The Stock Exchanges at www.cse-india.com;
- BSE Limited's website at www.bseindia.com

d. Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue www.mdpl.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company www.chandisteel.com.

The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

**PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST 2 (TWO) WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

**Allotment of the Rights Equity Shares In Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "*ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS*" ON PAGE NO. 137 OF THIS LETTER OF OFFER.**

**General Instructions for Investors**

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees;
4. Application should be made only through the ASBA facility;
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA process***" on page 128 of this Letter of Offer;
7. In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited;
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;
11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August

16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors;

13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;
16. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
17. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
19. Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law;
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

**Do's:**

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DPID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

**Don'ts**:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

**Do's for Investors applying through ASBA**:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

**Don'ts for Investors applying through ASBA:**

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;
5. Do not pay the Application Money in cash, by money order, pay order or postal order;
6. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

**Grounds for Technical Rejection**

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions;

(ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;

16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

**DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE. IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

**Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository**. **Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application**.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records. **The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, 144 the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.** In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

**Multiple Applications**

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '***Procedure for Applications by Mutual Funds'*** below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

**Last Date For Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is Friday, May 19, 2023 i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with BSE Limited and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "Basis of Allotment" on page no. 136 of this Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by BSE Limited.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number

**Withdrawal Of Application**

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

**Issue schedule**

| | |
|---|---|
| **Last date for Credit of Rights Entitlement:** | Saturday, April 29, 2023 |
| **Issue Opening Date:** | Friday, May 05, 2023 |
| **Last date for off market renunciation of rights entitlements*** | Monday, May 15, 2023 |
| **Issue Closing Date: #** | Friday, May 19, 2023 |
| **Finalization of Basis of Allotment (on or about):** | Friday, May 26, 2023 |
| **Date of Allotment (on or about):** | Friday, May 26, 2023 |
| **Date of Credit (on or about):** | Tuesday, May 30, 2023 |
| **Date of Listing/ Trading (on or about):** | Thursday, June 01, 2023 |

**The Equity Shares of our Company are exclusively listed only on the CSE. Since the trading platform of the CSE is not functional, the Applicants shall not be able to deal in the Rights Entitlements using the secondary market platform of Limited. The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.*

*#Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than Tuesday, May 16, 2023, being 2 (Two) Working Days prior to the Issue Closing Date, i.e., Friday, May 19, 2023, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.*

*Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).*

**Basis Of Allotment**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.

2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

   Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:
   1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
   2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and.
   3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

   Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

**Allotment Advice or Refund / Unblocking of ASBA Accounts.**

Our Company will e-mail Allotment advice, refund intimations or demat credit of Rights Equity Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded /unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

**Credit And Transfer Of Rights Equity Shares In Case Of Shareholders Holding Equity Shares In Physical Form And Disposal Of Rights Equity Shares For Non-receipt Of Demat Account Details In A Timely Manner.**

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be open by our Company;

b. Such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;

c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

d. Our Company shall send reminder notices seeking the requisite details of demat account, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details; and

e. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall remain in the demat suspense account.

**Notes:**

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

**Payment of Refund**

**Mode of making refunds**

The payment of refund, if any will including the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.

2. National Automated Clearing House (hereinafter referred to as 'NACH') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

3. National Electronic Fund Transfer (hereinafter referred to as 'NEFT') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as 'IFSC Code'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbe₹ Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

5. RTGS – If the refund amount exceeds ₹2,00,000/- the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

**Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

**Allotment Advice or Demat Credit of Shares**

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**Receipt of the Right Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANYOR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR

3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM / WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

   Investors shall be allotted the Right Shares in dematerialized (electronic) form.

**Investors May Please Note That the Right Shares Can Be Traded on The CSE Only In Dematerialized Form.**

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under.

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.

5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.'

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**Procedure for Application by Certain Categories of Investors**

**1. Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any

recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

**2. Procedure for Applications by AIFs, FVCIs and VCFs**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

3. **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

**4. Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

**5. Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

**Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below**:**

**"*Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447."***

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both**.**

**Payment by Stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Rights Issue.

**Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto. In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

**Undertakings by Our Company**

Our Company undertakes the following:

a. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

b. All steps for completion of the necessary formalities for listing and commencement of trading at CSE where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.

c. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

d. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

e. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

f. Adequate arrangements shall be made to collect all ASBA Applications.

g. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

**Utilization of Issue Proceeds**

Our Board declares that:

a. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.

b. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

c. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

**Important**

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '***CHANDI STEEL INDUSTRIES LIMITED – RIGHT ISSUE***' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   **MAHESHWARI DATAMATICS PRIVATE LIMITED**
   **SEBI Registration** Number: INR000000353
   **Address:** 23, R.N. Mukherjee Road, 5th Floor, Kolkata- 700001
   **E-mail ID:** mdpldc@yahoo.com
   **Website**: www.mdpl.in
   **Contact Person**: Mr. Ravi Kumar Bahl

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar: mdpldc@yahoo.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (Tel :033 2248 2248).

4. This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

## SECTION X – STATUTORY AND OTHER INFORMATION

Please note that the Right equity shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed/ failed.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Letter of Offer) which are, or may be deemed material, have been entered or to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of our Company at www.chandisteel.com in from the date of this Letter of Offer until the Issue Closing Date.

**I. Material contracts for the Issue:**

1. Issue Agreement dated February 17, 2023 between our Company and the Lead Manager to the Issue.
2. Registrar Agreement dated February 17, 2023 between our Company and the Registrar to the Issue.
3. Bankers to the Issue Agreement dated March 27, 2023 amongst our Company, the Lead Manager, and the Registrar to the Issue and the Banker to the Issue.

**II. Material documents:**

1. Certified copies of the updated Memorandum of Association and Articles of Association as amended.
2. Certificate of incorporation dated September 9, 1978.
3. Fresh certificate of incorporation dated August 18, 2003, consequent upon change of name.
4. Resolution of our Board of Directors of our Company dated April 08, 2022 authorizing the Issue.
5. Resolution of our Shareholders of our Company dated May 26, 2022 authorizing the Issue.
6. Resolution of our Board of Directors dated January 14, 2023, approving the Draft Letter of Offer.
7. Copy of the Resolution of Rights Issue Committee dated Monday, March 27, 2023 finalizing the Record Date.
8. Copy of the Resolution of Rights Issue Committee dated Wednesday, April 19, 2023 finalizing the terms of the Issue including Issue Price, and the Rights Entitlement Ratio.
9. Resolution of our Board of Directors dated Wednesday, April 19, 2023, approving the Letter of Offer.
10. Copies of annual reports of the Company for last 5 Financial Years ending on March 31, 2022 and un-audited financial results for the half-year period ended September 30, 2022.
11. Consent dated September 29, 2022 from the Statutory Auditor, namely JHS & Associates LLP, Chartered Accountants, to include their name as required under SEBI ICDR Regulations in this Letter of Offer and as an "expert" defined under Section 2(38) of the Companies Act, to the extent and in their capacity as a statutory auditor in respect of their report dated November 28, 2022 on the statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India included in this Letter of Offer.
12. Consent Letters of Bankers to the Issue, the Lead Manager to the Issue, Registrar to the Issue, Legal Advisor to the Issue, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer to include their names in the Letter of Offer to act in their respective capacities.
13. In-principle approval dated CSE/LD/15772/2023 dated Monday, February 13, 2023 from the CSE.
14. Credit confirmation of Rights Entitlement received from NSDL.
15. Credit confirmation of Rights Entitlement received from CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time, if so required, in our interest or if required by the other parties, without reference to the eligible shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India, and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

**SIGNED BY ALL THE DIRECTORS OF THE COMPANY:**

**Sd/-**
**Devendra Prasad Jajodia**
*(Chairman & Managing Director)*

**Sd/-**
**Harsh Jajodia**
*(Whole-time Director)*

**Sd/-**
**Susanta Sarkar**
*(Executive Director*)

**Sd/-**
**Sumit Kumar Rakshit**
(*Independent Director)*

**Sd/-**
**Ashok Kumar Choudhary**
(*Independent Director*)

**Sd/-**
**Sweta Bhutra**
(*Independent Director*)

**Signed by the Chief Financial Officer and the Company Secretary of the Company:**

**Sd/-**
**Tushar Kanti Sarkar**
*(Chief Financial Officer)*

**Sd/-**
**Seema Chowdhury**
*(Company Secretary & Compliance Officer)*

**Date: 19.04.2023**
**Place: Kolkata**