Dated: September 28, 2011

Please read Section 60B of the Companies Act, 1956 (The Draft Red Herring Prospectus will be updated upon filing with ROC)

100% Book Built Issue



SUPREME ALLOYS LIMITED

(The Company was incorporated in New Delhi as Supreme Alloys Private Limited on October 09, 1989 under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 03, 2008, the company became a public limited company and the word "private" was deleted from its name. The Fresh Certificate of Incorporation to reflect the new name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana located at New Delhi (the "ROC") on May 10, 2008. For further details, please refer to the sections titled "History and Corporate Structure of our Company" on page 95 of this Draft Red Herring Prospectus)

Registered Office: B-7, WHS, Kirti Nagar, New Delhi-110015, India, Tel.: 011-41656555; Tel Fax: 011-41656555

Contact Person: Gauray Kapoor, Company Secretary and Compliance Officer; Email: ipo@tmtsal.co.in; Website: www.tmtsal.co.in

DROMOTERS OF THE COMPANY

MR. MOHINDER LAL ARORA, MR. JAGJIV KUMAR ARORA, and MR. SAHIL ARORA

PUBLIC ISSUE OF 7000000 EQUITY SHARES OF ` 10/- EACH OF SUPREME ALLOYS LIMITED ("SAL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ` [•] PER FULLY PAID UP EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ` [•] PER EQUITY SHARE) AGGREGATING ` [•] ("THE ISSUE"). THE ISSUE WILL CONSTITUTE 48.27% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY

THE FACE VALUE OF EACH EQUITY SHARE IS 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE

THE ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND [•] TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three (3) additional days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicate Members.

The Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion (excluding Anchor Investors portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. The Company may consider allocation up to 30% of the QIB Portion to Anchor Investors as per the provisions of the ICDR Regulations, out of which atleast one third shall be available for allocation to domestic Mutual Funds only. Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received from them at or above the Issue Price.

All QIB Bidders (except Anchor Investors) and Non Institutional Bidders shall compulsorily apply through Application Supported by Blocked Amount ("ASBA") process. Retail Individual Bidders have the option to participate in this Issue through the ASBA process. Any Bidder participating in the Issue through ASBA process should provide details of the bank account in which the bid amount will be blocked by the Self Certified Syndicate Banks. For details see "Issue Procedure" on page 238 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ` 10 per Equity Share. The floor price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue price (has been determined and justified by the BRLM and the issuer as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the issuer nor regarding the price at which the equity shares will be traded after listing.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities 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 document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number(s) xii to xxviii under the section 'General Risks'.

ISSUER'S ARSOLLITE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issue and the issue which is material in the context of the issue, that the information contained in the offer document 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

This Issue has been graded by [•] as [•], pronounced [•], indicating [•] through its letter dated [•]. For details see section titled "General Information" on page 10 of this Draft Red Herring Prospectus.

LISTING ARRANGEMENTS

The Equity Shares are proposed to be listed on Bombay Stock Exchange Limited (BSE), the Designated Stock Exchange and the National Stock Exchange of India Limited (NSE). The In-principle approval has been received from the Stock Exchanges for listing of the Equity Shares vide BSE's letter dated [•] and NSE's Letter dated [•].

BOOK RUNNING LEAD MANAGER TO THE ISSUE



D and A Financial Services Private Limited

13, Community Centre, East of Kailash, New Delhi – 110 065 Tel: 011 26218274, 26419079 Fax: 011 26219491 Email: dafspl@gmail.com; website: www.dnafinserv.com Contact Persons: Mr Priyaranjan/ Ms Yamini Lodha

SEBI Regn No.- INM000011484

BEETAL Financial & Computer Services (P) Limited

Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre Near Dada Harsukhdas Mandir, New Delhi – 110062 Tel: 011 29961281; Fax: 011 29961284

Email: [•]; website: www.beetalfinancial.com Contact Person: Mr. Punit Mittal SEBI Regn No.- INR00000262

BID/ISSUE CLOSED ON: [•]

BID/ISSUE OPENS ON: [•]



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SECTION I- GENERAL

<u>DEFINITIONS / ABBREVIATIONS</u>
Unless the context otherwise requires, the terms and abbreviations stated herein shall have the meaning as assigned therewith.

TERM	DESCRIPTION
"We", "us", "our", "the Company" or "our	Unless the context otherwise indicates or
Company"	implies, refers to Supreme Alloys Limited, as
	described in this Draft Red Herring Prospectus
"SAL" or "Supreme" or "Supreme Alloys Limited"	Supreme Alloys Limited, a Public Limited
	Company incorporated under the Companies Act
	having its registered office at B-7, WHS, Kirti
	Nagar, New Delhi-110015, India

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

TERM	DESCRIPTION
Act or Companies Act	Companies Act, 1956 as amended from time to time
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996 as amended from time to time
DER	Debt Equity Ratio
DIN	Director Identification Number
DP ID	Depository Participant's identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares during that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder as amended from time to time
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time



CDD	Gross Domestic Product
GDP	0.000 2000
Gol / Government	Government of India
HNI	High Net worth Individual
	Hindu Undivided Family
IFRS	International Financial Reporting Standard
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IT	Information Technology
JV	Joint Venture
Mn / mn	Million
MoU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earning Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, National Capital Territory of Delhi and Haryana located at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019
ROC RMD I	Delhi and Haryana located at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019 Rolling Mill Division situated at AN 28 to AN 33 and CN 112 to 122, M G Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh
	Delhi and Haryana located at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019 Rolling Mill Division situated at AN 28 to AN 33 and CN 112 to 122, M G Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh Rolling Mill Division situated at Khashra No 575-576, Dujana Road, Tehsil-Dadri, Distt. Gautambudh Nagar, Uttar Pradesh
RMD I	Delhi and Haryana located at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019 Rolling Mill Division situated at AN 28 to AN 33 and CN 112 to 122, M G Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh Rolling Mill Division situated at Khashra No 575-576, Dujana
RMD I	Delhi and Haryana located at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019 Rolling Mill Division situated at AN 28 to AN 33 and CN 112 to 122, M G Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh Rolling Mill Division situated at Khashra No 575-576, Dujana Road, Tehsil-Dadri, Distt. Gautambudh Nagar, Uttar Pradesh
RMD II RONW	Delhi and Haryana located at IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110 019 Rolling Mill Division situated at AN 28 to AN 33 and CN 112 to 122, M G Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh Rolling Mill Division situated at Khashra No 575-576, Dujana Road, Tehsil-Dadri, Distt. Gautambudh Nagar, Uttar Pradesh Return on Net Worth



SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
Stamp Act	The Indian Stamp Act, 1899
State Government	The Government of a state of India
Stock Exchanges	BSE and NSE
UIN	Unique Identification Number
US / USA	United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

ISSUE RELATED TERMS

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor category with a minimum Bid of ` 100 millions
Anchor Investor Bid/ Issue Period or Date	The day one day prior to the Bid/Issue Opening Date on which Bidding by Anchor Investors shall open and shall be completed.
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by the Company in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated to Anchor Investors by the Company in consultation with the BRLMs, on a discretionary basis, out of which one third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is being made to Anchor Investors.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Bidder to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB.
ASBA Account	Account maintained with a SCSB which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder
ASBA Bid cum Application Form or ASBA BCAF	The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid through a Self Certified Syndicate Bank which contains an authorization to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms are available
	for download from the websites of the Stock Exchanges.



ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of
	Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s). Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms are available for download from the websites of the Stock Exchanges.
ASBA Bidder	Prospective investors in this Issue who intend to Bid/apply through the ASBA process.
ASBA Public Issue Account	A bank account of the Company, under Section 73 of the Companies Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Banker(s) to the Issue / Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being [•].
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 264 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto.
	For the purpose of ASBA Bidders, it means an indication to make an offer during the Bidding/ Issue Period by an ASBA Bidder pursuant to the submission of ASBA Bid cum Application Form to subscribe to the Equity Shares.
Bid / Issue Closing Date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper and a Hindi national newspaper.
Bid / Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder.
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form.
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Bidding Centres	A centre for acceptance of Bid cum Application Forms.
Book Building Process/ Method	The book building route as provided in Schedule XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, in terms of which this Issue is being made.



BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being D and A Financial Services (P) Limited.
Business Day	Any day on which commercial banks in New Delhi are open for business
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Share after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSB which coordinates with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is available on www.sebi.gov.in/pmb/scsb.pdf
Cut-off Price	Issue Price, finalised by the Company in consultation with the BRLM. Only Retail Individual Bidders whose Bid Amount does not exceed ` 2,00,000 are entitled to Bid at the Cut Off Price. QIBs and Non- Institutional Bidders are not entitled to Bid at the Cut-off Price.
DAFSPL	D and A Financial Services (P) Limited
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on www.sebi.gov.in/pmb/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from ASBA Account (s) to Public Issue Account, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange or BSE.	The Bombay Stock Exchange Limited
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus issued in accordance with Section 60B of the Companies Act and SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are issued and the size of the Issue.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares.
Equity Shares	Equity shares of the Company of ` 10 each unless otherwise specified.
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into by the Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.



Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be
Issue	accepted. Public Issue of 7000000 Equity Shares of ` 10/- each of Supreme Alloys Limited ("SAL" or the "Company" or the "Issuer") for cash at a price of ` [•] per fully paid up Equity Share (including a share premium of ` [•] per Equity Share) aggregating ` [•] lacs ("The Issue"). The issue will constitute 48.27% of the post issue paid up capital of the company.
Issue Price	The final price at which Equity Shares will be Allotted in the Issue in terms of the Red Herring Prospectus. The Issue Price will be decided by the Company in consultation with the BRLM on the Pricing Date.
Issue Proceeds	The proceeds of the Issue that are available to the Company.
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 100% of the Bid Amount.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares available for allocation to Mutual Funds only.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see the section titled "Objects of the Issue" on page 41 of this Draft Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than `200000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than [●] Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Pay-in Date	Bid / Issue Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN
Price Band	Price band of a minimum price (Floor Price) of ` [●] per Equity Share and the maximum price (Cap Price) of ` [●] per Equity Share and includes revisions thereof.
Pricing Date	The date on which the Company in consultation with the BRLM will finalize the Issue Price.
Prospectus	The prospectus to be filed with the RoC after pricing in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date.
QIB Margin Amount	An amount representing 100% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of the Issue being up to 50% of Issue or [●] Equity Shares of ` 10 each to be Allotted to QIBs.



Qualified Institutional Buyers or	a mutual fund, venture capital fund and foreign venture
QIBs	capital investor registered with the Board; a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; provident fund with minimum corpus of `25 Crore; pension fund with minimum corpus of `25 Crore; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; insurance funds set up and managed by army, navy or air force of the Union of India; insurance funds set up and managed by the Departments of Posts, India.
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidder) shall be made
Refund Banker(s)	[•]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable
Registrar to the Issue	M/s BEETAL Financial & Computer Services (P) Limited having their office at Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110062.
Resident Retail Individual Investor or RRII	Retail Individual Bidder who is a person resident in India as defined in FEMA and who has not Bid for Equity Shares for an amount more than ` 200,000 in any of the bidding options in the Issue
Retail Individual Bidder(s)	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid for Equity Shares for an amount more than `200,000 in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being not less than [●] Equity Shares of ` 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.
Self Certified Syndicate Bank or SCSB	A Banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/pmd/scsb.html



Stock Exchanges	The Bombay Stock Exchnage Limited and The National Stock Exchange of India Limited.
Syndicate Agreement	The agreement to be entered into between the Syndicate and the Company in relation to the collection of Bids in this Issue (excluding Bids from the ASBA Bidders).
Syndicate Member(s)	[•]
Syndicate or members of the Syndicate	The BRLM and the Syndicate Members (if any).
Transaction Registration Slip or TRS	The slip or document issued by a member of the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and the Company to be entered into on or after the Pricing Date.

ISSUER RELATED TERMS

Term	Description
Articles or Articles of Association	Articles of Association of the Company
Auditors	The statutory auditors of the Company, namely, M/s VAPS & Co., Chartered Accountants, C-42, South Extention, Part-II, New Delhi – 110049
Board/ Board of Directors	Board of directors of the Company or a committee constituted thereof.
Director(s)	Directors on the Board of the Company, as may be appointed from time to time, unless otherwise specified
Group Companies	Refers to those companies, firms, ventures, etc. promoted by the promoters of the issuer, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, 1956 or not and as disclosed in the section titled "Group Companies" on page 128 to 131 of this Draft Red Herring Prospectus
Key Management Personnel	The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 108 of this Draft Red Herring Prospectus.
Memorandum or Memorandum of Association	The Memorandum of Association of the Company
Promoters	The Promoters of the Company namely, Mr. Mohinder Lal Arora, Mr. Jagjiv Kumar Arora and Mr. Sahil Arora.
Promoter Group	Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Promoter – Promoter Group" on page 124 of this Draft Red Herring Prospectus.
Registered Office	The registered office of the Company, located at B-7, WHS, Kirti Nagar, New Delhi-110015, India
SAL	Supreme Alloys Limited

TECHNICAL/ INDUSTRY RELATED TERMS

TERM	DESCRIPTION
Aux.	Auxiliary
APC	Air pollution control
BIS	Bureau of Indian Standards
С	Carbon
CAGR	Compounded Annual Growth Rate

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CC	Continuous Casting	
CM/cm	Centimeters	
Cmsqr	Centimeters Centimeters	
Cl	Cast Iron	
CI Pipe	Cast Iron Pipe	
CO	Carbon Mono Oxide	
CPP	Captive Power Plant	
CR	Cold Rolled	
CTD	Cold Twisted Deformed	
CY	Current Year	
db (A)	Decibel (Absolute)	
Dia/dia	Diameter	
Etc./etc	Etcetera	
EAF	Electric Arc Furnace	
EMS	Environmental Management System	
Elect.	Electrical	
Engg. Units and M/C Mfgr	Engineering Unit and Machine Manufacturing	
FG	Finished Goods	
FY	Financial Year	
HR	Hot Rolled	
Hr./hr	Hour	
GDP	Gross Domestic Product	
IF	Induction Furnace	
IIP	Index of Industrial production	
ISPs	Integrated Steel Producers	
ISO	International Standards Organization	
JPC	Joint Plant Committee	
K.G./kg/KG	Kilo Gram	
Kms	Kilometers	
KV	Kilo Volt	
KVA	Kilo Volt Ampere	
KW	Kilo Watt	
MGD	Million Gallons Per Day	
M.S./MS	Mild Steel	
MkWh	Million Kilo Watt Hour	
Mm/mm	Millimeter	
Mn	Manganese	
MoEF	Ministry of Environment and Forest	
MT	Metric Tonne	
MTPA	Million Tonnes Per Annum	
MW	Mega Watt	
NCR	National Capital Region	
N cu m/hr	Normal Cubic Metre Per Hour	
Nos.	Numbers	
O C	Degree Celsius	
p.a./P.a.	Per annum	
`/Rupees	Indian National Rupees	
RMD		
	Rolling Mill Division	
SAIL SARFESI Act	Steel Authority of India Limited Securitisation and Reconstruction of Financial Assets and	
SARFESI ACI		
	Enforcement of Security Interest Act, 2002	
CD	Suspended Partials	
SP S S S S	Suspended Particle	
S.S./SS	Stainless Steel	
SS	Suspended Solids	
t/yr	Tonnes per year	
TMT	Thermo Mechanically treated	
TPA	Tonne Per Annum	
TPY	Tonne Per Year	
WSA	World Steel Association	



PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the restated financial statements of the Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, stated in the report of our Auditors, M/s VAPS & Co., C-42, South Extention, Part-II, New Delhi – 110049, beginning on page 134 of the Draft Red Herring Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2008), are to the Financial Year ended March 31 of that particular year.

In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

Our Company has not attempted to explain these 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 financial data.

Market and Industry Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry publications and/or publicly available government documents. Industry publications or publicly available government documents generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been verified by us or any other person connected with the Issue.



FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements." All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forwardlooking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "contemplate", "expect", "estimate", "future", "goal", "intend", "may", "objective", "plan", "project", "shall", "will", "will continue", "will pursue", "will likely result", "will seek to" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

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 industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, 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 domestic laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- 1. Our inability to successfully implement our business plan and growth strategy;
- 2. Performance of steel industry, demand for our products;
- 3. Certain inherent construction, financing and operational risks in relation to our projects;
- 4. Decline in income and profit as a result of intense competition from other companies;
- 5. Our dependence on key personnel;
- 6. The monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates;
- 7. Foreign exchange rates, equity prices or other rates or prices;
- 8. The performance of the financial markets in India;
- 9. General economic and business conditions in India;
- 10. Changes in political conditions in India;
- 11. Occurrence of natural calamities / disasters affecting the location where we are setting up the Project.

For further discussion of factors that could cause our actual results to differ from our expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xii, 73 and 178 respectively of this Draft Red Herring Prospectus.

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 future gains or losses could materially differ from those that have been estimated. Our Company, the BRLMs, the Syndicate Members or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, we and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.



SECTION II- RISK FACTORS

RISK FACTORS

RISK FACTORS ENVISAGED BY MANAGEMENT

An investment in Equity shares involves a high degree of risk. You should carefully consider all of the information in this DRHP, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and all or part of the investment may be lost. Unless otherwise stated in the relevant risk factors set below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The following risk factors have been determined on the basis of their materiality in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Internal Risk Factors that are specific to the project and relating to our business.

1. The Company and its Promoters are involved in some legal proceedings which, if determined against them, could affect the business and financial conditions of the Company.

The Company and its Promoters are party to certain legal proceedings. No assurances can be given as to whether these proceedings will be settled in their favor or against them. If a claim is determined against the Company and it is required to pay all or a portion of the disputed amount, it could have an adverse effect on the results of operations and cash flows of the Company. A classification of the legal proceedings instituted against and by the Company and the monetary amount involved in these cases is mentioned in brief below:

a) Proceedings initiated against the Company

Category	Number of Litigations	Aggregate amount involved (` in Lacs)		
Criminal	Nil	Nil		
Civil	2	37.76		
Civil - DRT	1	Cannot be determined at this		
		stage		
Labour	Nil	Nil		
Income Tax	1	Cannot be determined at this		
		stage		
Sales Tax /VAT/UP Trade Tax	5	8.56		
Service Tax	2	24.44		
Excise	6	802.62		
Customs	1	35.70		
Trade Mark	1	Cannot be determined at this		
		stage		
TOTAL		909.08		

b) Proceedings initiated against the Promoters (Individuals and Corporate)



Category	Number of Aggregate amount involved (`in Lacs)	
Criminal	Nil	Nil
Civil	1 *	290.00
Income Tax	Nil	Nil
TOTAL		290.00

^{*}case against the promoter due to his position held as Director / Managing Director / and other position in the Group Company.

c) Proceedings initiated against the Promoter Group Companies

Category	Number of Litigations	Aggregate amount involved (` in Lacs)
Criminal	Nil	Nil
Civil	Nil	Nil
Income Tax	Nil	Nil
SEBI Notices/ Summons	Nil	Nil

d) Proceedings initiated against the Director

Category	Number of Litigations	Aggregate amount involved (` in Lacs)
Criminal	Nil	Nil
Civil	1 *	290.00
Income Tax	Nil	Nil
TOTAL		290.00

^{*} This case is covered under litigation against group companies. The director has become a party to the said litigation due to the position he holds in the Group Company.

For further details, please refer "Outstanding Litigation and Material Developments" on page 189 of DRHP.

We are required to obtain and maintain Certain Governmental and Regulatory licenses and permits and the failire to obtain and maintain such licenses and permits in a timely manner, or at all, may adversely affects our business and operations.

We are require to obtain and maintain certain approvals, licenses, registrations and permits in connection with its business and operations. There can be no assuarance that we will be able to obtain and maintain such approvals, licenses, registrations and permit in the futures. An inability to obtain or maintain such registrations and licenses in a timely manner or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial conditions.

3. Pending Government/Statutory Approvals and Licenses

Our Company has made applications to regulatory authorities for grant of the following Government/Statutory approvals and licenses but the same has not been issued to us till date:-

S.No Nature of Unit Date of Issuing	Remarks
-------------------------------------	---------



	Registration/ License		Application	Authority	
1	Applied for renewal of Consent to Operate till December 2012 under Section 25 & 26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 respectively	Sahar Road Industrial Area,	January 10, 2010	Uttar Pradesh Pollution Control Board	Not yet received
2	Applied for renewal of Consent to Operate till December 2012 under Section 25 & 26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 respectively	112-122, Masuri Gulawti Road, UPSIDC Industrial Area,	January 10, 2010	Uttar Pradesh Pollution Control Board	Not yet received
3	Applied for registration of Trademark "SAL" under class 6	-	April 20, 2007	Trademark Registry	Not yet received

4. The Company has issued fully paid up Equity Shares within the last 12 months at a price that may be lower than the Issue Price.

The Company has issued Equity Shares to all the existing shareholders by way of Bonus Share on August 06, 2011. For further details, in relation to the equity share capital history of the Company see "Capital Structure" beginning on page 19 of this Draft Red Herring Prospectus.

5. The Company may have unsecured debt that is repayable on demand.



The Company may have availed of certain unsecured loans that are repayable on demand. In the event that the lenders of such loans call in these loans, these companies would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all.

The details of all such loans have been mentioned on page 161 of this Draft Red Herring Prospectus.

The details of terms and conditions of unsecured loans are as under:

Particulars	31 st March 2011	Interest Rate (for all loans)	Repayment schedule
From Promoters/ Directors / Share			There is no fixed repayment schedule and all the loans are
holders	955.86	Nil	repayable on demand.
From Corporates	630.93	Nil	
Total	1,586.79		

6. The steel industry is cyclical in nature and factors affecting the demand for, and production of steel affect our results of operation.

The steel industry is cyclical in nature, sensitive to general economic conditions and the condition of certain other industries. Future economic downturns or stagnant economies in India or our key global markets could adversely affect our business and results of operations. Over the past few years, the demand for steel has fluctuated and may fluctuate in the future due to number of factors, including any downturn in purchases by traditional bulk steel and users such as auto component, auto mobile and infrastructure industries, slow down in basic manufacturing industry in India or abroad, availability and price of key raw materials, many of which are beyond our control. Production of steel has varied from year to year, depending upon demand and consolidation in the industry. Unfavourable changes in the demand for steel, due to changes in customer preferences, government policies and other factors may adversely affect the steel industry and our business and result of operations.

7. If the Indian government imposes price control, the prices that our Company is able to receive for its steel products may decline and Company's results of operations and financial condition could be adversely affected.

The Indian ministery of steel is responsible for coordinating and formulating policies for the growth and development of the Indian iron and steel industry. Prior to 1992 the ministery of steel controlled the price Indian primary steel producers could charge for steel. Today, the Indian steel industry is deregulated and steel prices in India are generally determined by market forces. Nonetheless, no assurance can be given that the Indian government will not reinstitute price controls in the future. If the Indian ministery of steel intervenes in determining the price of steel in India, Company's result of operations and financial conditions could be adversely affected.

8. Our Company does not currently own the premises at which its Registered Office is located.

We have entered into rent agreement for our Registered Office located at B-7, WHS, Kirti Nagar, New Delhi-110015 with M/s Kapco Enterprises and pay rent for the



occupation of the said premises. The rent agreement may be renewed subject to the consent of the lessor. In the event that the lessor requires us to vacate the premises, we will have to seek a new premises at short notice and for a price that may be higher than what we are currently paying, which may affect our ability to conduct our business or increase our operating costs and also the Rent Agreement is not registered with. For further details please see the heading "Property" in the section titled "Business Overview" on page 73 of this DRHP.

9. The Company is dependent on few customers for its products and the top 10 customers constitutes around 53.41% of the total income for the year 2010-11. The company is also dependent on its suppliers and the top 10 suppliers constitute 11.91% of the total purchases for the year 2010-11. The loss of one or more significant clients or suppliers for any reason may have an adverse effect on our results of operations.

The Company is largely dependent on single and few customers, as the top one and top ten customers constitutes around 46.51% and 53.41% of the total income for the year 2010-11. In addition, company is also dependent on few suppliers as top one and top ten suppliers constitutes 4.08% and 11.91% of the total purchases for the year 2010-11. The loss of one or more significant clients or suppliers for any reason may have an adverse effect on our results of operations.

10. Our Promoters have given personal guarantees in relation to certain debt facilities provided to us.

Our Promoters have given personal guarantees in relation to all our secured debt facilities. In the event our Promoters withdraw or terminate their guarantee, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

11. Some of our Directors hold substantial Equity Shares in our Company and may be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors, Mr. M L Arora, Mr. J K Arora and Mr. Sahil Arora hold substantial Equity Shares in our Company and will continue to do so, post-issue. By virtue of their shareholding, they may be interested in the dividends that may be paid out, the bonus issues, the rights issues, etc., which may be granted by our Company to the persons holding Equity Shares of the Company. For further details, see the section "Capital Structure" beginning on page 19 of this DRHP.

12. Company's success depends in large part upon its management team and skilled personnel and its ability to attract and retain such persons.

The Company is dependent on certain members of its technical and management staff, as well as other key employees and officers for the efficient conduct of its business operations. The Company may not be able to continuously attract qualified personnel or retain such personnel on acceptable terms, given the rising demand for such personnel. The Company may face a challenge to recruit and retain a sufficient number of suitably skilled personnel. Retention of personnel leaves companies with rising wage bills. There is also significant competition for managerial and other skilled personnel in this industry, and it may be difficult to attract and retain the personnel that the Company needs in the future. Company's future performance may be affected by the discontinuation of service of its management team and skilled personnel. The



loss of key personnel may have an adverse effect on the business of the Company, results of operations, financial condition and its ability to grow.

13. Our operations could be adversely affected by disputes with employees.

As of August 31, 2011, the Company employed a work force of 220 full-time employees. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force or contract labour employed by independent contractors.

14. Loss making Group companies.

One of the Group Company M/s Matchless Metal Industries (P) Limited, which is incurring losses during the year 2009-10. The details of the same are as follows:

			(`in lacs)
S.No.	Name of Company	2010-11	2009-10	2008-09
	Matchless Metal Industries (P)	0.25	(0.12)	Nil
1.	Limited			

Delay in project implementation may lead to an adverse impact on our business.

If the proposed project is delayed due to all or any of the reasons mentioned below, it may have an adverse impact on the future of our business and could stint our growth process. The various reasons for delays that may take place in the project implementation are as follows:

a) Delay in receipt of funds through the proposed issue

If the proposed Initial Public Offering of Equity Shares gets delayed it would lead to a corresponding delay in receipt of funds and consequently it may delay the project implementation.

b) Delay in placing orders of the total plant and machinery

If there is any delay in the issue process it may lead to undue delays in the implementation of project as the orders for the equipment etc. will be placed only after the receipt of the issue proceeds.

c) Our project is subject to the risk of cost and time overruns.

Our project as referred to in the section titled "Objects of the Issue" on page 41 of this DRHP contains project costs and implementation schedules estimated by us. Our plans are subject to a number of contingencies, including changes in laws and regulations, governmental action, inability to obtain equipment and other supplies at quoted or at acceptable rates, accidents, natural calamities, terrorist activity and other factors, many of which may be beyond our control. Although we have a capability to complete the project within parameters estimated by us, we cannot assure you that the actual costs incurred or time taken for implementation of these plans will not vary from our estimated parameters.



16. Our funding requirements and deployment of the net proceeds of the Issue are based on management estimates and have not been independently appraised, and are not subject to monitoring by any independent agency.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates, current quotations from suppliers and our current business plan. The fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. In view of the highly competitive nature of the industry in which we operate, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates, changes in quotations, exchange rate fluctuations and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, the estimated dates of completion of various projects as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control. In addition, current quotations from suppliers are only valid for limited periods and there can be no assurance that we will be able to obtain new quotations from these or other suppliers on the same terms.

We are not required to appoint any Monitoring Agency for the issue pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

17. We do not have arrangements in place for bank finance or institutional finance in respect of our projected working capital requirements, a part of which will be financed through the present issue.

Our Company will utilise a part of the net proceeds of the Issue to meet the margin for long-term working capital requirements to the tune of ` 2000 Lacs. While estimating this requirement we have assumend a bank borrowing level of ` 6000 lacs. These bank borrowings have not yet been tied up. In the event that we fail to raise the requisite funds through bank borrowings, we run the risk of seriously hampering the progress of the proposed project.

18. We have high Working Capital requirements. In case there is insufficient cash flow to meet our requirement of working capital or pay our debts, there may be adverse effect on the results of our operations.

Our business requires a substantial amount of working capital. We require working capital to finance the purchase of materials before payment is received from clients. Our working capital requirements may increase if, in certain agreements, payment terms include reduced or no advance payments or terms that are less favorable to us. Moreover, if a client defaults in making its payments on a consignment to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the payments will be remitted by our clients to us on a timely basis or that we will be able to efficiently manage the level of bad debt arising from such payment practice.

Continued increases in working capital requirements and insufficient cash flows from our operations to meet any of the above requirements may have an adverse effect on our financial condition and results of operations. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.



19. We depend on banks and financial institutions and other sources for meeting our short and medium term financial requirements.

Any delay in the disbursal of funds from these bodies can be a bottleneck to our project execution capabilities and thereby our results of operations.

20. Interest rate fluctuations may adversely affect the Company's business.

The Company has entered into certain borrowing arrangements to finance its capital requirements in the ordinary course of business. In the future, the Company may be required to enter into additional borrowing arrangements in connection with potential acquisitions or for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

21. We may be subject to restrictive covenants under working capital facilities provided to us by our lender(s).

We have availed certain working capital facilities from our bankers. As per the agreements executed with the bankers, there are certain restrictions imposed on us. As per these restrictions; neither sale of any kind nor mortgage, charge, lien or encumbrance, other than the existing charges shall be made or allowed to be made over the currency of the facility without the banker's prior written consent during the currency of the said working capital facility.

22. We have not placed any order for any of the Plant and Machinery that we require as a part of the project which is proposed to be fully funded by the present issue.

The Company is yet to place orders for ` 3110.64 lacs being 100% of the plant & machinery cost and civil works relating to project. For details, please refer Object of the Issue disclosed at page 41 of this Draft Red Herring Prospectus. Any delay in placing the order for procurement of the same and its delivery will inadvertently delay the completion of project and will lead to the increase in price of these equipments, which in turn will have its effect on the revenue and profitability of the Company.

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

The Company has not complied with the provisions of Section 383A of the Companies Act, 1956 during the period March 24, 2006 to April 04, 2011 (for 1838 days), as the Company had not appointed any Company Secretary during the said period. Thereby there was a non-compliance of Section 383A of the Companies Act, 1956 for a total period of 1838 days. This may attract a maximum liability of `9,19 Lacs. No show cause notice in respect of the above has been received by the Company from the office of Registrar of the Companies till date. Any penalty in future by any regulatory authorities could affect Company's financials.

24. The Company has not complied with provisions of Section 295 of the Companies Act, 1956 could impact financial position of the Company to that extent.

The Company has issued a corporate guarantee amounting to `16.70 Crores in favour of Fedral Bank Limited, Harsha Bhavan, E-13-29, Ground Floor, Middle Circle, Connaught Place, New Delhi - 110031, towards loan given to M/s Indian Exchange of



Metal Limited, one of the Promoter Group Company. The Company has not complied with the provisions of Section 295 of the Companies Act, 1956, which requires approval from Central Government, whereas the Company has not obtained the approval of Central Government before providing the Corporate Guarantee. Therefore there was a non-compliance of Section 295 of the Companies Act, 1956, which states that every person who is knowingly a party to contravention of the provisions including any person to whom the loan is made or who has taken the loan in respect of which guarantee is given, shall be punishable either with fine which may extent to `50,000 or with simple imprisonment for a term which may extent to six months. No show cause notice in respect of the above has been received by the Company from the office of Registrar of the Companies till date. Any penalty in future by any regulatory authorities could affect Company's financials.

25. The Company does not have a track record for payment of dividend on equity shares and may not pay dividend in future also.

The Company has not declared or paid any cash dividends on the Equity Shares in the past. Whether our Company pays dividends in the future and the amount of any such dividends, if declared, will depend upon a number of factors, including our results of operations and financial condition, contractual restrictions (including the terms of some of our financing arrangements that restrict our ability to pay dividends) and other factors considered relevant by our Board of Directors and shareholders. There is no assurance that our Company will declare and pay, or have the ability to declare and pay, any dividends on Equity Shares at any point in the future.

26. Our operations will have significant raw material requirements, and we may not be able to ensure the availability of the raw materials at competitive prices, which may adversely affect results of our operations.

Steel industry being a raw material intensive industry, the Company is constantly exposed to possible unpredictability in the supply of raw materials. Lack of any backward linkage exposes the company to volatility inherent in availability of the critical raw material which may affect our operations. The raw material cost constitutes approximately 91% of the total expenditure for the year 2010-11.

27. Even after this public issue, the Company may continue to be controlled by our promoters who will collectively hold approximately 52% of the outstanding equity share and our other shareholders may not be able to affect the outcome of shareholder voting.

After the completion of the Issue, our promoters will collectively hold approximately 52% of the outstanding Equity Shares. Consequently, our Promoters, may exercise substantial control over the Company and *inter alia* may have the power to elect and remove a majority of our Directors and/or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investing policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions/joint ventures.

28. There may be a financial loss caused to the company in the event of failure of the company to take possession of land situated at Plot No. B-54, M. G. Road, Ghaziabad measuring 1496.25 Squre Meter allotted by U.P. State Industrial Development Corporation ("UPSIDC") vide its letter of allotment dated July 22, 2006.

The Company has been allotted a plot situated at Plot No. B-54, M. G. Road, Ghaziabad measuring 1496.25 Square Meter by U.P. State Industrial Development Corporation ("UPSIDC") vide its letter no. 8258/SIDC/ROG/B-54 dated July 22, 2006.



The company has not yet taken possession of land as well as the company has not yet started construction of factory building as stipulated in the terms of allotment. If the company fails to take possession of land as well as commencement of construction of factory building, then UPSIDC has right to forfeit the amount deposited with it by way of earnest money as well as other charges and the total amount deposited by the company with UPSIDC in this respect till date amounts to `6.45 lacs and consequently there may be a financial loss of `6.45 lacs to the company.

29. There is risk associated with price fluctuation of raw material and finished product which may affect the result of our operations.

The fluctuations in the prices of the raw materials and the company's inability to negotiate at optimum market rates may affect its profitability. Similarly, the prices of the finished products have also shown price variations, which may impact its profitability.

30. The present project is funded mainly from the proceeds of present public issue. Due to the delay in the public issue there may be a delay in the schedule of implementation of the project that the company proposes to undertake which may affect the business and results of operations of the Company.

The cost of project is to be funded mainly from the proceeds of the IPO. Any delay/failure of the IPO will impact the completion of project. Failure to complete the project according to its schedule, may give rise to potential liabilities as a result, our returns on investments may be lower than the originally expected, which may have a material adverse impact on the business operations and profitability of our company.

31. We are using the trademark for which we have not made an application for registration before the competent authority.

The trademark used by the company has not been registered with the competent authority and also the application for registration of the same has not yet been applied by the company.

32. We face a substantial competition in the steel industry, both from Indian and International companies, which may affect our revenues in case we are not able to obtain customers and orders.

We will face significant competition from existing players and potential entrants in the Indian Steel Industry. In foreign markets, where we new entrants; will face competition from internationally established players. Further, we will face significant competition mainly from large vertically integrated and diversified companies in steel industries. Some of our Indian and International competitors are larger than us and have greater financial resources.

The currect high demand and prospects for steel manufacturing busineesses could led to other companies increasing their productions capacity in these segments. Some existing and new palyers are already in the process of expanding capacity or setting of plants in the country. This could result in excess capacity in market.

33. The company has in past entered into "Related Party Transactions" and may continue to do so in the future.

The company has entered into transactions with its promoters, certain directors and promoter group entities. There can be no assurance that the company could have



received more favourable terms had such transactions not been entered into with Related Parties. Further more it is likely that the company will enter into Related Party Transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have in adverse effect on the company's financial condition and results of operations. For further information on the common pursuit and the our transactions with the promoters, certain directors and promoter group entities, please refer "Common Pursuits" and "Details of Related Party Transactions" on pages 128 and 168 respectively, of this Draft Red Herring Prospectus.

34. The Company may experience fluctuations in quarterly income, operating results and cash flows which may affect the trading price of the Equity Shares.

The Company's quarterly income, operating results and cash flows may fluctuate substantially from quarter to quarter in the future. Such fluctuations may result in volatility in the price of the Equity Shares. Quarterly income, operating results and cash flows may fluctuate as a result of a variety of factors, including but not limited to:

- a) changes in demand for products;
- b) the timing of regulatory approvals and of launches of new products, particularly in relation to any period of market exclusivity;
- c) changes in pricing policies of the Company or those of competitors;
- d) changes in the level of inventories maintained by customers;
- e) currency exchange rate fluctuations;

The foregoing factors may render the Company's income, operating results and cash flows, which may materially affect the trading price of the Company's shares.

35. The Company has contingent liabilities and its financial condition and results of operations could be adversely affected if any of these contingent liabilities materialize.

As of March 31, 2011, contingent liabilities disclosed in the notes to the financial statements of the Company amounted to `3005.37 Lacs. If any of these contingent liabilities materialize, the Company's financial conditions and results of operations may be adversely affected. The details of the same are given on page 164 of this Draft Red Herring Prospectus.

36. No prior performance indicator

This is an initial public offering of our equity shares and, thus, there is no other performance indicator besides our financial performance. We may not be able to assure similar performance on stock exchanges where we propose to list our equity shares.

37. We will be required to prepare our financial statements in accordance with IFRS effective from April 01, 2013. There can be no assurance that our adoption of IFRS will not be adversely affect our reported results of operations or financial conditions or any failure to successfully adopt IFRS by April 01, 2013 could have an adverse effect on the price of the equity shares.



Based on current timeline announced for IFRS convergence for Indian companies, we estimate that the earliest that it would need to prepare annual and interim financial statements under IFRS would be the financial period commencing from April 1, 2013. There is currently a significant lack of clarity on the adoption of and convergence with IFRS and we currently do not have a set of established practices on which to draw on in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2013 could have an adverse effect on the price of the Equity Shares.

38. One of our Promoter Group entity have objects similar to that of our Company's business and this could lead to a potential conflict of interest. Further, some of our Directors are also directors/ shareholders of our Group Company.

Our Promoter Group Company i.e. SAL International (P) Limited have some of their objects similar to that of our Company's business. Some of our directors are on the board of directors of our group companies and have equity interest or investments in such group company that may offer services that are related to our business. As a result, there may arise a conflict of interest in addressing business opportunities and startegies and implementing new plans. Further, new business opportunities may be directed to these companies instead of our Company. As on the date of filing the Draft Red Herring Prospectus, the aforesaid entity is not carrying any business competing with that of our Company, and currently we do not have any non-compete agreement/arrangement with any of our Promoter Group Entity.

External Risk Factors/ Risks Related to India

39. Changes in Government Policies and political situation in India could adversely affect our business operations.

Since 1991, the Government of India has pursued policies of economic liberalization, including relaxing restrictions on the private sector. The Company cannot assure you that these liberalization policies will continue in future. Protest against liberalization could slowdown the pace of economic development. The rate of economic liberalization could change, specific laws and policies could change, and foreign investment, currency exchange rates and other matters affecting investing in our securities could change as well.

The current Indian Government is coalition of several parties. The withdrawal of one or several parties could result in political instability, which may have adverse affect on the capital market and investor confidence. Any adverse change in Government policies relating to the steel industry in general and stainless steel, ferro alloys, iron ore in particular may have an impact on the profitability of the industry. Such changes are not limited to but may be in respect of:

- (i) Sales Tax/ VAT
- (ii) Customs Duty



- (iii) Import/ Export restriction
- (iv) Excise Duty/ CENVAT
- (V) Service Tax

40. Political, economic and social developments in India could adversely affect the Company's business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The Company's business, and the market price and liquidity of the Company's Equity Shares, may be affected by changes in the Government's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war and acts of terrorism could also adversely affect the Company's business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general and could also affect the Company's business and industry in particular. In addition, any political instability in India or geo political stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of the Company's Equity Shares.

The Company's performance and the growth of its business is necessarily dependant on the performance of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions.

41. Changes in regulations could adversely affect our business operations.

Changes in regulatory environment relating to manufacturing and marketing M.S. Ingots/ Billet, and TMT Bars/ Wire Rods in and outside the country will significantly impact the business of the Company.

42. Changes in regulation of Exports and Imports could adversely affect our business operations.

Any change in regulations, domestic or international, having an impact on the steel market in general, will affect the industry as a whole. Such changes may be in the nature of introduction of quota, tariff barrier, subsidies etc.

43. Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Company's business and its profitability.



Certain events that are beyond the control of the Company, such as terrorist attacks and other acts of violence or war, including those involving India, China, the UK, the US or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect the Company's business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries, including India, Pakistan and China. India recently witnessed a major terrorist attack in Mumbai on November 26, 2008, which led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of business provided by India-based companies, which could have an adverse effect on the Company's business, future financial performance and price of the Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Company's operations might be significantly affected.

India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have a material adverse effect on the Company's ability to develop its business. As a result, the Company's business, results of operations and financial condition may be adversely affected.

44. The Company's ability to raise foreign capital may be constrained by Indian law.

As an Indian company, the Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Company's financing sources and hence could constrain its ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, the Company cannot assure investors that required approvals will be granted to the Company without onerous conditions, or at all. The limitations on foreign debt may have an adverse effect on the Company's business growth, financial condition and results of operations.

45. Our business faces the risk of natural disasters and operational risks that may cause significant interruption of operations.



India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities could have a negative effect on the Indian economy, adversely affecting the Company's business and the price of its Equity Shares. Our operations are subject to a number of risks and hazards, including unusual or unexpected geological conditions, ground conditions etc. Such risks and hazards could result in personal injury or death, damage to, or destruction of production facilities potentially leading to monetary losses and legal liability.

In addition, breakdown of equipment or other events, including catastrophic events such as war or natural disasters, leading to production interruptions in our plants could have an adverse effect on its financial results.

Further, as many of our customers are, to varying degrees, dependent on planned deliveries from our plant, those customers that have to reschedule their own operations due to our missed deliveries could pursue financial claims against us. We may incur costs to correct any of these problems, in addition to facing claims from customers. Further, our reputation amongst actual and potential customers may be harmed, resulting in a loss of business. While we may maintain insurance policies covering, amongst other things, physical damage, business interruptions and product liability, these policies may not cover all of our losses and we could incur uninsured losses and liabilities arising from such events, including damage to our reputation, loss of customers and suffer substantial losses in operational capacity.

46. Any withdrawal of Government incentives could adversely affect our business, financial condition and results of operations.

Various incentives are offered by the Government for development of infrastructure, particularly in development of roads & housing, in which steel is a major raw material. Adverse change in the focus of the Government may affect the future business prospects of the Company.

47. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

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

48. Any disruption in infrastructural facilities could adversely affect our business and production process of the Company.

Any disruption in supply of power, basic infrastructural facilities, telecom lines could adversely affect the business and production process of the Company or subject it to excess cost.

49. Taxes and other levies imposed by the Government of India or other state governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, service tax, income tax



and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability. Currently we enjoy certain tax benefits, which result in a decrease in the effective tax rate compared to the tax rates that we estimate would have been applicable if these incentives had not been available. There can be no assurance that these tax incentives will continue in the future. The non-availability of these tax incentives could adversely affect our financial condition and results of operations.

50. Any disruption in global or domestic logistics could affect operations.

The Company's success as a business with manufacturing capabilities depends on the smooth supply and transportation of various materials and inputs from different domestic and global sources to its plant, and of the products from the plant to customers located across the country, all of which are subject to various logistical uncertainties and risks. Disruptions of transportation services because of weather related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair the Company's ability to receive materials and other inputs and supply products to its customers. There can be no assurance that such disruptions will not have a material adverse effect on the Company's business and result of operations.

Risks Related to this Issue

51. The price of the Company's Equity Shares may be volatile, and investors may be unable to resell their Equity Shares at or above the Issue Price, or at all.

Prior to the Issue, there has been no public market for the Company's Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in the Company's operating results, market conditions specific to the Steel sector in India, developments relating to India and volatility in the BSE, NSE and securities markets elsewhere in the world.

52. There is no guarantee that the Equity Shares will be listed on the BSE and/or NSE in a timely manner or at all and any trading closures at the BSE and/or NSE may adversely affect the trading price of the Company's Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and/or NSE. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the US. The BSE and NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on the BSE and/or NSE could adversely affect the trading price of the Equity Shares.



53. Any future issuance of Equity Shares by the Company may dilute investors' shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by the Company may dilute shareholding of investors in the Company; adversely affect the trading price of the Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of the Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that the Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

54. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Subsequent to listing, the Company will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform the Company of the percentage limit of the circuit breaker from time to time, and may change it without its knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

55. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue until the Issue receives the appropriate trading approvals.

The Company's Equity Shares will be listed on the BSE and NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within ten working days of the date on Bid/Issue closure. Thereafter, upon receipt of final approval from the BSE and NSE, trading in the Equity Shares is expected to commence within twelve working days of the date on which the Bid/Issue closes. The Company cannot assure investors that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict the Company's ability to dispose of its Equity Shares.



Prominent Notes:

- → Investors may contact D and A Financial Services (P) Limited, in relation to any complaints, information or clarifications pertaining to the Issue.
- → The Pre Issue net worth of our Company as of March 31, 2011 is ` 2621.34 Lacs, respectively, based on the audited restated financial statements included in this Draft Red Herring Prospectus.
- → The average cost of acquisition of Equity Shares of the Company by the Promoters which has been calculated by taking the average amount paid by them to acquire the Equity Shares is as follows:

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Mr. Mohinder Lal Arora - ` 4.75 per Equity Share Mr. Jagjiv Kumar Arora - ` 4.81 per Equity Share Mr. Sahil Arora - ` 5.00 per Equity Share
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- → The net asset value per Equity Share as of March 31, 2011 was ` 52.43, as per its restated audited financial statements prepared in compliance with Indian GAAP.
- → For interest of our Promoters/Directors/Key Managerial Personnel and other ventures promoted by Promoters, please refer to section titled "Risk Factors", "Our Promoters and Promoters Group", "Our Management", Annexure of 'Related Party Transactions' in "Financial Information of our Company" beginning on page xii,124,108, & 134 respectively. For details of 'Related Party Transactions' including details of transactions by the Issuer with Group entities during the last year, the nature of transaction and the cumulative value of transactions please refer to Annexure [•] of "Financial Information of our Company" beginning on page 134.
- → For more information on transactions in Equity Shares undertaken by the Company's Promoters and Group Entities, see "Capital Structure" beginning on page 19 of this Draft Red Herring Prospectus.
- → Except as disclosed in "Capital Structure" beginning on page 19 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
- → For information on Change in company's name, please refer to the section "History and Certain Corporate Matters" on page 95 of this Draft Red Herring Prospectus.
- → There are no financing arrangements whereby the Promoter group, the Directors of the Company which our promoter, our Directors and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing Draft Red Herring Prospectus with the Board.
- → Public Issue of 7000000 Equity Shares of ` 10/- each of Supreme Alloys Limited ("SAL" or the "Company" or the "Issuer") for cash at a price of ` [•] per fully paid up Equity Share (including a share premium of ` [•] per Equity Share) aggregating ` [•] ("The Issue"). The issue will constitute 48.27% of the post issue paid up capital of the company.



- → The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
- → Trading in the Equity Shares shall be in dematerialised form only.



SECTION III- INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

Global Steel Industry

According to World Steel Association (WSA), Crude steel production reached a record 1,417.3 million tonnes during 2010. This is 15 per cent more compared to 2009, which has come after two years of decline: 2009 had seen production go down by 7.3 per cent and 2008 saw output decline by 1.3 per cent. All the major steel-producing countries and regions showed double-digit growth in 2010. The EU, North America and Japan had higher growth rates due to the lower base effect from 2009 while Asia and the CIS recorded relatively lower growth.

Crude steel production has grown at a CAGR of 4.8 per cent over last 6 years but growth has been volatile. Growth in crude steel production was mainly driven by emerging countries such as China and India which registered a CAGR of 14.2 per cent and 13.1 per cent, respectively, during the period CY 2004-2010. On the contrary, developed countries such as the US have shown a drop in crude steel production during the same period.

During first 7 months till July 2011, Crude steel production grew further by 8.3 percent to 886.9 million tonnes. China's production has grown by 10.3 percent to 410.3 million tonnes and has contributed to large part of growth during first 7 months in 2011. India's growth was slower at 5 percent to 41.8 million tonnes during the same period.

Indian Steel Industry

Overview

From the fledgling one million tonne capacity status at the time of independence, India has now risen to be the 5th largest crude steel producer in the world and the largest producer of sponge iron. India accounted for about 4.8 per cent of the global crude steel production in CY 2010. As per official estimates, the Iron and Steel Industry contributes around 2 per cent of the Gross Domestic Product (GDP) and its weight in the Index of Industrial Production (IIP) is 6.2 per cent.

Industry Structure

The Indian steel industry is broadly divided into two distinct producer groups: Primary steel producers also known as Integrated Steel Producers (ISPs) and Secondary steel producers.

ISPs include large steel producers with high levels of backward integration and having capacities over one million tonne. Secondary producers essentially have mini steel plants with capacities below 1 million tonne. This category mainly employs Electric Arc Furnace (EAF) or Induction Furnace (IF) route, which use scrap and sponge iron or a mix of both as raw materials to produce steel. This group also consists of processors and re-rollers of steel products.

Although, there are over 3,500 varieties of regular and special steel available, steel products can be broadlyclassified into two basic types according to their shape viz. flats and longs.

Production, Consumption and Growth of Steel in India

Crude Steel production in the country rose from 43.4 million tonnes in FY 2005 to 70.2 million tonnes in FY 2011 registering a CAGR of 8.3 per cent (Source: JPC). During the period April to August in FY 2012, crude steel production has further increased by 4.1 per cent to 29.9 million tonnes. (Source: Worldsteel Association)

India's total finished steel (alloy and non alloy) production for sale has increased from 43.51 million tonnes in FY 05 to 65.9 million tonnes in FY 11, registering a CAGR of 7.2 per cent. During the same period, finished steel consumption has grown at an incremental CAGR of 10.2 per cent from 36.37 million tonnes in FY 05 to 65.19 million tonnes in FY11.

During the period April- July in FY 12, finished steel production was 22.6 million tonnes, a growth of 7.9 per cent. During the same period steel consumption grew by 1.6 per cent to 22.16 million tonnes. (Source: JPC Provisional)



With growth in production for sale lagging behind consumption growth, India has turned into a net importer of finished steel in 2007-08. Exports have also declined to ensure greater domestic availability.

Demand Drivers

Steel is an essential commodity and is used as raw material in different industries driving the nation's economy. Steel finds applications in industries such as construction, real estate, automobiles, power & energy, oil & gas, railways, shipbuilding, industrial machineries & equipment, consumer durables and agricultural equipment.

For further details, kindly refer to the chapter "Industry Overview" on page 65 of this Draft Red Herring Prospectus.



SUMMARY OF BUSINESS OVERVIEW

Supreme Alloys Limited (SAL) is the flagship company of the Supreme Group. SAL was incorporated on 9th October, 1989 and entered into steel melting and casting business in 1999. From a modest beginning in 1999 with production capacity of 6000 MT per annum, today SAL has three steel plants in NCR (National Capital Region), India manufacturing steel ingots, Thermo Mechanically Treated (TMT) Bars, Wire Rods and Drawn Wires. SAL executed a technology agreement in 2004 with SAL-Tempcore Inc., USA for manufacturing of TMT bars on the world's renowned Sal Tempcore technology. Products of the company are used in construction of multi storied buildings, dams, bridges, flyovers and other infrastructure and construction projects. Today SAL has a combined furnace and rolling mill capacity of around 140,000 MT tonnes per annum.

SAL acquired assets of M/s Golden Rathi Star Industries Limited (GRSIL) on November 04, 2010. The assets of GRSIL were assigned to Invent Assets Securitisation & Reconstruction Private Limited by Jammu & Kashmir Bank in accordance with the Securitisation and Reconstruction of Financial Assets and enforcement of Security Interests (SARFAESI) Act. The total aggregate investment of `350 Million was made towards acquisition and modernization of the rolling mill and the production capacity of the company has increased from 70,000 MT to 125,000 MT for manufacturing of TMT Bars and Wire Rods. The Company has entered into an Wet Leasing agreement with Steel Authority of India (SAIL) for a period of three years with effect from June 28, 2010 for supply of TMT Bars of various sizes and RMD I of the Company is exclusively dedicated for the production of TMT Bars for SAIL. Further Company has also entered into a supply agreement dated April 01, 2011 with ESSAR Steel Limited to manufacture and deliver steel TMT bars after embossing the trade mark "ESSAR STEEL TMT".

Our company sells it products through retail outlets in National Capital Region (NCR) of India. We also have a strong network of sales distributors in NCR region. Besides the dealership network, we also have our own marketing team of highly experienced marketing personnel, for direct marketing of the products to the government, semi-government bodies and other corporate clients.

Our customers include many of the largest business houses as well as defense and government organizations including the likes of Steel Authority of India (SAIL), ESSAR Steel Limited, Ambuja Cement Limited, Wipro Limited, HCL Technologies Limited, Military Engineering Services, Delhi Metro and Rail Corporation, Delhi International Airport Limited, NHAI, CPWD, PWD, IOC Refinery, UP BridgeCorporation, Arcelor Mittal-HPCL(Bhatinda Refinery), Delhi Development Authority, Maritime Accomodation Projects (MAP) and leading private real estate developers such as Unitech, DLF Limited, AnantRaj Industries, Eros Group, Parsvnath Limited, Ansal Group, Omaxe Limited, Supertech Limited, Jai Prakash Associates, Emaar MGF Limited, Orchid Limited, BPTP Limited etc.

Our Product Profile

We derive revenue primarily from sale of TMT bars. We also manufacture MS Ingots primarily for captive utilization as input for manufacturing TMT bars. We manufacture TMT bar of grades Fe 415 Fe 500, Fe 500D and Fe 550. We manufacture Drawn Wires ranging from 11 mm to 1.9 mm. Our products meet BIS 1786:2008 and also have ISO9001:2000 certification for the manufacture and supplier of Ingot, TMT Bars and Wire Rods.

 $\mathsf{TMTSAL}^{\$}$ is made from the revolutionary technology from SAL TEMPCORE Inc. USA which places it ahead of its competitors in terms of:

- High weldability which is accompanied by an increase in strength of TMTSAL®.
- Excellent formability due to uniform elongation. (Bend 1D and Rebend 4D).
- No loss of strength up to 500°C making it immune to fire hazards.
- Highly ductile and high fatigue strength making it most suited for earthquake resistantstructures and foundations as per international codal practices.
- Corrosion resistance because of aprotective layer on the surface.
- Excellent bond strength which is a result of a specially designed rib pattern and the adhesive coating. The ribs are cut by automated milling machines which produce uniform and concrete ribs and separates TMTSAL® from the rest.
- Excellent features of ductility and bendability save fabrication at sites and also enables the use of pre-welded meshes at the site, hence excellent workability.



BUSINESS STRATEGY

- Increase utilization in RMD II: We recently acquired a rolling mill unit located at Dujana Road, Distt. GautamBudh Nagar, Uttar Pradesh engaged in the manufacturing of TMT bars having an annual production capacity of 55,000 MT to cater to the needs of the vast network of "TMTSAL®". We sell our product in strong markets of New Delhi, Haryana, Uttar Pradesh, Rajasthan, Uttarakhand and Punjab. This will help us towards increase capacity utilization of RMD II in future. Further the company also plans to utilize the wire rods produced in house by setting up a wire drawing unit having production capacity of 72000 MT per annum, which will enhance product profile of the company.
- Manufacture higher value added products: After strengthening its roots in Indian construction steel market, we plan to manufacture other value added products. The automobile sector is the fastest growing sector and constantly requires quality galvanized and alloy wires for spokes, springs, wiper, arms, blades, auto cables, washers and circlips. The company has setup two PLC controlled AC Drive driven 7 block wire drawing production line along with two PLC Controlled AC drive Driven 3 block wire drawing lines at our unit located at C-232, Site No. 1, BulandSahar Road, Industrial Area, Ghaziabad, U.P, having the capacity to produce 1000 MT of quality Wires ranging from 11.9mm to 1.9 mm per month. Because of the presence of our in house steel melting unit and a wire rod manufacturing facility, company does not need to depend on an external supply chain for catering to the needs of the customers, which primarily includes lock industry based in Aligarh and nail manufacturers in Meerut.
- Improvement in production efficiency and cost rationalization: We have a coal based gas plant at RMD I located at AN 28-33, CN 112-132, M G Road, UPSIDC Industrail Area, Ghaziabad, U.P., with a capacity of apprx. 10 MT per hour. Company plans for technical upgradation of the facilities at its Rolling Mill Division I catering to the production of TMT bars for Steel Authority of India limited (SAIL) by undertaking the job of converting the reheating furnace located at the plant from Oil/Gassifire base to Natural Gas base along with other technical upgradations, which will reduce the consumption of furnace oil which in turns helps in cost reduction and less emission of pollutants in the air and in view of this, we have already entered into a spot gas supply agreement with GAIL for supply of Natural Gas to RMD I which will also help in curtailing the production cost. Supply of natural gas from GAIL is expected to commence from March 2012.

For further details, kindly refer to the chapter "Business Overview" on page 73 of this Draft Red Herring Prospectus.



ISSUE DETAILS IN BRIEF

The details of the issue are as follows:

Details of Equity Shares offered:				
Fresh Issue by the Company	7000000 Equity Shares of `10/- each			
	aggregating to ` [●] lacs.			
Of Which				
A) Qualified Institutional Buyers portion	Up to 50% of the issue i.e 3500000 Fully Paid up Equity Shares of ` 10 each aggregating to ` [●] lacs. (Allocation on proportionate basis)			
Of which				
Mutual Fund Portion	175000 Equity Shares of `10 each fully paid up up to ` [●] lacs.			
Balance for all QIBs including Mutual Funds	3325000 Equity Shares of `10 each fully paid up to ` [•] lacs.			
B) Non-Institutional Portion	At Least 15% of the issue i.e, 1050000 Equity Shares of `10 each aggragating to `[●] lacs. (Allocation on proportionate basis)			
C) Retail Individual Investors Portion	At Least 35% of the issue, i.e 2450000 Equity Shares of `10 each aggregating to `[•] lacs. (Allocation on proportionate basis)			
Pre and Post Issue Equity Shares				
Equity Shares outstanding prior to the Issue	7500000 Equity Shares of face value of `10/-each.			
Equity Shares outstanding after the Issue	14500000 Equity Shares of face value of `10/-each			
Use of Issue proceeds				
	n page 41 of this Draft Red Herring Prospectus for			

Kindly Note:

- → Allocation to all categories shall be made on a proportionate basis.
- * Under subscription, if any, in any category would be met with spill over from other categories or combination of other categories at the sole discretion of our Company in consultation with the BRLM. In case of inadequate demands from the Mutual Funds, the Equity Shares would be made available to QIBs other than Mutual Funds.
- ** The Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. Bidding in the Anchor Investor Portion shall open and close on the Anchor Investor Bid/Issue Date, i.e., one day prior to the Bid/Issue Opening Date. Further attention of all QIBs is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after the Bid/Issue Closing Date; and (b) each QIB, including a Mutual Fund, is required to deposit a Margin Amount of 100% with its Bid-cum-Application Form. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date.

For further details, please see the section entitled "Issue Procedure" on page 238 of this Draft Red Herring Prospectus.



SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables set forth the summary financial information derived from the restated audited financial statements of for the years ended March 31 2011, 2010, 2009, 2008 and 2007 and prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. The restated summary financial information presented below should be read in conjunction with the restated financial information included in the Draft Red Herring Prospectus, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 178 of the Draft Red Herring prospectus.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(`in lacs)

				As at		
	Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
Α	FIXED ASSETS					
	Gross Block	1,427.35	1,842.18	2,381.07	3,056.23	6,429.30
	Less: Depreciation Reserve	221.06	433.45	596.14	897.23	1,408.32
	Net Block	1,206.29	1,408.73	1,784.93	2,159.00	5,020.98
	Less : Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
	Net Block after adjustment for Revaluation Reserve	1,206.29	1,408.73	1,784.93	2,159.00	5,020.98
	Total Fixed Assets (A)	1,206.29	1,408.73	1,784.93	2,159.00	5,020.98
В	CURRENT ASSETS, LOANS AND ADVANCES					
	Inventories	1,486.44	967.76	1,400.28	1,539.71	1,955.03
	Sundry Debtors	2,948.53	3,283.06	2,696.23	2,528.70	4,292.56
	Cash and bank Balance	67.41	66.93	50.63	58.38	133.58
	Loans and Advances	1,446.36	1,499.76	1,719.39	1,359.14	1,170.74
	Total (B)	5,948.74	5,817.51	5,866.53	5,485.93	7,551.91
С	LIABILITIES AND PROVISIONS					
	Secured Loans	1,745.49	2,120.61	3,099.33	3,320.17	7,058.19
	Unsecured Loans	1,436.83	982.28	887.71	1,930.83	1,586.79
	Current Liabilities & Provisions	3,131.17	2,999.39	2,162.16	548.74	1,032.39
	Deferred Tax Liabilities/Assets	35.05	119.91	184.81	204.53	274.18
	Misc. expenditure to the extent not w/off or adjusted	0.00	0.00	0.00	0.00	0.00
	Total (C)	6,348.54	6,222.19	6,334.01	6,004.27	9,951.55
D	Deferred Tax Assets (D)	0.00	0.00	0.00	0.00	0.00
Ε	NET WORTH (A+B-C+D)	806.49	1,004.05	1,317.45	1,640.66	2,621.34



REPRESENTED BY:					
Share Capital	373.21	500.00	500.00	500.00	500.00
Share Application Money	0.00	0.00	0.00	0.00	650.00
Reserve and Surplus	433.28	504.05	817.45	1,140.66	1,471.34
Less : Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Reserve and Surplus after adjustment for Revaluation Reserve	433.28	504.05	817.45	1,140.66	1,471.34
NET WORTH	806.49	1,004.05	1,317.45	1,640.66	2,621.34

SUMMARY STATEMENT OF PROFITS AND LOSSES (AS RESTATED)

(`in lacs)

	For the year ended							
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011			
INCOME								
SALES-								
Of products manufactured by the issuer	10,437.22	16,904.88	21,266.37	19,524.66	27,111.13			
Of products traded by the issuer	0.00	0.00	0.00	4,143.86	8,276.17			
Total	10,437.22	16,904.88	21,266.37	23,668.52	35,387.30			
Other Income/Job Work	19.68	228.89	43.89	45.55	31.15			
Increase/(Decrease) in Inventories	(707.86)	(518.67)	432.52	126.60	188.67			
Total	9,749.04	16,615.10	21,742.78	23,840.67	35,607.12			
EXPENDITURE-								
Raw Material Consumed	7,878.62	14,227.10	19,207.26	21,583.52	32,054.63			
Staff Costs	87.52	71.23	80.00	80.03	148.06			
Other Manufacturing Expenses (including Depreciation)	1,027.78	1,548.46	1,536.82	1,280.08	2,058.43			
Administration Expenses	39.57	81.27	105.61	103.71	111.78			
Selling & Distribution Expenses	172.65	151.89	81.43	83.43	95.02			
Interest & Finance Charges	109.09	210.57	299.86	356.97	644.26			
Misc./Deferred Revenue Exp. Written off	0.00	0.00	0.00	0.00	0.00			
Total	9,315.23	16,290.52	21,310.98	23,487.74	35,112.18			
Net Profit/(Loss) before Tax & Extra ordinary items	433.81	324.58	431.80	352.93	494.94			
Provision for Income Tax for Current Year	55.00	38.00	50.00	10.00	98.64			
Less: MAT Credit Entitlement	0.00	0.00	0.00	0.00	(4.03)			
Provision for FBT for Current Year		6.55		0.00	0.00			



	2.29		3.50		
Deferred Tax Liabilities/(Assets) for Current Year	15.21	84.86	64.90	19.72	69.65
Net Profit/(Loss) after Tax & Extra ordinary items	361.31	195.17	313.40	323.21	330.68
Balance brought forward from the last year	71.97	433.28	504.05	817.45	1,140.66
Issue of Bonus Shares (3:1)	0.00	(124.40)	0.00	0.00	0.00
Net Profit/(Loss) carried over to Balance Sheet	433.28	504.05	817.45	1,140.66	1,471.34

SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)

(`in lacs)

	For the Year ended					
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011	
CASH FLOW FROM OPERATIONS						
Profit before Taxation	433.81	324.58	431.80	352.93	494.94	
Add: -Adjustment						
Deprecation	57.32	212.39	162.69	302.31	511.09	
Deferred Revenue Expenditure	0.00	0.00	0.00	0.00	0.00	
Interest expenses	109.09	210.57	299.86	333.90	595.53	
Provision for Gratuity/ Leave Encashment	1.34	0.42	0.29	0.83	0.00	
Less: Reserves	0.00	(124.40)	0.00	0.00	0.00	
Less : Written back	(207.62)	0.00	0.00	(1.22)	0.00	
Less : Interest income	(19.68)	(105.06)	(43.89)	(45.55)	(31.15)	
Proceeds on sale of assets	0.00	0.00	0.00	1.80	0.00	
Operating Profit before Working Capital Change	374.26	518.50	850.75	945.00	1,570.41	
Adjusted For						
(Increase) / Decrease in Current Assets						
(Increase) / Decrease in Inventories	707.86	518.67	(432.52)	(139.43)	(415.32)	
(Increase) / Decrease in Sundry Debtors (Increase) / Decrease in Loans &	(423.48)	(334.53)	586.82	167.53	(1,763.87)	
(Increase) / Decrease in Loans & Advances	(920.27)	(88.86)	(228.19)	374.82	236.62	
Increase / (Decrease) in Current Liabilities	(====,	(22.22)	(===:::)			
Increase / (Decrease) in Sundry Creditors	(294.52)	(128.01)	(533.19)	(1,395.24)	209.25	
Increase / (Decrease) in Expenses Payable	8.29	54.52	(70.54)	(48.76)	232.54	
Increase / (Decrease) in Other Liabilities	100.70	(48.25)	(240.44)	(180.27)	(52.74)	
Cash Generated from Operations	(447.16)	492.04	(67.31)	(276.35)	16.89	
Income Tax paid	(30.00)	(19.54)	(38.28)	(16.37)	(48.22)	
NET CASH FROM OPERATIONS (A)	(477.16)	472.50	(105.59)	(292.72)	(31.33)	
INVESTING ACTIVITIES						



	l I				
Additions to Fixed Assets	(156.34)	(414.83)	(538.89)	(675.16)	(3,373.07)
Sale of Fixed Assets	19.50	0.00	0.00	0.00	0.00
Income from Intt.& Dividend	19.68	105.06	43.89	45.55	31.15
NET CASH FROM					
INVESTING ACTIVITIES (B)	(117.16)	(309.77)	(495.00)	(629.61)	(3,341.92)
FINANCING ACTIVITIES	-		-		
Proceeds from issuance of Share Capital	75.00	126.79	0.00	0.00	0.00
Increase in Share Application Money	0.00	0.00	0.00	0.00	650.00
Proceeds from Long Term Borrowings	762.37	692.48	1,618.80	1,475.53	3,943.06
Repayment of Long Term Borrowings	(115.18)	(771.91)	(734.66)	(211.55)	(549.08)
Net Interest Paid	(109.08)	(210.57)	(299.85)	(333.90)	(595.53)
NET CASH FROM FINANCING ACTIVITIES (C)	613.11	(163.21)	584.29	930.08	3,448.45
Net Change in cash and cash equivalents(A+ B + C)	18.79	(0.48)	(16.30)	7.75	75.20
Cash and cash equivalents at the beginning of the period	48.62	67.41	66.93	50.63	58.38
Cash and cash equivalents at the end of the period	67.41	66.93	50.63	58.38	133.58

- **Notes:** 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'.
 - 2. Previous year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.



GENERAL INFORMATION

Incorporation

The Company was incorporated as 'Supreme Alloys Private Limited' on October 09, 1989 under the Companies Act, 1956. Subsequently, pursuant to a special resolution of the shareholders of the Company at an extraordinary general meeting held on May 03, 2008, the company became a public limited company and the word "private" was deleted from its name. The Fresh Certificate of Incorporation to reflect the new name was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana located at New Delhi (the "ROC") on May 10, 2008.

Registered Office of the Company:

B-7, WHS, Kirti Nagar, New Delhi-110015

Tel.: +91-11- 41656555 **Tel. Fax**: +91-11-41656555 **Email**: ipo@tmtsal.co.in **Website**: www.tmtsal.co.in

CIN: U74899DL1989PLC037969

Registrar of Companies:

The Company is registered with the Registrar of Companies, NCT of Delhi & Haryana, located at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110019, India.

Changes in the Registered Office since incorporation

For details of the changes to our Registered Office, please refer to the section titled "History and Corporate Structure of our Company" on page 95 of this Draft Red Herring Prospectus.

Board of Directors

Name, Fathers' name Designation, Status, Experience, Occupation, Address	Age (In Years)	Qualifications	DIN	Date of expiration of Current term of Office	Details of directorships in other companies
Mr. MOHINDER LAL ARORA, (S/o: Late Shri Ram Chand Arora) Designation: Chairman and Whole Time Director Status: Promoter Director. Experience: 55 Years Occupation: Business Address: KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India	79	Graduate in Arts	00791178	31.05.2013	 → Indian Exchange of Metal Limited → Matchless Metals Private Limited-
Mr. JAGJIV KUMAR ARORA, (S/o: Sh. Mohinder Lal Arora) Designation: Managing director	52	Graduate in Arts	00791132	31.05.2013	→ Indian Exchange of Metal Limited→ SAL International Private Limited



Status: Promoter Director						
Experience: 30 years						
Occupation: Business						
Address: KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India						
Mr. SAHIL ARORA,	26	Bachelor of	01335200	31.05.2013	→	Indian Exchnage
(S/o: Sh. Jagjiv Kumar Arora)		Engineering (Mechanical)			_	of Metal Limited SAL International
Designation: Whole Time Director						Private Limited
Status: Promoter Director						
Experience: 5 Years						
Occupation: Business						
Address: KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India						
Mr. CHANDER	60	FCA	00497837	Liable to retire	→	The Indure
GUPTA				by rotation	_	Private Limited Desein Private
(S/o:Late Mr. Man Raj Gupta)						Limited
Designation: Director						
Status: Independent Director						
Experience: 37 Years						
Occupation: Service						
Address: 874, Pkt- B2C, Sector-A, Vasant Kunj, New Delhi, 110070, India						
Mr. JOGINDER PAL	49	FCA	00677246	Liable to	→	
UPPAL				retire by rotation		Manufacturing Industries
(S/o:Mr. Hans Raj Uppal)				TOTATION	→	Private Limited Uppal Steel &
Designation: Director					4	Alloys & Private Limited Rajhans
Status: Independent Director						Agrofarms Private Limited
Experience: 25 Years					→	Jridh Rish Leasing & Investment
Occupation: Practising						Private Limited



Chartered Accountant					
Address: C-2/100, Sector-36, Noida, 201301, Uttar Pradesh, India					
Mr. BRIJ MOHAN SACHDEVA (S/o:Mr. Gurucharan Das Sachdeva) Designation: Director Status: Independent Director Experience: 30 Years Occupation: Business Address: KF-2, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India	54	Bachelor of Engineering (Mechanical)	00167464	Liable to retire by rotation	 → Sachdeva Auto Engineers Private Limited → Zech Engineers Private Limited → Jaycee Steels Private Limited

The brief details of the Managing Director, Whole Time Directors, etc.

Brief Profile of Our Board of Directors

Mr. Mohinder Lal Arora, aged 79 years is the Chairman and Whole-time Director of our Company. He holds a bachelors degree in arts. He has over 55 years of experience in the steel industry. He laid the foundation of Supreme Group of Industries by setting up the first Company to manufacture horizontal diesel engines. He is one of the founder Promoter of the Company. He has been awarded the Udyog Patra award in 1977 from President of India and Indira Gandhi National Unity Award by Ex. President Sh Giani Zail Singh. He has served as member of Trade Tax Committee, Income Tax Committee, Excise Committee and Telephone Advisory Committee on several Ocassions. He guides the company based on his knowledge and experience is to steer the business development activities of the Company.

Mr. Jagjiv Kumar Arora, aged 52 years is the Vice Chairman and Managing Director of our Company. He holds a bachelors degree in arts from Meerut University and Quality Control diploma in Diesel Engine from BIS. He has over 30 years of experience in steel industry including projects, plant orientation and installation. He is associated with our Company since inception. He is engaged in overall supervision of the company. His strong leadership skills has been backed by his years of study, research and interactive sessions with best minds in the business. As the Managing Director, he is actively involved in the day to day affairs of our Company and in strategic decision making. He is President of Association of Secondary Steel Manufacturers and also he was immediate past president of All India Induction Furnace Association. He was also a National Council Member of Confideration of Indian Industries(CII), a past Member of Board of Governors of Secondary Steel Technology(Ministry of Steel Government of India), a past Member of the Board of Governors of United Nations Development Programme(reduction of emission in Steel Industry of India), past Member of CII Committee for Steel and Capital Goods, FICCI Steel Committee. He is member of UP Committee of PHD chamber of Commerce. He Co-lead the CII delegation to Saudi Arabia along with the Honerable Finance Ministery at that time.

Mr. Sahil Arora aged 26 years, is the Whole-time Director of our Company. He holds Bachelors Degree in Mechanical Engineering from Thapar University, Patiala. He is associated with our Company from past 5 years. He has gained in-depth knowledge in steel manufacturing as well as international sourcing and marketing. He handles all the production as well as marketing related activities of the Company.



COMPANY SECRETARY and COMPLIANCE OFFICER

Mr. Gaurav Kapoor Supreme Alloys Limited B-7, WHS, Kirti Nagar, New Delhi-110015

Tel.: +91-11- 41656555 Tel. Fax: +91-11-41656555 Email: <u>ipo@tmtsal.co.in</u>, Website: www. tmtsal.co.in

The Investors are requested to contact the Compliance Officer or the Registrar to the issue for any pre-issue/post-issue questions or information, including letter of allotment, refund orders, demat credits of allotted shares etc.

LEGAL ADVISOR TO THE ISSUE

Link Legal Advocates Thapar House Central Wing, First Floor,

124, Janpath, New Delhi 110001, India

Tel.: +91-11-46511000, Fax: +91-11-46511099

Email: raj@linklegal.com

Contact Person: Ms. Raj Rani Bhalla

BANKERS TO THE COMPANY

Syndicate Bank

47, Navyug Market,

Ghaziabad – 201001, Uttar Pradesh **Tel.**: 0120-2790205, 2790145

Fax: 0120-2796725

Email: up.8556gbdmain@syndicatebank.co.in

Punjab National Bank

Sector-18, Noida-201301,

Uttar Pradesh

Tel.: 0120-2488546 **Fax**: 0120-2488400 **Email**: bo3702@pnb.co.in

Book Running Lead Managers to the Issue

D and A Financial Services Private Limited

SEBI Regn No: - INM000011484

13, Community Centre

East of Kailash

New Delhi – 110065

Tel.: 011 26218274, 26419079

Fax: 011 26219491; website: www.dnafinserv.com

Email: dafspl@gmail.com

Contact Person: Mr Priyaranjan/Ms Yamini Lodha

REGISTRAR TO THE ISSUE

BEETAL Financial & Computer Services (P) Limited

SEBI Regn No: - INR000000262

Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre

Near Dada Harsukhdas Mandir, **New Delhi –** 110062

Tel.: 011 29961281; Fax: 011 29961284

Email: ipo_sal@beetalfinancial.com; website: www.beetalfinancial.com

Contact Person: Mr. Punit Mittal

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

[•]

The Bankers to the Issue shall be appointed prior to filing of the Red Herring Prospectus with the RoC.



Refund Bank

[•]

The Refund Bank shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

SYNDICATE MEMBERS

[•]

The Syndicate Members shall be appointed prior to filing of the Red Herring Prospectus with the RoC.

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.html. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

AUDITORS

M/s VAPS & Co. C-42, South Extention, Part-II, New Delhi – 110049

Tel.: 011 - 41645051 **Fax**: 011 - 41644896 **Email**: vaps@airtelmail.in

Inter-se allocation of Responsibilities

Not Applicable

CREDIT RATING

This being a public issue of equity shares, no credit rating is required.

IPO GRADING

The Issue has been graded by $[\bullet]$, a SEBI registered credit rating agency, as $[\bullet]$ indicating $[\bullet]$ fundamentals. The IPO Grading is assigned on a five point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. A copy of the press release provided by $[\bullet]$, furnishing the rationale for its grading will be attached as Annexure I at the time of filing the Red Herring Prospectus with the RoC and will be made available for inspection at out Registered Office from 10.00 a.m. to 2.00 p.m. on Business Days during the Bidding / Issue period.

TRUSTEES

This being an issue of Equity shares, appointment of Trustees is not required.

MONITORING AGENCY

No agency has been appointed to monitor utilization of Funds. However, in case such an agency is appointed such agency shall file the monitoring report with the issuer company and not with SEBI, so as to enable the Company to place the report before its Audit committee.

APPRAISER

The project has not been appraised by any external agency and is based upon Management Estimates.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- → The Company;
- → BRLM; in this case being D and A Financial Services Pvt. Ltd



- → Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwrite` The Syndicate Member are appointed by the BRLMs;
- → Registrar to the Issue;
- → Escrow Collection Banks; and
- → SCSBs.

The SEBI Regulations has permitted an issue of securities to the public through the 100% Book Building Process, wherein (i) up to 50 % of the Issue shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB portion that shall be available for Allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Further, (ii) at least 15% of the Issue shall be available for allotment on a proportionate basis to Non Institutional Bidders and (iii) at least 35% of the Issue shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Regulations for this Issue. In this regard, we have appointed the BRLM to procure subscriptions to the Issue.

The Company may consider allocation upto 30% of the QIB portion to Anchor Investors, out of which at least one-third will be available for allocation to Domestic Mutual Funds, as per the provisions of the ICDR Regulations. In the event of under subscription in Anchor Investors portion, the balance equity will be added to the QIB portion.

QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. Allocation to QIBs will be on a proportionate basis. For further details please refer paragraph titled "Maximum and Minimum Bid Size" beginning on page 244 under Chapter titled "Issue Procedure" beginning on page 238 of this Draft Red Herring Prospectus. Non Institutional Bidders and Qualified Institutional Bidders will mandatorily participate in the Issue through the ASBA process.

Resident Retail Individual Bidders have the option to submit their Bids under the "ASBA Process", which would entail blocking of funds in the investor's bank account rather than transfer of funds to the respective Escrow Accounts. For further details, please refer to the Chapter titled "Issue Procedure" beginning on page 238 of this Draft Red Herring Prospectus.

In this regard, we have appointed D and A Financial Services Pvt. Ltd. as the BRLM to manage the Issue and procure subscriptions to the Issue.

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

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of ` 20 to ` 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 shares at ` 24 per share while another has bid for 1,500 shares at ` 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ` 22 in the above example. The Issuer, in consultation with the BRLMs, will finalise the issue price at or below



such cut-off price, i.e., at or below `22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories

Steps to be taken by the Bidders for Bidding

Check eligibility for bidding (please refer to the section entitled "Issue Procedure - Who Can Bid?" on page 239 of this Draft Red Herring Prospectus);

Ensure that you have a PAN and the active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;

- → Except for Bids on behalf of the Government, State Government, Court appointing official and residents of the states of Sikkim for bids of all values ensures that, you have mentioned your PAN allotted under the I T Act in the Bid Cum Application Forms and the ASBA Bid Cum Aplication Forms (See Setion Titled "Issue Procedures-PAN or GIR" on page no. 238.
- → Ensure that you have mentioned your PAN and attached copies of your PAN card to the Bid Cum Application Form and the ASBA Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see section entitled "Issue Procedure" on page 238 of this Draft Red Herring Prospectus). The applicants may note that in case the DP ID & Client ID and PAN mentioned in the application form and entered into the electronic bidding system of the stock exchanges by the syndicate members do not match with the DP ID & Client ID and PAN available in the depository database, the application is liable to be rejected.;
- → Ensure that the Bid cum Application Form or ASBA Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form or ASBA Form; and
- → Ensure the correctness of your demographic details (as defined in the "Issue Procedure-Bidder's Depository Account and Bank Account Details" on page 252) given in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be, with the details recorded with your Depository Participant.
- → Bids by QIBs will only have to be submitted to the BRLM and / or its affiliates or to the Syndicate Member(s), other than Bids by QIBs who Bid through the ASBA process who shall submit the Bids to the Designated Branch of the SCSBs; and
- → Bids by ASBA Bidders will have to be submitted to the Designated Branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Bid Opening Date but before the Board meeting for Allotment, without assigning any reason therof. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the closure of the Issue, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchanges on which the Equity Shares were proposed to be listed.

If our Company withdraws the Issue after the Bid Closing Date, our Company shall state the reasons thereof in a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed of such withdrawal.

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

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



Bid/Issue Programme

BID/ISSUE OPENS ON	[•]
BID/ISSUE CLOSES ON	[●]*

*The Company may consider closing the Bidding by QIB Bidders one Working Day prior to the Bid/Issue Closing Date subject to the Bid/Issue Period being for a minimum of three Working Days.

Bids and any revision in Bids shall be accepted only between 10.00 am and 5.00 pm (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. Standardized cut-off time for uploading of bids on the bid/issue closing date is as under:

- 1. A standard cut-off time of 3.00 pm for acceptance of bids
- 2. A standard cut-off time of 4.00 pm for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
- 3. A standard cut-off time of 5.00 pm for uploading of bids received from retail applicants, where the Bid Amount is up to ` 200,000 which may be extended up to such time as deemed fit by Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE and the NSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, not later than the times mentioned above. All times mentioned in this Red Herring Prospectus are Indian Standard Time. Bidders are cautioned that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last day. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Member shall not be responsible. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Exchanges.

Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, each with wide circulation in the place where our Registered Office is situated. The advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI Regulations.

We reserve the right to revise the Price band during the Bidding Period in accordance with SEBI (ICDR) Regulations, 2009. The cap on the Price Band should not be more than 20% of the floor of the Price band.

Subject to compliance with the immediately preceding sentence, the floor of the Price band can move up or down to the extent of 20%. In case of revision in the Price Band, the Bidding/Issue Period will be extended for 3 (Three) additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 (Ten) working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE



and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate and to the SCSBs.

Underwriting Agreement

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

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

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

Name and Address of the Underwriter		Amount Underwritten (* In Lacs)
[•]	[•]	[•]

The above mentioned amount is indicative underwriting and this would be finalized after the pricing and actual allocation

In the opinion of the Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Board of Directors, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue. The underwriting agreement shall list out the role and obligations of each Syndicate Member.



CAPITAL STRUCTURE OF THE COMPANY

Share capital of our Company as at the date of filing of this DRHP with SEBI is set forth below:

(In`, except share data)

S.No.	Share Capital	Aggregate Value at Face Value	Aggregate Value at Issue Price
1.	Authorized Share Capital	15,00,00,000	[•]
	1,50,00,000 Equity Shares of `10 each		[-]
2.	Issued, Subscribed and Paid-Up Capital before the Issue.	7,50,00,000	[•]
	75,00,000 Equity Shares of `10 each fully paid up		
3.	Present Issue in terms of the Draft Red Herring Prospectus # Issue of: 70,00,000 Equity Shares of ` 10/- each	7,00,00,000	[•]
	Out of which:		
	QIB Portion of not more than 35,00,000 Equity Shares	3,50,00,000	[•]
	Non-Institutional Portion of not less than 1050000 Equity Shares	1,05,00,000	[•]
	Retail Portion of not less than 24,50,000 Equity Shares	2,45,00,000	[•]
4.	EQUITY CAPITAL AFTER THE ISSUE		
	145,00,000 Equity Shares of ` 10/- each	14,50,00,000	
5.	SECURITIES PREMIUM ACCOUNT		
	Before the Issue	Nil	Nil
	After the Issue	[•]	[•]

[#] The present Issue has been authorized by the Board of Directors pursuant to a resolution passed at its meeting held on April 05, 2011 and by the shareholders of the Company pursuant to a resolution dated April 30, 2011 under Section 81(1A) of the Companies Act.

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

The details of increase and change in authorized share capital of our Company after the date of incorporation till filling of the DRHP with SEBI is as follows:

- 1. The Initial Authorized Capital of ` 7,50,000 divided into 75,00 equity shares of ` 100 each and was increased to ` 25,00,000 divided into 25,000 equity shares of ` 100 each pursuant to the resolution of the shareholders dated June 24, 1998.
- 2. The Authorized share capital was further increased from ` 25,00,000 divided into 25,000 equity shares of `100 each to ` 40,00,000 divided into 40,000 equity shares of ` 100 each pursuant to the resolution of the shareholders dated April 20, 1999.
- 3. The Authorized share capital was further increased from `40,00,000 divided into 40,000 equity shares of `100 each to `65,00,000 divided into 65,000 equity shares of `100 each pursuant to the resolution of the shareholders dated May 18, 1999.
- 4. The Authorized share capital was further increased from `65,00,000 divided into 65,000 equity shares of `100 each to `1,50,00,000 divided into 1,50,000 equity shares of `100 each pursuant to the resolution of the shareholders dated July 25, 2003.



- 5. The Authorized share capital was further increased from `1,50,00,000 divided into 1,50,000 equity shares of `100 each to `2,00,00,000 divided into 2,00,000 equity shares of `100 each pursuant to the resolution of the shareholders dated December 12, 2003.
- 6. The Authorized share capital was further increased from `2,00,00,000 divided into 2,00,000 equity shares of `100 each to `3,00,00,000 divided into 3,00,000 equity shares of `100 each pursuant to the resolution of the shareholders dated March 08, 2006.
- 7. The Authorized share capital was further increased from `3,00,00,000 divided into 3,00,000 equity shares of `100 each to `5,00,00,000 divided into 5,00,000 equity shares of `100 each pursuant to the resolution of the shareholders dated December 16, 2006.
- 8. The Authorized share capital was sub-divided from `5,00,000,000 divided into 5,00,000 equity shares of `100 to `5,00,00,000 divided into 50,00,000 shares of `10 each pursuant to the provisions of section 94(1)(d) of the Companies Act, 1956 and the resolution of the shareholders dated March 24, 2008.
- 9. The Authorized share capital was further increased from `5,00,00,000 divided into 50,00,000 shares of `10 each to `12,00,00,000 divided into 12,000,000 equity shares of `10 each pursuant to the resolution of the shareholders dated October 30, 2010.
- 10. The Authorized share capital was further increased from `12,00,00,000 divided into 120,00,000 shares of `10 each to `15000000 divided into 15000000 equity shares of `10 each pursuant to the resolution of the shareholders dated August 31, 2011.

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Notes to Capital Structure:

1. Share Capital History of our Company

Date of Allotment of the Equity Shares	Number of Equity Shares Allotted	Face Valu e()	Issue Price (')	Nature of Payment	Nature of Issue & reason for allotment	Cumulativ e No. of Equity Shares	Cumulative paid up share capital	Cumulativ e share premium (`)
Incorporation 09.10.1989	30	100	100	Cash	Subscription to Memorandum of Association	30	3000	Nil
15.04.1994	7470	100	100	Cash	Preferential Allotment	7500	750000	Nil
10.07.1998	17500	100	100	Cash	Preferential Allotment	25000	2500000	Nil
24.05.1999	38740	100	100	Cash	Preferential Allotment	63740	6374000	Nil
01.10.2003	86221	100	100	Cash	Preferential Allotment	149961	14996100	Nil
15.12.2003	29992	100	N.A	Bonus Issue	Issue of Bonus Shares in ratio of 5:1	179953	17995300	Nil
27.03.2004	50	100	100	Cash	Preferential Allotment	180003	18000300	Nil
06.04.2005	14000	100	100	Cash	Preferential Allotment	194003	19400300	Nil
07.12.2005	510	100	100	Cash	Preferential Allotment	194513	19451300	Nil
24.03.2006	103700	100	100	Cash	Preferential Allotment	298213	29821300	Nil
31.03.2007	75000	100	100	Cash	Preferential Allotment	373213	37321300	Nil
29.03.2008	3732130	10	-	-	Sub-division of the face value of Equity Shares from `100 each to `10 each*	3732130	373213000	N.A
29.03.2008	1244043	10	N.A	Bonus Issue	Issue of Bonus Shares in ratio of 3:1	4976173	49761730	N.A
29.03.2008	23827	10	10	Convers ion of Unsecur ed Loans	Preferential Allotment	5000000	5000000	Nil
06.08.2011	2500000	10	N.A	Bonus Issue	Issue of Bonus Shares in ratio of 1:2	7,500,000	75000000	N.A

^{*} The face value of the equity shares was sub-divided from `100 each to `10 each pursuant to the resolution of shareholders dated March 24, 2008 and consequently, 373213 equity shares of `100 each were splitted into 3732130 equity shares of `10 each.



2. Equity Shares issued for consideration other than cash

Date of Allotment	Persons to whom Allotted	Number of Equity Shares Allotted	Face Value (`)	Reasons	Whether benefits have been accrued to the Issuer
15.12.2003	Existing shareholders as on date	29992	100	Issue of Bonus Shares in the ratio of 5:1	No
29.03.2008	Existing shareholders as on date	1244043	10	Issue of Bonus Shares in the ratio of 3:1	No
06.08.2011	Existing shareholders as on date	2500000	10	Issue of Bonus Shares in the ratio of 1:2	No

- 3. Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.
- 4. Our Company has not re-valued its assets since inception and has not issued any shares out of the revaluation reserves.
- 5. Our Company does not have any Employee Stock Option Scheme /Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
- 6. The details of Equity Shares issued by our Company during a period of one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Issue Price is as follows:

The Company has issued Bonus Shares to its existing shareholders in the ratio of 1:2 on August 06, 2011

- 7. We presently do not have any proposal or intention, negotiations and consideration to alter our capital structure by way of split or consolidation of the denomination of Equity Shares or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or Qualified Institutions Placement within a period of six months from the date of opening of this Issue.
- 8. Promoters' Contribution in respect of Promoters, whose names figure in the Draft Red Herring Prospectus as Promoters in the paragraph on 'Our Promoters and their Background' are as under:

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Details of Shareholding of the Promoters

Date of Allotment / Acquisition /Transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value ()	Issue/ acquisitio nPrice()	Consid eration	Date when the shares were made fully paidup	Cumulative No . of Equity Share	Percenta ge of shares allotted on the basis of Pre Issue capital	Percenta ge of Post Issue capital	Look in period, if any as per terms of issue	No. and percent age of pledge d shares to the pre issue capital
Mr. Mohi	nder Lal <i>F</i>	Arora									
Incorpor ation October 09, 1989	Initial Allotme nt	100	10#	10#	Cash	The shares were issued as fully paid up shares	-	0.00	[•]	Nil	Nil
April 15, 1994	Further Allotme nt	39700	10#	10#	Cash	The shares were issued as fully paid up shares	3980	0.53	[•]	Nil	Nil
May 24, 1999	Prefere ntial Allotme nt	50000	10#	10#	Cash	The shares were issued as fully paid up shares	8980	0.67	[•]	Nil	Nil
October 01, 2003	Prefere ntial Allotme nt	297000	10#	10#	Cash	The shares were issued as fully paid up shares	38680	3.96	[•]	Nil	Nil
Decemb er 15, 2003	Bonus Issue	77360	10#	-	Bonus	Bonus Issue	46416	1.03	[•]	Nil	Nil
April 06, 2005	Prefere ntial Allotme nt	50000	10#	10#	Cash	The shares were issued as fully paid up shares	51416	0.67	[•]	Nil	Nil



Date of Allotment / Acquisition / Transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value ()	Issue/ acquisitio nPrice()	Consid eration	Date when the shares were made fully paidup	Oumulative No . of Equity Share	Percenta ge of shares allotted on the basis of Pre Issue capital	Percenta ge of Post Issue capital	Look in period, if any as per terms of issue	No. and percent age of pledge d shares to the pre issue capital
24, 2006	ntial Allotme nt		10#	10#	Casii	shares were issued as fully paid up shares			[•]		IVII
Decemb er 11, 2006	Transfe r	70000	10#	10#	Cash	The shares were acquired as fully paid up shares	158416	0.93	[•]	Nil	Nil
Decemb er 23, 2006	Transfe r	(70000)	10#	10#	Cash	The shares were Transfer red as fully paid up shares	151416	(0.93)	[•]	Nil	Nil
March 31, 2007	Prefere ntial Allotme nt	50000	10#	10#	Cash	The shares were issued as fully paid up shares	156416	0.67	[•]	Nil	Nil
March 29, 2008	Sub- division of face value of Equity Shares	1564160	10	-	Sub- divisi on	-	1564160	-	[•]	Nil	Nil
March 29, 2008	Bonus	521387	10	-	Bonus	Bonus Issue	2085547	6.95	[•]	Nil	Nil
August 06, 2011	Bonus	1042774	10	-	Bonus	Bonus Issue	3128321	13.90	[•]	Nil	Nil



Date of Allotment / Acquisition /Transfer	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value ()	Issue/ acquisitio nPrice()	Consid eration	Date when the shares were made fully paidup	Cumulative No of Equity Share	Percenta ge of shares allotted on the basis of Pre Issue capital	Percenta ge of Post Issue capital	Lock in period, if any as per terms of issue	No.and percent age of pledge d shares to the pre issue capital
Total		3128321*		-	-	-	-	41.71	1	Nil	Nil

^{*}However as on date these shares were held in joint name with Jagjiv Kumar Arora.

Details of the aforesaid transfer are as follows:

Date of transfer	No. of shares transferred	Transfer price per Equity Share	Name of Transferors	Name of Transferree
11.12.2006	7000	`100	Joint holders in the name of Mohinder Lal Arora, Jagjiv Kumar Arora and Sudhir Kumar Arora	Mohinder Lal Arora
23.12.2006	7000	` 100	Mohinder Lal Arora	Jagjiv Kumar Arora

Mr. Jagji	v Kumar <i>F</i>	Arora									
Date of Allotment / Acquisition	Nature of Issue & reasonfor allotment	No. of Equity Shares	Face Value()	Issue/ acquisitio nPrice()	Consid eration	Date when the shares were made fully paid-up	Cumulative No of Equity Share	Percenta ge of Pre Issue capital	Percenta ge of Post Issue capital	Look in period, if anyas per terms of issue	No. and percent age of pledge d shares to the pre issue capital
Incorpor ation 09.10. 1989	Initial Allotme nt	100	10#	10#	Cash	The shares were issued as fully paid up shares	-	0.00	[•]	Nil	Nil

[#] The face value of the equity shares was sub-divided from `100 each to `10 each pursuant to the resolution of shareholders dated March 24, 2008 and consequently, 373213 equity shares of `100 each were splitted into 3732130 equity shares of `10 each.



											SUPREME
April 15, 1994	Further Allotme nt	13750	10#	10#	Cash	The shares were issued as fully paid up shares	1385	0.18	[•]	Nil	Nil
May 24, 1999	Prefere ntial Allotme nt	54200	10#	10#	Cash	The shares were issued as fully paid up shares	6805	0.72	[•]	Nil	Nil
October 01, 2003	Prefere ntial Allotme nt	148900	10#	10#	Cash	The shares were issued as fully paid up shares	21695	1.99	[•]	Nil	Nil
Decemb er 15, 2003	Bonus Issue	43390	10#	-	Bonus	Bonus Issue	26034	0.58	[•]	Nil	Nil
April 06, 2005	Prefere ntial Allotme nt	40000	10#	10#	Cash	The shares were issued as fully paid up shares	30034	0.53	[•]	Nil	Nil
Decemb er 07, 2005	Prefere ntial Allotme nt	5000	10#	10#	Cash	The shares were issued as fully paid up shares	30534	0.07	[•]	Nil	Nil
March 24, 2006	Prefere ntial Allotme nt	30500	10#	10#	Cash	The shares were issued as fully paid up shares	33584	0.41	[•]	Nil	Nil
Decemb er 09, 2006	Transfe r	477980	10#	10#	Cash	The shares were acquired as fully paid up shares	81382	6.37	[•]	Nil	Nil
Decemb er 11, 2006	Transfe r	70000	10#	10#	Cash	The shares were acquired as fully paid up shares	88382	0.93	[•]	Nil	Nil



											SUPREME
Decemb er 23, 2006	Transfe r	70000	10#	10#	Cash	The shares were issued as fully paid up shares	95382	2.41	[•]	Nil	Nil
March 24, 2008	Sub- division of face value of Equity Shares	953820	10	-	Cash	-	953820	-	[•]	Nil	Nil
March 29, 2008	Bonus Issue	317940	10	10	Bonus	Bonus Issue	1271760	4.24	[•]	Nil	Nil
March 29, 2008	Prefere ntial Allotme nt	23827	10	10	Cash	The shares were issued as fully paid up shares	1295587	0.32	[•]	Nil	Nil
August 06, 2011	Bonus Issue	647794	10		Bonus	Bonus Issue	1943381	8.64	[•]	Nil	Nil
Total		1943381						25.91	[•]	Nil	Nil

Details of the aforesaid transfer are as follows:

Date of transfer	No. of shares	Transfer price per	Name of Transferors	Name of Transferree
	transferred	Equity Share		
09.12.2006	36680	` 100	Sudhir Kumar Arora	Jagjiv Kumar Arora
09.12.2006	11118	` 100	Indu Arora	Jagjiv Kumar Arora
11.12.2006	7000	` 100	Joint holders in the name of Mohinder Lal Arora, Jagjiv Kumar Arora and Sudhir Kumar Arora	Jagjiv Kumar Arora
23.12.2006	7000	` 100	Mohinder Lal Arora	Jagjiv Kumar Arora



Mr. Sahil	Arora										
Date of Allotment / Acquisition	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value()	Issue/ acquisitio nPrice()	Consid eration	Date when the shares were made fullypaidup	Oumulati ve No. of Equity Share	Percenta ge of Pre Issue capital	Percenta ge of Post Issue capital	Look in period, if anyasper terms of issue	No. and percentage of pledged shares to the pre issue capital
Decemb er 19, 2006	Transfe r	240000	10#	10#	Cash	The shares were issued as fully paid up shares	-	3.20	[•]	Nil	Nil
March 31, 2007	Prefere ntial Allotme nt	25000	10#	10#	Cash	The shares were issued as fully paid up shares	26500	0.33	[•]	Nil	Nil
March 24, 2008	Sub- division of face value of Equity Shares	265000	10	-	-	-	265000	-	[•]	Nil	Nil
March 29, 2008	Bonus Isssue	88333	10	-	Bonus	-	353333	1.18	[•]	Nil	Nil
August 06, 2011	Bonus Issue	176666	10	-	Bonus	-	529999	2.36	[•]	Nil	Nil
Total		529999						7.07	[•]	Nil	Nil

Details of the aforesaid transfer are as follows:

Date of transfer	No. of shares transferred	Transfer price per Equity Share	Name of Transferors	Name of Transferree
19.12.2006	24000	` 100	Mohinder Lal Arora (HUF)	Sahil Arora

9. Details of the aggregate shareholding of the promoter group and of the directors of the promoters, where the promoter is a body corporate.



Name	Shareholding in Supreme Alloys Limited (In Nos.)
Promoters Group	
M/s SAL International Private Limited	1299999
Mrs. Sudesh Rani Arora	115500
Mrs. Sangeeta Arora	481600
Mrs. Tanya Arora	1200
Total	1898299

- 10. During the past six months, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub-clause(zb) sub-regulation (1) Regulation 2 of the SEBI (ICDR) Regulations, 2009) or the Directors of the Company except 2500000 bonus shares allotted to the Promoters and Promoter Group on August 06, 2011.
- 11. None of our Promoters, persons forming part of Promoter Group, Directors or the relatives thereof have financed the purchase of the Equity Shares of our Company by any other person or entity during the period of six months immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI.

12. Promoters' Contribution

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, an aggregate of 20% of the fully diluted post-Issue paid up capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue.

The Promoter contribution that is eligible for being locked in for three years is as follows.

However, at the time of opening of the issue, only such number of shares that make up 20% of the post issue capital shall be locked in for a period of 3 years and the rest shall be put under a lock-in of 1 year.

Date of Albrment/ Acquisit ion	Date when the shares were made fully paid up	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (`)	Issue/ acquisition Price (*)	Percentage of Pre Issue capital	Percentage of Post Issue capital	Date upto which the Equity Shares are subject to Lock-in
Mr. Moh	inder Lal Arora	jointly held	d with Mr Ja	agjiv Ku	mar Arora			
Incorp oration	The shares were issued as fully paid up	Initial Allotment	100	10*	10	0.001	-	3 years from the date of allotment of equity shares in the issue
April 15, 1994	The shares were issued as fully paid up	Further issue on preferential basis	39700	10*	10	0.53	0.27	3 years from the date of allotment of equity shares in the issue
May 24, 1999	The shares were issued as fully paid up	Further issue on preferenti al basis	50000	100*	10	0.67	0.34	3 years from the date of allotment of equity shares in the issue



SUPREME									
Date of	Date when the	Nature of	No. of	Face	Issue/	Percentage	Percentage	Date upto	
Albiment/ Acquisit	shares were made fully paid	Issue & reason for	Equity Shares	Value ()	acquisition Price (`)	of Pre Issue	of Post Issue	which the Equity Shares	
ion	•	allotment	Silales		Price ()	capital	capital	are subject to	
ЮП	up	allourient				Сарнаі	Сарнаі	Lock-in	
Octobe r 01, 2003	The shares were issued as fully paid up	Further issue on preferential basis	297000	10*	10	3.96	2.05	3 years from the date of allotment of equity shares in the issue	
Decem ber 15, 2003	The shares were issued as fully paid up	Bonus Issue	77360#	10*	-	1.03	0.53	3 years from the date of allotment of equity shares in the issue	
April 06, 2005	The shares were issued as fully paid up	Further issue on preferential basis	50000	10*	10	0.67	0.34	3 years from the date of allotment of equity shares in the issue	
March 24, 2006	The shares were issued as fully paid up	Further issue on preferential basis	1000000	10*	10	13.33	6.90	3 years from the date of allotment of equity shares in the issue	
March 31, 2007	The shares were issued as fully paid up	Further issue on preferential basis	50000	10*	10	0.67	0.34	3 years from the date of allotment of equity shares in the issue	
March 29, 2008	The shares were issued as fully paid up	Bonus Shares	521387#	10	-	6.95	3.60	3 years from the date of allotment of equity shares in the issue	
TOTAL			2085547			27.80	14.37		



								SUPREME
Date of Albiment/	Date when the shares were	Nature of Issue &	No. of Equity	Face Value	Issue/ acquisition	Percentage of Pre	Percentage of Post	Date upto which the
Acquisit	made fully paid	reason for	Shares	()	Price (`)	Issue	Issue	Equity Shares
ion	up	allotment			()	capital	capital	are subject to
								Lock-in
Mr. Jagj	iv Kumar Arora	1						
Incorp	The shares	Initial	100	10*	10	0.001	-	3 years from
oration	were issued	Allotment						the date of
	as fully paid							allotment of equity shares
	up							in the issue
April	The shares	Further	13750	10*	10	0.18	0.09	3 years from
15,	were issued	issue on						the date of
1994	as fully paid	preferenti						allotment of
	up	al basis						equity shares
May	The shares	Further	54200	10*	10	0.72	0.37	in the issue 3 years from
24,	were issued	issue on	34200	10	10	0.72	0.57	the date of
1999	as fully paid	preferenti						allotment of
	up	al basis						equity shares
0				401	10	1.00	1.00	in the issue
Octobe	The shares	Further	148900	10*	10	1.98	1.03	3 years from the date of
r 01, 2003	were issued as fully paid	issue on preferenti						allotment of
2003	up	al basis						equity shares
								in the issue
Decem	The shares	Bonus	43390#	10*	N.A	0.58	0.30	3 years from
ber 15,	were issued							the date of
2003	as fully paid							allotment of equity shares
	up							in the issue
April	The shares	Further	40000	10*	10	0.53	0.27	3 years from
06,	were issued	issue on						the date of
2005	as fully paid	preferenti						allotment of
	up	al basis						equity shares in the issue.
Decem	The shares	Further	5000	10*	10	0.07	0.03	3 years from
ber 07,	were issued	issue on	3000	10		0.07	0.00	the date of
2005	as fully paid	preferenti						allotment of
	up	al basis						equity shares
Morok	The charge	Frontle on	20500	10*	10	0.41	0.21	in the issue.
March 24,	The shares were issued	Further issue on	30500	10*	10	0.41	0.21	3 years from the date of
2006	as fully paid	preferenti						allotment of
2000	up	al basis						equity shares
	·							in the issue.
March	The shares	Bonus	317940#	10	-	4.24	2.19	3 years from
29,	were acquired							the date of allotment of
2008	as fully paid up							equity shares
	Ч							in the issue.
March	The shares	Further	23827	10	10	0.32	0.16	3 years from
29,	were issued	issue on						the date of
2008	as fully paid	preferenti						allotment of
	up	al basis						equity shares in the issue.
TOTAL			677607			9.03	4.65	iii tiic issue.
_ · · · · · · · -	<u> </u>	<u> </u>	3.7007	·	l	7.00	7.00	I .



Date of Albment/ Acquisit ion	Date when the shares were made fully paid up	Nature of Issue & reason for allotment	No. of Equity Shares	Face Value (`)	Issue/ acquisition Price (*)	Percentage of Pre Issue capital	Percentage of Post Issue capital	Date upto which the Equity Shares are subject to Lock-in		
Mr. Sah	Mr. Sahil Arora									
March 31, 2007	The shares were acquired as fully paid up	Further issue on preferential basis	25000	10*	10	0.33	0.17	3 year from the date of allotment of equity shares in the issue.		
March 29, 2008	The shares were acquired as fully paid up	Bonus	88333#	10	-	1.18	0.61	3 year from the date of allotment of equity shares in the issue.		
Total			113333			1.51	0.78			
SAL Inte	ernational (P) I	imited								
March 31, 2007	The shares were acquired as fully paid up	Further issue on preferential basis	43500	10*	10	0.58	0.30	3 year from the date of allotment of equity shares in the issue.		
Total			43500			8.67	0.30			
Grand Total			2919987			38.92	20.10			

Note:

- * The face value of shares of the company were sub divided from `100 to `10 per share w.e.f March 24, 2008.
- # The bonus shares considered for the promoters' contribution to be locked in for 3 years are eligible under regulation 33 of the SEBI (ICDR) Regulations, 2009.

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations. The Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoter has given an undertaking to the effect that it shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations.

Equity Shares held by the Promoter and offered as minimum Promoters' contribution are free from pledge.

All the Equity Shares which have been locked in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The entire share capital outstanding as on the date of filing of DRHP except minimum Promoter contribution which has been locked in for three years as shown above would be locked in for one year from the date of allotment in the Issue.

In terms with Regulation 36 (b) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, if the Promoters' contribution in the proposed issue exceeds the required minimum contribution (of 20% of the post issue capital), such excess contribution shall also be locked in for a period of one year.



The Promoters have vide their letter dated September 27, 2011 given their consent for lock in as stated above. Equity Shares issued last shall be locked in first. The entire pre-issue capital, other than the minimum Promoters contribution, which is locked in for three years shall be locked in for a period of one year. The lock-in shall start from the date of allotment in the Issue and the last date of the lock-in shall be reckoned as three years from the date of allotment in the Issue.

- In terms of Regulation 39 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, specified securities held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:
- a) if the specified securities are locked-in in terms of clause (a) of regulation 36, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of specified securities is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of regulation 36 and the pledge of specified securities is one of the terms of sanction of the loan.
- ✓ In terms of Regulation 40 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, the Equity Shares held by promoters and locked-in as per regulation 36 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the Equity Share held by persons other than promoters and locked-in as per regulation 37 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.

13. Lock-in of Equity Shares to be issued, if any, to the Anchor Investor

Any Equity Shares allotted to Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

14. Buy-back and Standby arrangements

The Company, its Directors and the BRLM have not entered into any buy back arrangements for purchase of the Equity Shares of the Company from any person.

- 15. An over-subscription to the extent of ten percent of the issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot.
- 16. All the Equity Shares offered through the issue shall be fully paid-up.
- 17. The unsubscribed portion in any reserved category may be added to any other reserved category.
- 18. Under subscription, in any category, shall be allowed to be met with spill over from the other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.



19. Shareholding Pattern of our Company as per Clause 35 of the listing agreement is as under

(I)(a) Statement Showing Shareholding Pattern

Partly Paid-up Shares :	No. of Partly Paid-up Shares	As a % of total no. of partly paid up shares	As a % of total no. of shares of the Company
Held by promoter/promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total	NA	NA	NA
Outstanding Convertible Securities :-	No. of Outstanding Securities(FCCB"s Conversion)	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the Company, assuming full conversion of the convertible securities
Held by promoter/promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total	NA	NA	NA
Warrants :	No. of Warrants	As a % of total no. of warrants	As a % of total no. of shares of the Company, assuming full conversion of the warrants
Held by promoter/promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total	NA	NA	NA
Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities	Same as present paid up securities	capital as there are no wa	rrants and convertible

(Intentionally Left Blank)



			•		•			SUPREME
						tal		
		Number				olding		
		of	Total	Number of		a	_	hares
Categ		Share-	number	Shares Held in	Perce			dged or
ory	Category of	Holders	of	dematerialized		number		nerwise
Code	Shareholders		Shares	form	of sh	nares	enci	umbered
					0	As a	N	
					As a	percentage	Number	0
					percentage	of (A+B+C)	Of	As a
					of (A+B)	(A+B+C)	Shares	percentage (IX)=(VIII)
								/(IV)
(1)	(11)	(111)	(IV)	(V)	(VI)	(VII)	(VIII)	*100
(1)	Shareholding of	(111)	(17)	(V)	(VI)	(VII)	(VIII)	100
(A)	Promoter and							
(7-)	Promoter Group							
(1)	Indian							
(.)	Individual/ Hindu							
(a)	Undivided Family	6	6200001	Nil	82.67	82.67	0	0.00
(4)	Central	Ŭ	0200001	1411	02.07	02.07	Ŭ	0.00
	Government/							
	State							
(b)	Government	0	0	0	0.000	0.000	О	0.00
(c)	Bodies Corporate	1	1299999	Nil	17.33	17.33	0	0.00
, ,	Financial	-						
(d)	Institutions/Banks	0	0	0	0.00	0.00	0	0.00
` '	Any Other							
(e)	(specify)	0	0	0	0.00	0.00	0	0.00
, ,	Sub-Total							
	(A)(1)	7	7500000	Nil	100.00	100.00	0	0.00
(2)	Foreign							
	Individuals (Non-	0	0	0	0.00	0.00	0	0.00
	Resident							
(a)	Individual /							
	Foreign							
	Individuals).		_	_				
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(4)	Any other							0.00
(d)	(specify) Sub-Total						0	0.00
		0	О	О	0.00	0.000	О	0.00
	(A)(2) Total	0	0	U	0.00	0.000	0	0.00
	Shareholding of							
	Promoters							
	and Promoter							
	Group (Total)							
	(A)(1)+(A)(2)	7	7500000	0	100.00	100.00	0	0
	Public							
(B)	Shareholding						NA	NA
(1)	Institutions						NA	NA
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	-	_
	Financial	0	0	0	0.00	0.00		
	Institutions/							
(b)	Banks						-	-
	Central	0	0	0	0.00	0.00	_	
	Government/							
	State							
(c)	Government(s)		_	_	2.22	2.22	-	-
(4)	Venture Capital	0	0	0	0.00	0.00		
(d)	Funds Insurance	0	0	0	0.00	0.00	-	-
(e)	Companies	U			0.00	0.00	_	
(6)	Companies	l	<u> </u>	<u> </u>	<u> </u>	<u> </u>		



								SUPREME
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	_	
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(9)	Any other (specify)	0	0	0	0.00	0.00	_	_
(h)	Foreign Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(1.7)	Sub - Total (B)(1)	0	0	0	0.00	0.00	0	0.00
(2)	Non-institutions						NA	NA
(a)	Bodies Corporate	0	0	0	0.00	0.00	-	-
(b)	Individuals -	-	0	0	0.00	0.00	-	-
i.	Individual shareholders holding nominal share Capital upto` 1 lakh	0	0	0	0.00	0.00	-	-
	Individual Shareholders holding nominal share Capital in	0	0	0	0.00	0.00	-	-
ii.	excess ` 1 lakh							
	Any Other							
(c)	(specify) (I) Trusts	0	0	0	0.00	0.00	NA -	- NA
	(i) Clearing Members	0	0	0	0.00	0.00	-	-
	(ii) NRI Individuals	0	0	0	0.00	0.00	-	-
	(iii) HUF	0	0	0	0.00	0.00	-	=
	(iv) Foreign Corporate Bodies	0	0	0	0.00	0.00	-	-
	Sub - Total (B)(2)	0	0	0	0.00	0.00	-	-
	Total Public Shareholding (B)(1) + (B)(2)	0	0	0	0.00	0.00	NA	NA
	. , , , , , , , , , , , , , , , , , , ,							
	TOTAL (A)+(B)	7	7500000	0	100.00	100.00	0	0
	Shares held by Custodian and against which							
(C)	Depository Receipt have							
(i)	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
(ii)	Public	0	0	0	0.00	0.00	0	0.00
	Sub Total (C)	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	7	7500000	0	100.00	100.00	0	0.00



Sr.	Name of the	Total Sh	nares Held	Shares Pledged or Otherwise Encumbered			
No.	Shareholder	Number	As a % of Grand Total (A)+(B)+(C)	Number	As a Percentage	As a % of Grand Total (A)+(B)+(C) of Sub- Clause (1) (I) (a)	
(1)	(11)	(III)	(IV)	(V)	(VI)=(V)(III)*100	(VII)	
1	Mr. Jagjiv Kumar Arora and Mr. Mohinder Lal Arora(Joint Holders)	3128321	41.71	0	0.00	0.00	
2	Mr. Jagjiv Kumar Arora	1943381	25.91	0	0.00	0.00	
3	M/s SAL International Private Limited	1299999	17.33	0	0.00	0.00	
4	Mr. Sahil Arora	529999	7.07	0	0.00	0.00	
5	Mrs. Sangeeta Arora	481600	6.42	0	0.00	0.00	
6	Mrs. Sudesh Rani Arora	115500	1.54	0	0.00	0.00	
7	Mrs. Tanya Arora	1200	0.02	0	0.00	0.00	
Total		7500000	100%	0	0.00	0.00	

(I)(C) Statement showing shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the Shareholders	Number of Shares	Shares as a Percentage of Total Number of Shares (i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above)
1.	NA	NA	NA
Total	NA	NA	NA

(I) (d) Statement showing details of locked-in shares

Sr.	Name of the Shareholders	*Category of	Number of	Locked-in shares as a percentage of total Number of Shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I)
No.		Shareholders	Locked-in	(a)above)
		(Promoters/Public)	Shares	
1	NA	NA	NA	NA
	TOTAL	NA	NA	NA



(II) (a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of Outstanding DRs	Number of Shares Underlying Outstanding DRs	Shares Underlying outstanding DRs as a Percentage of total number of Shares { I.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I) (a)
1.	NA	NA	NA	NA
TOTAL	NA	NA	NA	NA

(II) (b) Statement showing details of Depository Receipts (DRs) Where underlying shares are in excess of 1% of the total number of Shares

Sr. No.	Name of the DR Holder	Type of Outstanding DR(ADRs, GDRs, SDRs, etc.)	Number of Shares Underlying Outstanding DRs	Shares Underlying outstanding DRs as a Percentage of total number of Shares { I.e. Grand Total (A)+(B)+(C) indicated in statement at p ara (I) (a)above).
	NA	NA	NA	NA
Total	NA	NA	NA	NA



20. A list of top ten shareholders of the Company and the number of Equity Shares held by them is as under

a.) As on the date of the Draft Red Herring Prospectus

Name of Shareholders		% of Total paid up
	shares	share Capital
Mr. Jagjiv Kumar Arora and Mr. Mohinder	3128321	41.71
Lal Arora(Joint Holders)		
Mr. Jagjiv Kumar Arora	1943381	25.91
M/s SAL International Private Limited	1299999	17.33
Mr. Sahil Arora	529999	7.07
Mrs. Sangeeta Arora	481600	6.42
Mrs. Sudesh Rani Arora	115500	1.54
Mrs. Tanya Arora	1200	0.02
Total	7500000	100%

b.) Ten days prior to the date of this Draft Red Herring Prospectus

Name of Shareholders	Number of shares	% of Total paid up share Capital
Mr. Jagjiv Kumar Arora and Mr. Mohinder Lal Arora(Joint Holders)	3128321	41.71
Mr. Jagjiv Kumar Arora	1943381	25.91
M/s SAL International Private Limited	1299999	17.33
Mr. Sahil Arora	529999	7.07
Mrs. Sangeeta Arora	481600	6.42
Mrs. Sudesh Rani Arora	115500	1.54
Mrs. Tanya Arora	1200	0.02
Total	7500000	100%

c.) Two years prior to the date of this Draft Red Herring Prospectus

Name of Shareholders	Number of shares	% of Total paid up share Capital
Mr. Mohinder Lal Arora	2085547	41.71%
Mr. Jagjiv Kumar Arora	1295587	25.91%
M/s SAL International Private Limited	866666	17.33%
Mr. Sahil Arora	353333	7.07%
Mrs. Sangeeta Arora	321067	6.42%
Mrs. Sudesh Rani Arora	77000	1.54%
Mrs. Tanya Arora	800	0.02%
Total	5000000	100%

- 21. Our Company has not made any public issue since its incorporation.
- 22. The BRLM and their associates does not hold any equity shares of our Company.
- 23. There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of the Company.



- 24. The Company has not raised any bridge loan against the proceeds of the Issue.
- 25. As on the date of filing the DRHP with SEBI, there are no outstanding financial instruments or any other right, which would entitle the Promoters or shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
- 26. We have not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
- 27. At any given point of time there shall be only one denomination of Equity Shares of our Company, unless otherwise permitted by law. The Company shall comply with such disclosures and accounting norms specified by SEBI from time to time.
- 28. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
- 29. Our Company has 7 (seven) shareholders as on the date of filing the DRHP with SEBI.
- 30. The Company, the Directors, the Promoter or the Promoter Group shall not make any, direct or indirect, payments, discounts, commissions or allowances under this Issue, except as disclosed in this Draft Red Herring Prospectus.
- 31. The Equity Shares held by the Promoter are not subject to any pledge.
- 32. None of the Directors or key managerial personnel holds Equity Shares in the Company except as stated in the section titled "Management" on page [●] of this Draft Red Herring Prospectus.
- 33. As per the RBI regulations, OCBs are not allowed to participate in the Issue.
- 34. The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, at least 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company in consultation with the BRLM and the Designated Stock Exchange.



OBJECTS OF THE ISSUE

A) OBJECTS OF THE ISSUE

1. The objects of the Public Issue of Equity Share are:

- a) To Setting up of a MS and Alloy Steel Drawn Wire Unit at RMD II.
- b) To Modernization and Expansion of existing manufacturing facility at Unit (RMD II)
- c) To Up gradation of the Unit (RMD I) by undertaking the job of converting the reheating furnace located at the plant from Oil base to Natural Gas base along with other technical upgradations.
- d) To Meet Long Term working capital requirement
- e) To Raise funds for General corporate purposes and
- f) To Meet the expenses of the issue.

B) FUND REQUIREMENT

The fund requirement and deployment are based upon management estimates and quotations obtained from suppliers.

The fund Requirement for the total project is as under:

Particulars	Amount (` in Lacs)
Setting up of a MS and Alloy Steel Drawn Wire Unit at RMD II.	1139.45
Modernization and Expansion of existing manufacturing facility at Unit (RMD II)	1428.10
Up gradation of the Unit (RMD I) by undertaking the job of converting the reheating furnace located at the plant from Oil base to Natural Gas base along with other technical upgradations	543.09
To Meet Long Term Working Capital Requirements	2000.00
To Raise funds for General corporate purposes*	[•]
To Meet the expenses of the issue*	[•]
Total	[•]

^{*} Will be incorporated after finalization of the Issue Price.

The Objects Clause of the Memorandum and Articles of Association of the Company enables it to undertake the activities for which the funds are to be raised in the Public Issue. Further, it is confirmed that the activities, which the company has been carrying out until now is in accordance with the object clause of Memorandum and Articles of Association of the Company.

a) Setting up of a MS and Alloy Steel Drawn Wire Unit at RMD II.

The company plans to utilize the wire rods produced at RMD II in house by setting up a new MS and Alloy Steel Drawn Wire unit capable of manufacturing 72000 MT per annum of Drawn Wire within the premises of the unit, which shall help the company to add a high value product to its profile by utilizing raw material resources developed in house.



Basis of Expenditure

S . N o	Equipment Type & Description	Name of Supplier & Brand	Total Qty.	Date of Quotati on	Rate	Amount
	5 Block 600 mm & 610mm Wire Drawing Machine with accessories		2 Nos.			
	5 Block 600 mm & 610mm Wire Drawing Machine	Associated Machinery Corporation Ltd.	10	19.09.11	400000	4000000
	motors of 30 kw	Ashu Sales Pvt. Ltd.	11	21.09.11	63700	700700
	A.C. variable drives and MCB	Ashu Sales Pvt. Ltd.	12	21.09.11	102900	1234800
	Panel for variable a.c. drive	Gemco Controls Ltd.	2	19.09.11	910000	1820000
1	Cables	Open Market				300000
	DBC for straight drawn wire	Associated Machinery Corporation Ltd.	1	19.09.11		2400000
	Accessories including descaler, wire pointing machine, butt welding machine, flipper type, wire dog pull in, Binding Machine and Die Polishing Machine	Anant Enterprises		19.09.11		1100000
	Oil fired annealing furncae 3MT capacity	Associated Machinery Corporation Ltd.	1	19.09.11	2400000	2400000
	6 Block 600 mm & 610mm Wire Drawing Machine with accessories					
	6 Block 600 mm & 610mm Wire Drawing Machine	Associated Machinery Corporation Ltd.	12	19.09.11	400000	4800000
	motors of 30 kw	Ashu Sales Pvt. Ltd.	14	21.09.11	63700	891800
	A.C. variable drives and MCB***	Ashu Sales Pvt. Ltd.	14	21.09.11	102900	1440600
	Panel for variable a.c. drive	Gemco Controls Ltd.	2	19.09.11	910000	1820000
2	Cables	Open Market				500000
	DBC for straight drawn wire	Associated Machinery Corporation Ltd.	2	19.09.11	2400000	4800000
	Accessories including descaler, wire pointing machine, butt welding machine, flipper type, wire dog pull in, Binding Machine and Die Polishing Machine	Anant Enterprises		19.09.11		1100000
	Oil fired annealing furnace 3 MT capacity	Associated Machinery Corporation Ltd.	2	19.09.11	2400000	4800000
	9 Block 600 mm & 610mm Wire Drawing Machine with accessories					
	9 Block 600 mm & 610mm Wire Drawing Machine	Associated Machinery Corporation Ltd.	18	19.09.11	400000	7200000
	motors of 30 kw	Ashu Sales Pvt. Ltd.	20	21.09.11	63700	1274000
	A.C. variable drives and MCB***	Ashu Sales Pvt. Ltd.	20	21.09.11	102900	2058000
	Panel for variable a.c. drive	Gemco Controls Ltd.	2	19.09.11	1235000	2470000
3	Cables	Open Market				300000
	DBC for straight drawn wire	Associated Machinery Corporation Ltd.	2	19.09.11	2400000	4800000
	Accessories including descaler, wire pointing machine, butt welding machine, flipper type, wire dog pull in, Binding Machine and Die Polishing Machine	Anant Enterprises				1100000
	Oil fired annealing furnace 3 MT capacity	Associated Machinery Corporation Ltd.	1	19.09.11	2400000	2400000

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	5 block 400 mm Wire Drawing Machine with accessories		1					
	5 block 400 mm Wire Drawing Machine	Associated Machinery Corporation Ltd.	3		425000	2125000		
İ	Electicals motors of 40HP***	Ashu Sales Pvt. Ltd.	6		63700	382200		
	A.C. variable drives and MCB***	Ashu Sales Pvt. Ltd.	6		102900	617400		
4	Panel for variable a.c. drive	Gemco Controls Ltd.	1		910000	910000		
7	Cables	Open Market				300000		
	Accessories including descaler, wire pointing machine, butt welding machine, flipper type, wire dog pull in, Binding Machine and Die Polishing Machine	Anant Enterprises		19.09.11		1100000		
	Oil fired annealing furnace 3 MT capacity	Associated Machinery Corporation Ltd.	1	19.09.11		2400000		
	7 block 500 mm W.D. M/c , with accessories							
	7 block 500 mm W.D. M/c , with accessories	Associated Machinery Corporation Ltd.	14	19.09.11	450000	6300000		
	Electicals motors of 40HP***	Ashu Sales Pvt. Ltd.	16		63700	1019200		
	A.C. variable drives and MCB***	Ashu Sales Pvt. Ltd.	16		102900	1646400		
	Panel for variable a.c. drive	Gemco Controls Ltd.	2		1025000	2050000		
5	Cables	Open Market				300000		
	DBC for straight drawn wire		2		2400000	4800000		
	Accessories including descaler, wire pointing machine, butt welding machine, flipper type, wire dog pull in, Binding Machine and Die Polishing Machine	Anant Enterprises		19.09.11		1100000		
	Oil fired annealing furnace 3 MT capacity	Associated Machinery Corporation Ltd.	1	19.09.11	2400000	2400000		
	15 mt capacity cranes for material handling & maintainence	T S Ispat Limited	2	07.09.11	2500000	5000000		
	Lab Equipments & Wire baskets	Associated Machinery Corporation Ltd.	Consoli dated	19.09.11		1900000		
	Die Room	Associated Machinery Corporation Ltd.	Consoli dated	19.09.11		500000		
	Die sets	Associated Machinery Corporation Ltd.	Consoli dated	19.09.11		500000		
	Lubricants, gear oil spares & V. belt pulleys		Open Market			1500000		
	Total Basis Cost		-			92560100		
	Add: Excise Duty @10.30%							
	Add: Sales Tax							
	Total Cost					103944992		



Foundation, Fabrication and Civil Works*

Construction Work	Estimated Cost (In `)
Foundation work for sheds	5000000
Foundation work for 6 block 610 mm wire drawing machine	1000000
Foundation work for 7 block 610 mm wire drawing machine	1500000
Foundation work for 8 block 610 mm wire drawing machine	1250000
Foundation work for 9 block 610 mm wire drawing machine	1250000
Total	10000000

^{*}The Estimate for civil work to be constructed at the premises has been provided by the Chartered Engineer Mr. Paramanand Kaushik as per their Proposal dated September 16, 2011. Our Company has yet to appoint the agency for execution of the aforesaid civil work

b) Modernization and Expansion of existing manufacturing facility at Unit (RMD II)

Expansion:

The company plans for the expansion of RMD II located at Khashra No 575-576, Dujana Road, Tehsil-Dadri, Distt. Gautambudh Nagar, Uttar Pradesh, by setting up a parallel production line and pursuant to such expansion the installed capacity of the unit will be increased from 55000 MTPA to 131000 MTPA for TMT Bars and Wire Rods in order to cater the demand of the market.

Basis of the Expenditure

S.No.	Equipment Type & Description	Name of Supplier & Brand	Total Qty.	Date of Quotation	Rate	Amount
1	Mill Stand CI casted, window size for 24032 bearing chokes	T.S. Ispat Pvt. Ltd.	4	07.09.11	1050000	4200000
2	8mt fly wheel dynamically balanced	T.S. Ispat Pvt. Ltd.	1	07.09.11	1000000	1000000
3	Pinion Gear Box.,Hardened and Ground, 290MM Center	T.S. Ispat Pvt. Ltd.	1	07.09.11	1000000	1000000
4	Reduction Gear Box, Hardened and Ground ratio 1: 0.5961	T.S. Ispat Pvt. Ltd.	1	07.09.11	1500000	1500000
5	Speed Increaser cum pinion, hardened and ground	T.S. Ispat Pvt. Ltd.	1	07.09.11	1200000	1200000
6	Universal Coupling and spindles 500mm and 1200 mm Length, bearing chocks and roll assembly structure	T.S. Ispat Pvt. Ltd.	20	07.09.11	110000	2200000
7	Gear Coupling, 10 no.	T.S. Ispat Pvt. Ltd.	3	07.09.11	100000	300000



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8	CI casted foundation lines & foundation bolts	T.S. Ispat Pvt. Ltd.	1 RUN SET	07.09.11	1000000	1000000
9	Rolling Mill Duty Slipring Motor	Ashu Sales Pvt. Ltd.	1	21.09.11	1377950	1377950
	800 HP AC Drive Panel	Ragtron India	1	19.09.11	2850000	2850000
	Control Desk for Mill and TMT Area	GEMCO Controls Ltd	1	19.09.11	1500000	1500000
	Cables	Open market				300000
10	Bearings of various sizes	Open market				1000000
11	Rolls for mill (chilled rolls - high chilled) Size 350 610	Shree Krishna Casting Pvt. Ltd.	20	17.09.11	54000	1080000
	Rolls for mill (chilled rolls - high chilled) Size 300 610	Shree Krishna Casting Pvt. Ltd.	20	17.09.11	42750	855000
13	2 hi CI Casting of Stand 290mm centre with rest bar U clamp & Accessories	T.S. Ispat Pvt. Ltd.	6	07.09.11	916667	5500000
14	Reduction cum Pinion gear box, hardened & ground 250mm centre	T.S. Ispat Pvt. Ltd.	6	07.09.11	666667	4000000
15	Universal Coupling and spindles 500mm and 1200 mm Length,bearing chocks and roll assembly structure	T.S. Ispat Pvt. Ltd.	30	07.09.11	110000	3300000
16	Gear Coupling, 10 no.	T.S. Ispat Pvt. Ltd.	6	07.09.11	100000	600000
17	CI casted foundation lines & foundation bolts	T.S. Ispat Pvt. Ltd.	1 Run Set	07.09.11	1200000	1200000
18	D.C. Motors 250 KW	Ashu Sales Pvt. Ltd.	6	21.09.11	1150000	6900000
	DC Electrical Panels with Cables	Ragtron India	6	19.09.11	1000000	6000000
19	Bearings of various sizes	Open market				1500000
20	Rolls for mill (chilled rolls - high chilled) Size 330 510	Shree Krishna Casting Pvt. Ltd.	12	17.09.11	40950	491400
	Rolls for mill (chilled rolls - high chilled) Size 300 510	Shree Krishna Casting Pvt. Ltd.	12	17.09.11	36900	442800
	Rolls for mill (chilled rolls - high chilled) Size 280 510	Shree Krishna Casting Pvt. Ltd.	12	17.09.11	32850	394200
22	Break pinch rolls 30 KW	T.S. Ispat Pvt. Ltd.	2	07.09.11	750000	1500000
23	Tail breakers (Tail end break)	T.S. Ispat Pvt. Ltd.	2	07.09.11	750000	1500000
24	Flying shear, including electricals	T.S. Ispat Pvt. Ltd.	1	07.09.11	5000000	5000000
25	Twin channel 60 metre long capable of handling bars @ 22 metre/second	T.S. Ispat Pvt. Ltd.	1	07.09.11	9000000	9000000
27	Drives and Automation for TMT Area	GEMCO Controls Ltd	1	19.09.11	1925000	1925000
28	DC Motor 250 KW	Ashu Sales Pvt. Ltd	1	21.09.11	1875000	1875000
	DC Motor 30KW	Ashu Sales Pvt. Ltd	4	21.09.11	112000	448000
	DC Panel Drive	Ragtron India	4	19.09.11	500000	2000000
29	Control Desk for Mill and TMT Area	Gemco Controls Ltd	1	19.09.11	1500000	1500000
32	8 mt cold shear for bar cutting	T.S. Ispat Pvt. Ltd.	1	07.09.11	1000000	1000000
33	Rotary shear for end cutting	T.S. Ispat Pvt. Ltd.	2	07.09.11	1000000	2000000
	asic Cost					79439350
Add: Ex	cise Duty @10.3%					8182253



 Add: Sales Tax
 1588787

 Total Cost
 89210390

Foundation, Fabrication and Civil Work*

S.No	Construction Work	Estimated Cost (In `)
1	For 4 stand 2hi, 290 mm center cross country type intermediate mill for parallel bar and wire rod mill	5000000
2	For 4 stand continuous type bar and wire rod mill	7000000
3	For Semi Automatic platform including online bar cutting and packaging using twin channel and tail breaking bar handling machinery	1500000
4	For concreting of plant floor including storage area and foundation for sheds for wire rod and TMT Mill	10000000
5	In house fabrication of snap shears & looping tray with side support, nozzles, bar route lines for material	3100000
6	In house fabrication of platform made from channel	5000000
7	In house fabrication of waste heat recuperator	400000
8	In house fabrication of oil lubrication system	600000
9	In house fabrication of pneumatic air lines system	1000000
10	In house fabrication of shed and gantry for plant	20000000
	Total	53600000

^{*}The Estimate for civil work to be constructed at the premises has been provided by the Chartered Engineer Mr. Paramanand Kaushik as per their Proposal dated September 16, 2011. Our Company has yet to appoint the agency for execution of the aforesaid civil work

C) Up gradation of the Unit (RMD I) by undertaking the job of converting the reheating furnace located at the plant from Oil base to Natural Gas base along with other technical upgradations.

The Company plans for upgradation of the facilities at its Rolling Mill Division I located at AN 28-33, CN 112-132, M.G. road, UPSIDC, Industrial Area, Ghaziabad, U.P to cater to the production of TMT bars for Steel Authority of India limited (SAIL), by undertaking the job of converting the reheating furnace located at the plant from Oil base to Natural Gas base along with other technical upgradations aimed at which will reduce the consumption of furnace oil which in turns helps in cost reduction and less emission of pollutants in the air. Also, we have entered into a spot gas supply agreement with GAIL for supply of Natural Gas to RMD I which will also help in curtailing the production cost.

Basis of Expenditure

Equipment Type & Description Conversion of reheating	Name of Supplier & Brand	Total Qty.	Date of Quotation	Rate	Amount
Furnace from Oil Based to Gas Based Furnace					
Burners and Burner Blocks	Govind Engineering	10	17.09.11	300000	3000000
Reheating Furnace Materials	Govind Engineering	Consolidated	17.09.11		3105000
Gas based heat recovery system including recuperator and					
chimney	Govind Engineering	1	17.09.11	4600000	4600000



Billet Shearing System					
Drive Train and Lubricating System of Billets Shear with Blades	T.S. Ispat Pvt. Ltd.		07.09.11		1000000
Electical Motors and Panel, wires	Open market				3000000
2 EOT cranes of 15 MT capacity gantry	T.S. Ispat Pvt. Ltd.	2	07.09.11	2500000	5000000
Shafted Rolls for Rolling Mill	Shree Krishna Castings	Consolidated	17.09.11		4613400
Total Basic Cost					24318400
Add: Excise duty @10.3%					2504795
Add: Sales Tax					486368
Total Cost					27309563

Foundation, Fabrication and Civil Works

Particulars	Estimated Cost (In `)
T di Houndi o	, ,
For installation of reheating furnace from oil based to gas based furnace	5000000
For Billet Shearing system including 6 meteres deep foundation for shear alongwith brick work and foundation for platform, conveyers and material evacuation and storage area	
January Control of the Control of th	3000000
For Shed expansion including RCC Foundation and brick work	3000000
Fabrication of billet shear excluding driving system	
	2000000
Fabrication for platform for billet shear	
	3000000
Fabrication of conveyors for billet shear	
	1000000
Fabrication of pipelines, civil and sheet metal work including material	
	700000
Fabrication of columns and trusses for shed extension	
	3000000
Total (F)	27000000

c) To meet Long Term Working Capital Requirements

Presently our company is availing the working capital facilities for the existing operations from the Punjab National Bank and Syndicate Bank as stated in the "Financial Information" on page 158 of this Draft Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing working capital requirement.



Upon setting up of Wire Drawing unit and expansion of production capacity at Dujana Unit (RMD II) in the FY 2012-13, our Company will require additional funds to meet the increased Working Capital requirements. The Net Working Capital requirement for the FY 2012-13 and FY 2013-14 for three units is estimated to be `10456.82 lacs & `11999.09 lacs respectively. The same is proposed to be partly funded by Bank Loan, internal accruals and proceeds to be raised through the public issue.

Particulars	Holding (In Weeks)	FY 2011 (Audited) `in Lacs	Holding (In Weeks)	FY 2012 (Estimated) `in Lacs	Holding (In Weeks)	FY 2013 (Projected) `in Lacs	Holding (In Weeks)	FY 2014 (Projected) `in Lacs
Raw Material	0.30	180.07	0.43	342.21	0.43	475.83	0.43	570.99
Stores & Spares	45.74	340.43	25.64	162.74	25.64	221.92	25.64	266.30
Finished Goods	2.18	1434.53	2.14	1835.18	2.14	2543.75	2.14	3050.71
Total Inventories (A)		1955.03		2340.14		3241.50		3888.00
Debtors	5.88	4292.56	5.27	5205.23	4.99	6778.60	4.99	8168.12
Total Receivables (B)		4292.56		5205.23		6778.60		8168.12
Other Current Assets (C)	1.79	1304.32	1.89	1867.53	2.00	2722.70	1.60	2619.49
Total Current Assets (D)= (A)+(B)+(C)		7551.91		9412.90		12742.79		14675.61
Less:								
(i) Creditors	1.09	669.99	1.00	804.83	1.00	1118.90	1.00	1342.68
(ii) Other Current Liabilities	0.58	359.51	0.85	688.43	1.04	1167.08	0.99	1333.84
Total Current Liabilities (E)		1029.5		1493.26		2285.98		2676.52
Net Working Capital Requirement (D- E)		6522.41		7919.63		10456.82		11999.09
Funding Pattern								
Bank Borrowings		4552.69		6000.00		6000.00		6000.00
Internal Accruals		1,969.72		1,919.63		3,656.82		4,799.09
Proposed to be Funded from Public		-		-		800.00		1200.00
Total Funding		6522.41		7919.63		10456.82		11999.09

Note:

- Assessment of Working Capital for FY 2012-13 & FY 2013-14 includes Working Capital requirement of
 existing unit at RMD I, RMD II and Furnace Division as well as for the proposed expansion and setting up of
 wire drawing unit at RMD II.
- Assumptions for Working Capital Assessment:

Holding Levels (in Weeks):

Sr	Particulars	F.Y 2011	F.Y 2012	F.Y 2013	F.Y 2014
No.		(Audited)	(Estimated)	(Projected)	(Projected)
1	Inventory				
(a)	Raw Materials	0.30	0.43	0.43	0.43



(b)	Stores & Spares	45.74	25.64	25.64	25.64
(C)	Finished Goods	2.18	2.14	2.14	2.14
2	Receivables	5.88	5.27	4.99	4.99
3	Other Current Assets	1.79	1.89	2.00	1.60
4	Creditors	1.09	1.00	1.00	1.00
5	Other Current Liablities	0.58	0.85	1.04	0.99

d) General corporate purposes

We, in accordance with the policies set up by our Board, will have flexibility in applying the remaining proceeds, for general corporate purposes including towards strategic initiatives and acquisitions, brand building exercises, strengthening of our marketing capabilities and contingencies in ordinary course of business which may not be foreseen.

Our management will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Issue Proceeds. In case of a shortfall in the Net Proceeds of the Issue, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

e) Break-Up of Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (in `Lacs) *	Percentage of Issue Expenses*	Percentage of the Issue size*
Lead Management, Underwriting and Selling and SCSB Commission		[•]	[•]
Advertisement and Marketing expenses	[•]	[•]	[•]
Printing and Stationery (including courier and transportation charges)	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Advisors to the Issue	[•]	[•]	[•]
Fees paid to rating agency	[•]	[•]	[•]
Others (Processing fees, listing fee, Corporate Action charges etc)	[•]	[•]	[•]
Total Estimated Issue expenses	[•]	[•]	[•]

^{*} Will be incorporated after finalisation of the Issue Price.



The listing fee and all expenses with respect to the Issue will be borne by the Company.

DETAILS OF ALL MATERIAL EXISTING OR ANTICIPATED TRANSACTIONS IN RELATION TO UTLISATION OF THE ISSUE PROCEEDS OR PROJECT COST WITH PROMOTERS, DIRECTORS, KEY MANAGEMENT PERSONNEL, ASSOCIATES AND GROUP COMPANIES.

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled 'Interest of Promoters' & 'Interest of Directors' as mentioned on page nos. 128 and 113 of this Draft Red Herring Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed through internal accruals and debt.

C) FUNDING PLANS (MEANS OF FINANCE)

Particulars	Amount (`inLacs)
Gross Proceeds from the issue	[•]
Issue Related Expenses*	[•]
General Corporate Purpose*	[•]
Net Proceeds from the Issue*	[•]

^{*}to be finalised upon determination of the Issue Price

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

Balance portion of the means of finance for which no firm arrangement has been made. Nil

The Means of finance consist only of proceeds from the Proposed Issue.

The details of funds tied up and the avenues for deployment of excess proceeds, if any. $\ensuremath{\mathsf{NiI}}$

(D) APPRAISAL

None of the objects for which Issue Proceeds will be utilized have been financially appraised and the estimates of the costs of projects mentioned above are based on internal estimates of the Company.

(E) SCHEDULE OF IMPLEMENTATION

For Expansion of manufacturing facility and setting up of a Wire Drawing Unit

Activity	Commencement	Completion	Remarks
	date	Date	
Placing of Orders for Machinery	April 2012	April 2012	Yet to commence
and Equipments at site			
Appointment of agency to start	April 2012	June 2012	Yet to commence
civil works			
Delivery of Equipments	May 2012	August 2012	Yet to commence
Installation of Machinery	September 2012	September 2012	Yet to commence
Trial Runs	October 2012	October 2012	Yet to commence
Commercial Operations	October 2012	=	Yet to commence



(F) DEPLOYMENT OF FUNDS:

The Company has received the Sources and Deployment Funds Certificate dated September 26, 2011 from M/s VAPS & Company, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating `9.56 Lacs. Details of the sources and deployment of funds as on September 26, 2011 as per the certificate is as follows:

Particulars	Amount (`in Lacs)
Issue Expenses	9.56
Total	9.56

(G) SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

Particulars	Amount (`In Lacs)
Internal Resources	9.56
Total	9.56

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Issue.

(H) DEPLOYMENT OF BALANCE FUNDS

(`in lacs)

			III lacs)
Deployment of Funds	Financial Year 2011-12 Already incurred till 26.09.2011	To be incurred upto March 2013	Total
For setting up of MS and Alloy Steel Drawing Wire Unit	Nil	1139.45	1139.45
For modernization and expansion of RMD II by setting up a parallel production line	Nil	1428.10	1428.10
For up gradation of RMD I by conversion of reheating furnace located at the plant from Furnace Oil base to Natural Gas base along with other technical upgradations	Nil	543.09	543.09
To meet Long Term Working Capital requirements	Nil	2000.00*	2000.00*
For General corporate purposes	Nil	[●]	[•]
To meet the expenses of the issue (to be finalised upon determination of the Issue Price)	9.56	[•]	[•]
Total	9.56	[•]	[●]



* Out of `2000 lacs, `800 lacs will be utilized in the FY 2012-13 and balance amount will be utilized in 2013-14

The fund requirements and deployment of the funds mentioned above are based on internal management estimates. The Company may have to revise its expenditure and fund requirements as a result of changes, external factors which may not be within the control of its management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of its management.

In case of a shortfall in raising requisite capital from the Public Issue towards meeting the objects of the Issue, the Company may explore a range of options including utilising its internal accruals, seeking additional debt from existing and future lenders. The Company believes that such alternate arrangements would be available to fund any such shortfalls.

(I) INTERIM USE OF FUNDS

The Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds from the issue. Pending utilization of the Net Proceeds for the purposes described above, the Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks, in accordance with its investment policies as approved by the Board from time to time.

(J) Monitoring of Utilization of Funds

As the net proceeds of the Issue is less than `50000 Lacs, under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 it is not required that a monitoring agency be appointed by the Company. The Board will monitor the utilization of the proceeds of the Issue. The Company will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. The Company will indicate investments, if any, of unutilized proceeds of the Issue in the Balance Sheet of the Company for the relevant Financial Years subsequent to the listing.

Pursuant to clause 49 of the Listing Agreement, the Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, the Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of the Company. In addition, the report submitted by the monitoring agency will be placed before the Audit Committee of the Company, so as to enable the Audit Committee to make appropriate recommendations to the Board of Directors of the Company.

The Company shall be required to inform material deviations in the utilisation of Issue proceeds to the stock exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

Except as stated above, no part of the proceeds from the Issue will be paid by the Company as consideration to its Promoter, Directors, Group Companies or key managerial employees, except in the normal course of its business.



BASIC TERMS OF THE ISSUE

Authority for the Present Issue

The issue has been authorized by a resolution of the Board passed at their meeting held on April 05, 2011, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on April 30, 2011, at New Delhi.

Terms of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of the Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 273 of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ` 10 each. The Floor Price of Equity Shares is ` [●] per Equity Share and the Cap Price is ` [●] per Equity Share. The Anchor Investor Issue Price is ` [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Terms of Payment:

Applications should be for a minimum of [•] equity shares and [•] equity shares thereafter. The entire price of the equity shares of `[•] per share is payable on application.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

Minimum Subscription

If we do not receive the minimum subscription of ninety (90) percent of the offer through the present Draft Red Herring Prospectus including devolvement of Underwriters within sixty (60) days from the date of closure of the issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

Further, in accordance with Clause 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.



BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLMs on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the Equity Shares offered by the Book Building Process. The face value of the Equity Shares is ` 10 and the Issue Price is [•] times the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue price are:

- 1. Extensive experience and strong track record of the Promoters.
- 2. Our Company has been consistent Profit Making Company for last 5 years.
- We are using "Tempcore Process" which is the most advanced technology worldwide for manufacturing of TMT Bars and have executed a technology agreement with SAL-Tempcore INC. for the same.
- 4. We have a contract with Steel Authority of India (SAIL) to manufacture TMT Bars under their Brand name "SAIL TMT" for the next 3 years beginning from June 28, 2010 and our unit RMD I is exclusively dedicated for this purpose.
- 5. We have a contract with Essar Steel Ltd to manufacture TMT Bars under their Brand Name "Essar Steel TMT Rebars" for a period of one year beginning from April 01, 2011.
- 6. Strategic Locations of Manufacturing Facilities.
- 7. Our products meet BIS 1786:2008 and the company has got ISO 9001:2000 certification for "the manufacture and supply Ingot, TMT Bars and Wire Rods".

Quantitative Factors

Information presented in this section is derived from the Company's restated standalone financial statements prepared in accordance with Indian GAAP and SEBI Regulations. Investors should valuate our Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Earning Per Share and Diluted Earning Per Share, Pre Issue for the last 3 years (as adjusted for changes in capital)

a) Earning Per Share

Year	EPS (In `)	Weight
2008-09	6.24	1
2009-10	6.46	2
2010-11	6.61	3
Weighted Average	6.50	

b) Diluted Earning Per Share

Year	EPS (In `)	Weight
2008-09	6.24	1
2009-10	6.46	2
2010-11	6.59	3
Weighted Average	6.49	

Notes:

→ The weighted average of adjusted EPS for these fiscal years have been computed by giving weights of 1, 2 and 3 for the fiscal years ending March 31 2009, 2010 and 2011 respectively.



- → Earnings per share calculations are done in accordance with Accounting Standard 20 'Earning per Share' issued by the Institute of Chartered Accountants of India.
- → The above statement should be read with Significant Accounting Policies and the Notes to the Restated Unconsolidated Summary Statements as appearing in the chapter "Financial Information" of our Company beginning on page 134 of this Draft Red Herring Prospectus.
- → The face value of each equity shares is `10

2. Price Earning (P/E) Ratio in relation to the Issue Price of ` [•] per share of ` 10 each

- a) Based on the year ended March 31, 2011, the Earnings per Share is `6.61.
- b) P/E based on the financial year ended March 31, 2011, EPS is ` [●] at the Floor Price and ` [●] at the Cap Price.
- c) Industry P/E*

a. Highest : 95.4 (Bedmutha Industries Limited)b. Lowest : 2.0 (Good Luck Steel Limited)

c. Industrial Composite: 8.9

3. Weighted Average Return on Net worth (RoNW) in the last three years are as follows:

Year	RONW	Weight
2008-09	23.70	1
2009-10	19.70	2
2010-11	12.61	3
Weighted Average	16.82	

^{*}Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for revaluation reserves, as per the Company's restated audited financial statements.

Note: The weighted average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

4. Minimum Return on Increased Net Worth to maintain pre-issue EPS is 24.60%.

5. Net Asset Value per Equity Share

Net Asset Value per Equity Share represents shareholders' equity less miscellaneous expenses as dividend by weighted average number of equity shares.

- (i) Net Asset Value per Equity Share as on March 31, 2011 is ` 52.43.
- (ii) Net Asset Value after the Issue: [●]
- (iii) Issue Price: ` [●]

Issue Price per Equity Share will be determined on conclusion of book building process.

^{*}Source: Capital Market Volume XXVI/15 dated September 19- October 02, 2011; Steel-Medium/Small



6. Comparison of Accounting ratios with Industry peers

S. No.	Name of the company	Face Value (Per Share)	EPS (`)	P/E Ratio	RoNW (%)	Book value per share (`)
1	Supreme Alloys Limited*	10	6.60	[•]	12.61	52.43
	Peer group**					
2	Panchmahal Stee Limited	10	5.70	10.7	9.10	72.20
3	Steel Exchange India Limited	10	3.7	9.4	3.30	34.70
4	Kamdhenu Ispa Limited	: 10	1.6	9.4	4.10	38.70

^{*} The Company's EPS, RoNW and Book value per share have been calculated from the Company's restated audited financial statements on diluted basis.

The issue price has been determined by the issuer in consultation with the book runner(s), on the basis of assessment of market demand for the offered securities by way of book-building. The BRLM believes that the Issue Price of `[•] per Equity Share is justified in view of the above qualitative and quantitative parameters Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular the sections titled "Risk Factors", "Business Overview" and "Financial Information" on pages xii, 73 and 134 respectively, of this Draft Red Herring Prospectus to have a more informed view.

The face value of the Equity Shares is ` 10 each and the Issue Price is [●] times the face value of the equity shares.

^{**} Source: Capital Market Volume XXVI/15 dated September 19- October 02, 2011; Steel-Medium/Small .



STATEMENT OF TAX BENEFITS

The Board of Directors Supreme Alloys Limited B-7, WHS, Kirti Nagar, New Delhi -110015

Dear Sirs,

Sub: Statement of possible tax benefits available to the company and its shareholders on proposed Public Issue of Shares under the existing tax laws

On your request, we have enumerated as per annexure annexed, the various possible tax benefits available to the company, its shareholders, FII's and venture capital companies \ mutual funds as per the existing Tax laws in force.

It is to be noted that these benefits are available to the respective persons subject to the fulfillment of various conditions prescribed under the concerned sections of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is subject to the fulfillment of such conditions.

The benefits enumerated in the annexure are not exhaustive and the same 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, investors need to consult their own tax consultant with respect to the specific tax implications arising out of their subscription to the issue.

The Draft Direct Tax Code, Bill 2009 (DTC) has been released by the ministry of Finance for public comments. DTC, which is expected to change the tax structure, is open for discussion and after which it will take the form of law. DTC is expected to be implemented from Assessment year 2013-14 and would replace existing Act (s). Any proposals in DTC may alter the tax benefits discussed in the Annexure. However, since, DTC is yet to be introduced; the impacts of provisions contained in the DTC have not been discussed in this statement of tax benefits.

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

- (i) The company or its share holders will continue to obtain these benefits in future: or
- (ii) The conditions prescribed for availing the benefits have been / would be met with.

The contents of this letter are based on information, explanations and representations obtained from the Company and on the basis of the nature of business activities and operations of the Company.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to Supreme Alloys Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

For VAPS & Co. Chartered Accountants Firm Regn. No.: 003612N

(Vipin Aggarwal) Partner Membership No. 82498 Place: New Delhi

Date: September 19, 2011



ANNEXURES TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO SUPREME ALLOYS LIMITED AND TO ITS SHAREHOLDERS

A) SPECIAL TAX BENEFIT FOR SUPREME ALLOYS LIMITED AND ITS SHAREHOLDERS

NIL

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 ("the Act"):

I. Benefits available to the Company

1. Depreciation

As per the provisions of Section 32 of the Act, the company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

In accordance with and subject to the conditions specified in Section 32(1) (iia) of the Act, the company is entitled to an additional depreciation allowance of 20% of the cost of new machines acquired and put to use during a year.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) "Administrator" means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a company as referred to in section 2(h) of the said Act.

4. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, "Equity Oriented Fund" means a fund -

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and



- (ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.
- **5.** As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating "book profits" under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

Book Profit	A.Y2011-12	A.Y2012-13
If book profit is less than or equal	18.54 %	19.055%
to 1 crore		
If book profit is more than 1 crore	19.9305 %	20.00775%

- 6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).
- 7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes ("MAT")

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:



- 1. As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.
- 2. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.
- 3. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.
- **4.** As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.
- 5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 6. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
- 7. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of



shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

- 1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
- 2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
- 3. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
- 4. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
- 5. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
- 6. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. "Special Provisions Relating to Certain Incomes of Non-Residents" which are as follows:



- (i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
- (ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- (iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- (iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
- (v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
- 7. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

- 1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
- 2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
- **3.** As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:



Nature of income & Rate of tax (%)

Nature of Income	Rate of Tax (%)
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

- **4.** In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
- 5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long-term specified asset" within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A "long-term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- (i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
- (ii) by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.
- **6.** The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
- 7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII's could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified



therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

1. As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

- The above Statement of Possible Direct Tax Benefits 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 equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- This 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, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.



SECTION IV- ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various government publications and industry sources. Such information has been accurately reproduced herein and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Company nor any other person connected with the Issue makes any representation as to the accuracy or completeness of this information.

Overview of the Global Steel Industry

According to World Steel Association (WSA), Crude steel production reached a record 1,417.3 million tonnes during 2010. This is 15 per cent more compared to 2009, which has come after two years of decline: 2009 had seen production go down by 7.3 per cent and 2008 saw output decline by 1.3 per cent. All the major steel-producing countries and regions showed double-digit growth in 2010. The EU, North America and Japan had higher growth rates due to the lower base effect from 2009 while Asia and the CIS recorded relatively lower growth.

Annual production for Asia was 903.2 million tonnes, an increase of 11.9 per cent compared to 2009. China's crude steel production reached 626.7 million tonnes (+9.2 per cent). China's share of world crude steel production declined to 44.2 per cent, from 46.5 per cent in 2009. Japan produced 109.6 million tonnes (+25.3 per cent) and India 68.3 million tonnes (+7.6 per cent). India remained among top 5 crude steel producers in the world.

Crude steel production has grown at a CAGR of 4.8 per cent over last 6 years but growth has been volatile. Growth in crude steel production was mainly driven by emerging countries such as China and India which registered a CAGR of 14.2 per cent and 13.1 per cent, respectively, during the period CY 2004-2010. On the contrary, developed countries such as the US have shown a drop in crude steel production during the same period.

During first 7 months till July 2011, Crude steel production grew further by 8.3 percent to 886.9 million tonnes. China's production has grown by 10.3 percent to 410.3 million tonnes and has contributed to large part of growth during first 7 months in 2011. India's growth was slower at 5 percent to 41.8 million tonnes during the same period.

The world crude steel capacity utilisation ratio in July 2011 was 79.7 per cent, 3.4 percentage points lower than in June 2011. Compared to July 2010, the utilisation ratio in July 2011 increased by 4.9 percentage points.

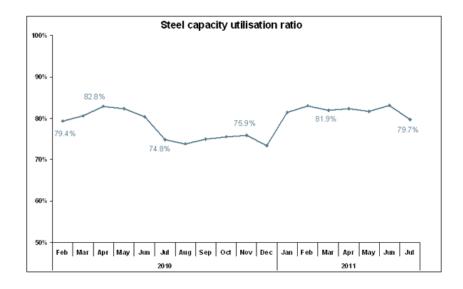


The following table sets forth total crude steel production by country or region for the periods indicated:

Country/Region	Υ	EAR EN	DED D	ECEMB	ER (In	million MT	·)	6 Year
country/Region	2004	2005	2006	2007	2008	2009	2010	CAGR
Europe	339.6	333.7	355	365	344.3	266.1	314.4	-1.3%
of which:								
EU 27	202.3	195.5	206.9	210.2	198.2	139.4	172.6	-2.6%
North America of which:	134	127.6	131.8	132.6	124.5	82.6	111.4	-3.0%
United States	99.7	94.9	98.6	98.1	91.4	58.2	80.5	-3.5%
South America	45.9	45.3	45.3	48.2	47.4	37.8	43.9	-0.7%
Africa	16.7	17.9	18.7	18.7	17	15.3	16.6	-0.1%
Middle East	14.3	15.3	15.4	16.4	16.6	17.7	19.6	5.4%
Asia of which:	512.5	595.5	672.3	756.9	771	806.9	903.2	9.9%
China	282.9	353.2	419.1	489.3	500.3	573.6	626.7	14.2%
Japan	112.7	112.5	116.2	120.2	118.7	87.5	109.6	-0.5%
India	32.6	45.8	49.5	53.5	57.8	63.5	68.3	13.1%
Australia/NZ	8.3	8.6	8.7	8.8	8.4	6.0	8.2	-0.2%
World	1,071.3	1,144.0	1,247.2	1,346.6	1,329.2	1,232.3	1,417.3	4.8%
Growth %		6.8%	9.0%	8.0%	-1.3%	-7.3%	15.0%	

Source: Steel Statistical Yearbook 2011

Global Crude Steel Capacity Utilisation





Indian Steel Industry Overview

From the fledgling one million tonne capacity status at the time of independence, India has now risento be the 5th largest crude steel producer in the world and the largest producer of sponge iron. India accounted for about 4.8 per cent of the global crude steel production in CY 2010. As per official estimates, the Iron and Steel Industry contributes around 2 per cent of the Gross Domestic Product (GDP) and its weight in theIndex of Industrial Production (IIP) is 6.2 per cent.

Evolution

As it traversed its long history during the past 63 years, the Indian steel industry has responded to the challenges of the highs and lows of business cycles. The first major change came during the first three Five-Year Plans (1952-1970) when in line with the economic order of the day, the iron and steel industry was earmarked for state control. From the mid-50s to the early 1970s, the Government of India set up large integrated steel plants in the public sector at Bhilai, Durgapur, Rourkela and Bokaro. The large-scale capacity creation in the public sector during these years contributed to making India the 10th largest steel producer in the world as crude steel production grew markedly to nearly 15 million tonne in the span of a decade from a mere 1 million tonne in 1947. But the trend could not be sustained from the late 1970's onwards, as the economic slowdown adversely affected the pace of growth of the Indian Steel Industry. However, this phase was reversed in 1991-92, when the country replaced the control regime by liberalisation and deregulation in the context of globalisation. The Indian steel sector was the first core sector to be completely freed from the licensing regime and pricing and distribution controls.

The industry has undergone various regulatory developments and reforms in the last two decades, including, among others:

- Since 1991, the steel industry has been removed from the list of industries reserved for the public sector and exempted from the provisions of compulsory licensing under the Industries (Development and Regulation) Act, 1951;
- Since 2002, the steel industry has been deregulated from pricing and distribution control and included in the list of "high priority" industries;
- The import for steel has moved gradually from a controlled regime to a liberalized one, by way of exempting steel imports from licensing, canalization and lowering of import duty levels. Export of steel has also been freely permissible;
- Measures have been taken to reduce duties imposed on raw materials for steel production, which help lower capital costs and production costs of steel plants. Additionally, there are no export duties on steel items;
- Since April 1994, the Government has discontinued the levy on account of the Steel Development Fund; and
- The National Steel Policy, 2005, sought to support the development of risk-hedging instruments to protect against price volatility in the steel market, to strengthen existing training and research and development facilities, to institute mechanisms for import surveillance and to monitor export subsidies in other countries.

(Source: Annual report 2009-10 and 2010-11 of Ministry of Steel, Government of India)

Industry Structure

The Indian steel industry is broadly divided into two distinct producer groups: Primary steel producers also known as Integrated Steel Producers (ISPs) and Secondary steel producers.

ISPs include large steel producers with high levels of backward integration and having capacities over one million tonne. ISPs have facilities right from the iron ore (raw material) mining stage to the finished steel production stage.

Secondary producers essentially have mini steel plants with capacities below 1 million tonne. This category mainly employs Electric Arc Furnace (EAF) or Induction Furnace (IF) route, which use scrap and sponge iron or a mix of both as raw materials to produce steel. This group also consists of processors and re-rollers of steel products.

Although, there are over 3,500 varieties of regular and special steel available, steel products can be broadlyclassified into two basic types according to their shape viz. flats and longs. Secondary producers primarily manufacture long products and some of the value added flat steel products like cold rolled steel and galvanized steel. All finished steel products are made from semi-finished steel that comes in the form of slabs, billets and blooms.



CATEGORYWISE PRODUCTION FOR SALE OF FINISHED GOODS

000 tonnes		2006	b-07			2007	7-08			200	8-09			200	9-10*		201	0-11* (A	pr-Dec 20	110)
Category																				
	Main	Other	IPT/Ow	Total	Main	Other	IPT/Ow	Total	Main	Other	IPT/Ow	Total	Main	Other	IPT/Ow	Total	Main	Other	IPT/Ow	Total
	Prods.	Prods.	n Cons.		Prods.	Prods.	n Cons.		Prods.	Prods.	n Cons.		Prods.	Prods.	n Cons.		Prods.	Prods.	n Cons.	
1. Non Flat Products																				
Bars & Rods	5161	13650		18811	5313	14875		20188	5186	15241		20427	5621	16696		22317	4224	13857		18081
Structurals	1104	3780		4884	1003	4040		5043	935	4431		5366	822	4380		5202	592	3528		4120
Rly. Materials	918	120		1038	951	135		1086	1012	170		1182	862	179		1041	666	139		805
TOTAL (Non flat)	7183	17550	0	24733	7267	19050	0	26317	7133	19842	0	26975	7305	21255	0	28560	5482	17524		23006
2. Flat Products																				
Plates	2450	892		3342	2688	1369		4057	2498	1506		4004	2521	1458	2	3977	1898	1145	3	3040
HR Coils/Skelp/Strips	4526	8464	1809	11181	4707	8977	2010	11674	4577	9633	3043	11167	4884	10278	3717	11445	3644	7835	2798	8681
HR Sheets	292	411		703	302	455		757	277	338		615	283	342	22	603	192	255	27	420
CR Sheets/Coils/Strips	1936	5511	3125	4322	1891	5560	3012	4439	1657	5941	2983	4615	1761	5797	1822	5736	1290	4643	1383	4550
GP/GC Sheets	813	3578		4391	729	3652		4381	711	3843		4554	765	3705		4470	489	2914		3403
Elec. Sheets	76	72	5	143	81	78		159	71	75		146	79	87		166	58	75		133
Tinplate	17	155		172	15	168		183	19	182		201	18	192		210	6	168		174
TMBP	9	11	11	9		6		6		4		4				0				0
Tin Free Steel		2		2				0		6		6				0				0
TOTAL (Flat)	10119	19096	4950	24265	10413	20265	5022	25656	9810	21528	6026	25312	10311	21859	5563	26607	7577	17035	4211	20401
3. Pipes	88	1110		1198	85	1250		1335	77	1788		1865	60	1576		1636	57	1315		1372
TOTAL (Fin. Carbon Steel)	17390	37756	4950	50196	17765	40565	5022	53308	17020	43158	6026	54152	17676	44690	5563	56803	13116	35874	4211	44779
Fin. Alloy/Stainless Steel	224	2291	182	2333	255	2767	255	2767	196	3071	255	3012	224	2875	210	2889	173	2563	219	2517
TOTAL FINISHED STEEL	17614	40047	5132	52529	18020	43332	5277	56075	17216	46229	6281	57164	17900	47565	5773	59692	13289	38437	4430	47296

^{*}Provisional

Source: Ministry of Steel Annual Report 2010-11

Types of Steel

Steel is an iron based mixture containing two or more metallic and/or non metallic elements usually dissolving into each other when molten. There are broadly two types of steel according to its composition: alloy steel and non-alloy steel. Alloying steel is produced using alloying elements like manganese, silicon, nickel, chromium, etc. Non-alloy steel has no alloying component in it except that are normally present such as carbon. Non-alloy steel is mainly of three types viz. mild steel (contains upto 0.3% carbon), medium steel (contains between 0.3-0.6% carbon) and high steel (contains more than 0.6% carbon). All types of steel other than mild steel are called special steel. It is mainly because a special care is taken in order to maintain particular level of chemical composition in such steel. This process gives different properties to the steel according to its composition. In India, non-alloying steel constitutes about 95 percent of total finished steel production, and mild steel has large share in it. (Source: Indian Steel Industry report by Indicus Analytics for Competition Commission of India)

According to shape/size/form steel is categorised into different types such as liquid steel, ingots, semis (semi-finished steel) and finished steel. Liquid steel is a first product that comes out from Steel Melting Shop. Liquid steel further goes into ingots, and then ingots advance to semis. Semis are called semi-finished steel products because they are further subject to forging/rolling in order to produce finish steel products such as flat steel products and long steel products.

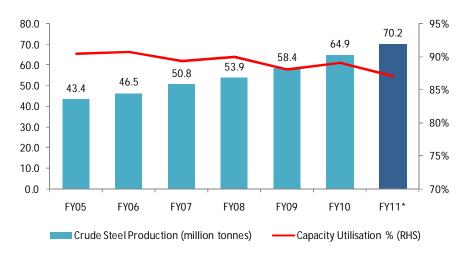


Production, Consumption and Growth of Steel in India

Crude Steel production in the country rose from 43.4 million tonnes in FY 2005 to 70.2 million tonnes in FY 2011 registering a CAGR of 8.3 per cent (Source: JPC). During the period April to August in FY 2012, crude steel production has further increased by 4.1 per cent to 29.9 million tonnes. (Source: Worldsteel Association)

The growth was driven by capacity expansion of Crude Steel from 47.99 million tonnes per annum (MTPA) in 2004-05 to 80.6 MTPA as on March 2011. (Source: India's Joint Plant Committee - JPC)

Crude Steel Production and Capacity Utilisation Trend in India



Source: JPC, Steel Ministry Annual Report

India's total finished steel (alloy and non alloy) production for sale has increased from 43.51 million tonnes in FY 05 to 65.9 million tonnes in FY 11, registering a CAGR of 7.2 per cent. During the same period, finished steel consumption has grown at an incremental CAGR of 10.2 per cent from 36.37 million tonnes in FY 05 to 65.19 million tonnes in FY11.

During the period April- July in FY 12, finished steel production was 22.6 million tonnes, a growth of 7.9 per cent. During the same period steel consumption grew by 1.6 per cent to 22.16 million tonnes. (Source: JPC Provisional)

With growth in production for sale lagging behind consumption growth, India has turned into a net importer of finished steel in 2007-08. Exports have also declined to ensure greater domestic availability.

Year	Total	Total Finished Steel (alloy + non alloy)									
000 tonnes	Production for sale	Import	Export	Consumption	Growth						
FY05	43,513	2,293	4,705	36,377							
FY06	46,566	4,305	4,801	41,433	13.9%						
FY07	52,529	4,927	5,242	46,783	12.9%						
FY08	56,075	7,029	5,077	52,125	11.4%						
FY09	57,164	5,841	4,437	52,351	0.4%						
FY10	60,624	7,382	3,251	59,339	13.3%						
FY11*	65,935	6,540	3,358	65,195	9.9%						

Source: Ministry of Steel Annual Report 2010-11, JPC

Steel - Non-Flat (Long) Products

^{*} provisional figures



Non-Flat Steel products production has grown at a CAGR of 7% over last 5 years from 22.13 million tonnes in FY 2006 to 30.99 million tonnes in FY 2011. Bars & Rods comprise major share of non-flat production in India. During FY 2011, Bars & Rods production was 24.37 million tonnes ie. 78.6% of total non-flat production in India.

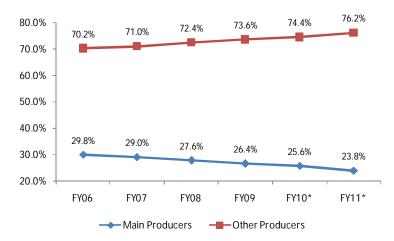
Non- Flat (Long) Products - Category-wise production

in '000 tonnes	FY06	FY07	FY08	FY09	FY10	FY11*	5 years CAGR
Bars & Rods	16,636	18,811	20,188	20,427	21,770	24,368	7.9%
Structurals	4,484	4,884	5,043	5,366	4,141	5,537	4.3%
Rly. Materials	1,013	1,038	1,086	1,182	1,041	1,094	1.6%
	22,133	24,733	26,317	26,975	26,952	30,999	7.0%
Growth %		11.7%	6.4%	2.5%	-0.1%	15.0%	

Source: Ministry of Steel Annual Report 2010-11

Share of main producers (SAIL, Tata Steel and Vizag Steel/RINL) in the production of non-flat products has been on a consistent decline from 29.8% in FY 2006 to 23.8% in FY 2011. So, growth of other producers has been higher than the overall industry trend.

Declining Share of Main Producers in Non-Flat Production



Source: Ministry of Steel Annual Report 2010-11 * provisional figures

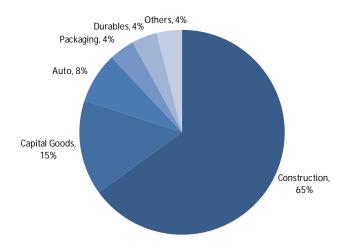
Demand Drivers

Steel is an essential commodity and is used as raw material in different industries driving the nation's economy. Steel finds applications in industries such as construction, real estate, automobiles, power & energy, oil & gas, railways, shipbuilding, industrial machineries & equipment, consumer durables and agricultural equipment.

^{*} provisional figures

SUPREME

Demand Split for India



Source: JPC, Ministry of Steel

Non-Flat Products Demand

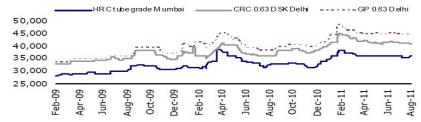
Construction sector in the country is the largest consumer of steel. Construction industry includes housing, industrial construction and also infrastructure. Infrastructure sector includes various subsectors like roads, ports, aviation and power etc. which consume different varieties of steel products. Construction sector mainly consumes long steel products like structurals, bars/rods and also galvanised products.

Flat Products Demand

Automobile industry predominantly consumes flat products i.e. Hot Rolled (HR) and Cold Rolled (CR) steel products. Demand for flat steel products in the country has increased with the growth in general engineering industry, pipe & tube industry and automobile industry. Other major steel consuming sectors are consumer durables sector and electrical equipment sector.

Price Trends in India





Weekly average price for long products (Mandi; INR/t)





Source: SteelPrices-India

Capacity Expansion in India

The National Steel Policy 2005 had projected consumption to grow at 7% based on a GDP growth rate of 7-7.5% and production of 110 million tonnes by 2019-20. These estimates will be largely exceeded and it has been assessed by government that, on a 'most likely scenario' basis, the crude steel production capacity in the country by the year 2012-13 will be nearly 110 MTPA from 75.46 MTPA as on 31st December 2010. (Source: Ministry of Steel Annual Report 2010-11)

The expansion and modernization programme of the Steel Authority of India Ltd. (SAIL) is underway at all its steel plants to enhance the hot metal production capacity. In phase-I the capacity would be rampedupto 23.46 million tonnes and the same would be increased to 26.18 million tonnes in phase-II. The currentphase of expansion and modernization is targeted to be completed by the financial year 2012-13.

In respect of RINL, expansion plan for increasing liquid steel capacity from 3.0 million tonne to 6.3 million tonne at an estimated cost of around 122.28 billion by 2011 is progressing as per schedule. Stage-I of theproject would be completed by March, 2011 and Stage-II by December, 2011.NMDC is also setting up a 3 MTPA Integrated Steel Plant at Nagarnar in Chhattisgarh. The environmental clearance forthe plant has been accorded by Ministry of Environment and Forests.

Industry Outlook

There is huge scope of growth in consumption in India as present per capita consumption of steel in the country is only around 54.9 kg against the world average of 206 kg in 2010. (source: WSA Steel Statistical Yearbook 2011). A study has been commissioned through the Joint Plant Committee (JPC) during the 2010-11 to estimate the per capita demand for iron and steel in the rural sector of India and to determine the factors that can contribute to its enhancement.

According to World Steel Association (WSA), world steel demand will grow by 5.3% in 2011 to reach a record 1340 million tonnes. During the same period, India's demand is expected to increase by 13.6%. India will become the third largest steel consuming country after China and the US in 2011 with demand for 68 million tonnes in 2011. Also, as per Government of India estimates India will become 2nd largest producer of crude steel by 2015-16 from 5th largest producer globally in 2010.



BUSINESS OVERVIEW

Overview

Supreme Alloys Limited (SAL) is the flagship company of the Supreme Group. SAL was incorporated on 9th October, 1989 and entered into steel melting and casting business in 1999. From a modest beginning in 1999 with production capacity of 6000 MT per annum, today SAL has three steel plants in NCR (National Capital Region), India manufacturing steel ingots, Thermo Mechanically Treated (TMT) Bars, Wire Rods and Drawn Wires. SAL executed a technology agreement in 2004 with SAL-Tempcore Inc., USA for manufacturing of TMT bars on the world's renowned Sal Tempcore technology. Products of the company are used in construction of multi storied buildings, dams, bridges, flyovers and other infrastructure and construction projects. Today SAL has a combined furnace and rolling mill capacity of around 140,000 MT tonnes per annum.

SAL acquired assets of M/s Golden Rathi Star Industries Limited (GRSIL) on November 04, 2010. The assets of GRSIL were assigned to Invent Assets Securitisation & Reconstruction Private Limited by Jammu & Kashmir Bank in accordance with the Securitisation and Reconstruction of Financial Assets and enforcement of Security Interests (SARFAESI) Act. The total aggregate investment of `350 Million was made towards acquisition and modernization of the rolling mill and the production capacity of the company has increased from 70,000 MT to 125,000 MT for manufacturing of TMT Bars and Wire Rods. The Company has entered into an Wet Leasing agreement with Steel Authority of India (SAIL) for a period of three years with effect from June 28, 2010 for supply of TMT Bars of various sizes and RMD I of the Company is exclusively dedicated for the production of TMT Bars for SAIL. Further Company has also entered into a supply agreement dated April 01, 2011 with ESSAR Steel Limited to manufacture and deliver steel TMT bars after embossing the trade mark "ESSAR STEEL TMT".

SAL belongs to a prominent and well respected family in the steel industry. The Directors function under the able guidance of the Founder Chairman, Mr. M L Arora. He has been President of "Ghaziabad small scale Industries Association" for the past 28 years. Today, SAL is managed by Mr. J K Arora, Vice Chairman and Managing Director, whose strong leadership skills has been backed by his years of study, research and interactive sessions with the best minds in the business. He is today recognized as a face of the secondary steel industry through his representation on key forums as president of association of Secondary Steel Manufacturers and past president of All India Induction Furnace Association. Mr. Sahil Arora looks after production as well as marketing related activities of the Company.

SAL is constantly striving towards excellence and has been a supplier to many of the largest business houses as well as Defence and government organizations including the likes of Steel Authority of India (SAIL), ESSAR Steel Limited, Ambuja Cement Limited, Wipro Limited, HCL Technologies Limited, Military Engineering Services, Delhi Metro and Rail Corporation, Delhi International Airport Limited, NHAI, CPWD, PWD, IOC Refinery, UP BridgeCorporation, Arcelor Mittal-HPCL(Bhatinda Refinery), Delhi Development Authority, Maritime Accomodation Projects (MAP) and leading private real estate developers such as Unitech, DLF Limited, AnantRaj Industries, Eros Group, Parsvnath Limited, Ansal Group, Omaxe Limited, Supertech Limited, Jai Prakash Associates, Emaar MGF Limited, Orchid Limited, BPTP Limited etc.

SAL has three modern manufacturing plants in NCR (National Capital Region), India:

- a) One mini steel plant with a melting capacity of 15,000 MT per annum.
- b) A rolling mill setup in 2004, having annual production capacity of 70,000 MT, for manufacture of TMT Bars to be used in construction steel with the technical expertise of SAL Tempcore Inc., USA and at present the company has an agreement to produce TMT bars exclusively for India's top steel producer Steel Authority of India Limited to cater to the needs for steel at various stations in northern India.
- c) A rolling mill recently acquired for manufacturing TMT bars to cater to the needs of the vast network of "TMTSAL®" branded TMT bars and have an annual production capacity of 55,000 MTPA.

There is no better proof of the technological superiority of the process used by us than the fact that Steel Authority of India Limited (SAIL), India's premier and largest steel manufacturing unit handed out a contract to manufacture TMT bars under their brand name "SAIL TMT" for the next 3 years (extendable upto 1 years subject to condition) beginning 16th June 2010 to cater to the demands of market of North India. Full capacity of RMD I is exclusively



dedicated for production of 8 mm to 32 mm diameter TMT bars. SAIL guarantees minimum utilization of 75% of the leased capacity and contract is extendable by one year.

The Compamy has entered into supply agreement with another large Indian Steel company – Essar Steel Limited, to manufacture and deliver steel TMT bars after embossing the trade mark 'Essar Steel TMT". Agreement is for one year beginning 1st April 2011 to supply 12,000MT (+/- 10% acceptable) of Essar Steel TMT rebars.

Plant Location

Description of Plant	Address	Products and Capacity						
Rolling Mill Division I (RMD	AN 28-33, CN 112-132, M G	TMT Bars with capacity of						
1)	Road, UPSIDC Industrail Area,	70,000 MTPA						
	Ghaziabad, U.P.							
Rolling Mill Division II (RMD	575-576 Dujana Road, Distt.	TMT Bars with capacity of						
II)	GautamBudh Nagar, U.P.	55,000 MTPA						
Furnace Division	C-232, B.S. Road Industrial	M.S. Ingot, Sugar Mill Machinary						
	Area, Ghaziabad, U.P.	Parts, Rolling Mill Machinery						
		parts, C.I and Alloy Steel						
		Casting, Drawn Wires - 15,000						
		MTPA.						

PLANT AND MACHINERY

The Company is proposing to purchase new plant and machinery for the expansion plan through this issue. For details of the plant and machinery required to be brought for the proposed expansion kindly refer to the para on "Plant and Machinery" in section "Object of the Issue" on page 41 of this Draft Red Herring Prospectus.

MANUFACTURING PROCESS AND TECHNOLOGY

I. TMT BARS

TMTSAL®, the new generation high strength ribbed reinforcement bar, is a product from SAL made from SAL TEMPCORE technology USA. It is different from traditional bars in its method of manufacturing and consequently, the properties achieved which conforms to all national and international standards.

PROCESS

The Tempcore process is the best process for the production of high quality Rebars because it replaces costly alloy elements like Vanadium and Niobium with low cost raw material. Steel billets are heated in a Reheating Furnace and rolled through a sequence of rolling stands, which progressively reduce the billet to the final size and shape of the reinforcing bar. Unlike other TMT bar manufacturing processes, SAL tempcore process requires quality checks from the stage of manufacturing of raw material to ensure the desired results and properties in the TMT rebars produced.

Melting Stage

At this stage the direct reduced iron (D.R.I.) is melted in a furnace and thereafter refined with other alloys like carbon, manganese and silicon to produce Ingots of desired chemical composition to ensure the quality and purity of steel.

Reheating Stage

The Ingots/ billets are then heated in a micro processor based PLC controlled hearth furnace which ensures the homogeneous heating of the Ingots/billets. This ensures that the behavior of the ingot on rolling remains uniform when subjected to the stresses of rolling.

Rolling Stage



The Raw material after being heated in the furnace is made to go through the mill where the reduction of size takes place till the final stand where it is given the desired shape and size.

Quenching Stage:

As soon as it leaves the final mill stand, the product is rapidly and energetically cooled from 1000°C to the optimal temperature in a completely computerized and automated quenching box made with SAL TEMPCORE technology, where it undergo a uniform surface hardening treatment to form a very hard "martensitic" layer which provides the steel its high strength along with adhesive layering for concrete.

Tempering Stage:

The rebar leaves the quenching box with a temperature gradient through its cross section, the temperature of the core being higher than that of the surface. This allows heat to flow from the core to the surface, resulting in tempering of the surface, giving a structure called 'Tempered Martensite' which is strong and tough. The core is still austenitic at this stage

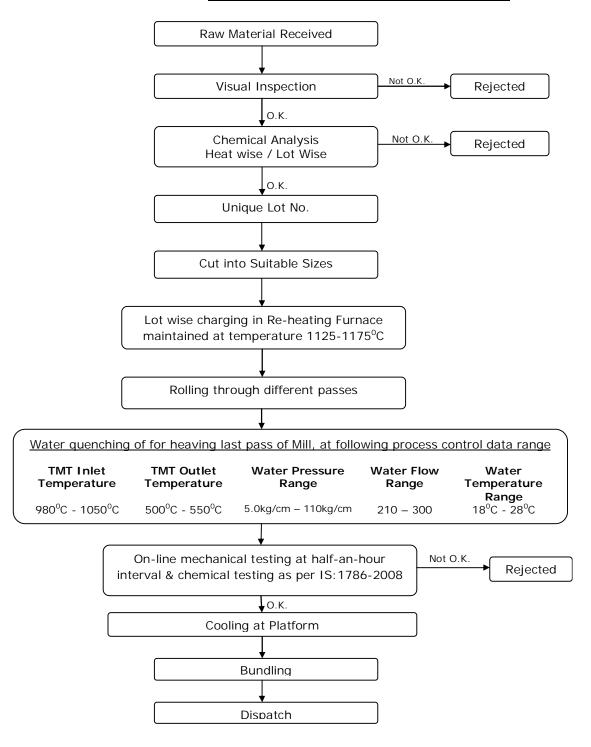
Final Cooling stage:

The fifth stage takes place while the product lies on the cooling bed where the bar is subjected to normal air cooling down to ambient temperature on the cooling bed, where the austenitic core is transformed to a ductile ferrite-pearlite core. Thus, the final structure consists of a combination of strong outer layer of tempered martensite and a ductile core of ferrite-pearlite.

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PROCESS FLOW CHART OF TMT BARS





QUALITATIVE ADVANTAGES OF TMTSAL® OVER NON-CONFIRMING BARS

TMTSAL® is made from the revolutionary technology from SAL TEMPCORE Inc. USA which places it ahead of its competitors in terms of:

- High weldability which is accompanied by an increase in strength of TMTSAL®.
- Excellent formability due to uniform elongation. (Bend 1D and Rebend 4D).
- No loss of strength up to 500°C making it immune to fire hazards.
- Highly ductile and high fatigue strength making it most suited for earthquake resistant structures and foundations as per international codal practices.
- Corrosion resistance because of a protective layer on the surface.
- Excellent bond strength which is a result of a specially designed rib pattern and the adhesive coating. The ribs are cut by automated milling machines which produce uniform and concrete ribs and separates TMTSAL® from the rest
- Excellent features of ductility and bendability save fabrication at sites and also enables the use of pre-welded meshes at the site, hence excellent workability.

TMTSAL® is produced by the superior technology of SAL TEMPCORE Inc. in a fully automated high speed mills with producing speed of up to 20 m/s. Also, the steel used to produce TMTSAL® is of superior quality and has desired composition as the company has its own raw material sources along with the best combination of induction furnaces; PLC controlled oil fired furnaces and internationally accepted and proved systems to provide the customers with consistent and predictable quality product.

The mill has a 3 zone soaking cum heating hearth furnace which is controlled by microprocessor based PLC controllers which ensures the uniform soaking and heating of the billet which thereby ensures the predictable behaviours of the billet once it passes the stands. The mill is a repeater based mill. TMTSAL® is produced by the stat-of-the-art computer controlled quenching box made from the technical know how from SAL TEMPCORE Inc. USA which gives the TMT the desired and uniform quenching to produce steel of the desired yield strength and elongation and maintains the level required automatically.

TMTSAL® conforms to all international and national standards and guarantees the best possible combination of chemical composition and physical properties which is maintained by strict quality control at each and every stage of production. Because of their unique method of manufacture, TMTSAL® bars possess a combination of strength and ductility that is far in excess of the minimum limits specified in the new grade of Fe500D in the standard IS:1786:2008. In case of yield strength for TMTSAL®, though the standard specifies 500N/mm2 and designers use this value for design, the typical values are as high as 530 N/mm2. For the same product, the typical value of ductility as measured by elongation is 19% minimum as against the standard value of 16%minimum. Undoubtedly, this ductility is a guarantee of higher levels of safety. The new standards Fe500D, introduced were to separate the products made from the best processes from so many products present in the market. For quantifying this difference, BIS introduced the parameters of "Total elongation" in the scheme of testing. This was introduced to decipher how much the bar shall stretch before it break and was set at 5% of the base length. This parameter was introduced keeping in mind the conditions the structure goes through during an earthquake as the movement of the complete structure leads to the elongation in the TMT bars. When put to the test, it was observed that TMTSAL® TMT bars showed a minimum elongation of 7% in higher diameters of 25mm, 28mm and 32mm and as high as 9% in smaller diameter of 20mm, 16mm, 12mm, 10mm and8mm as against the prescribed level of 5% as per BIS and International Standards.

Bond Strength

The rib pattern of TMTSAL® bars has been specially designed to ensure that excellent bond strength exists between the bar and the surrounding concrete. The ribs are cut by automated milling machines which produce uniform and concrete ribs. Also, TMTSAL® has a coating which increases the adhesion between the concrete and steel hence ensuring greater life of the structure.

While the specification stipulates that bond strength should be 40% higher than that of Mild Steel plain bars, TMTSAL® has values which are 100-200% higher than those of Mild Steel Bars.



Bending

The tough outer surface and ductile core of TMTSAL® results in a rebar with excellent values of bendability. The bar can be bent around mandrels much smaller than those specified in IS:1786. This has obvious advantages at construction sites.

Weldability

TMTSAL® due to its low carbon equivalent has a weldability which is superior to conventional cold twisted bars. It can be butt-welded or lap welded using ordinary rutile coated electrodes of matching strength and provide extra strength to the rebar. In manual arc welding no pre warming or post heat treatment is necessary.

Corrosion Resistant Characteristics

TMTSAL is produced by thermo-mechanical treatment and not by cold twisting. Therefore, there are no torsional residual stresses in the bar, which result in superior corrosion resistance.

Seismic Resistance Properties

Studies were conducted on concrete beam column joints reinforced with rebar made from SAL TEMPCORE Inc. technology to evaluate the performance of the rebar under repeated reversed loading with inelastic strains as would be encountered during an earthquake. The energy dissipation was found to be almost same for each cycle; indication uniformly maintained ductility till failure. The tests revealed superior seismic resistance properties for TMTSAL.

II. MILD STEEL (MS) INGOTS

We also manufacture MS Ingots mainly for captive consumption.

To manufacture Mild Steel Ingots, SAL purchase M.S. Scrap from open market, Imported Scrap mainly from Middle East market and Sponge Iron from local manufacturer.

The required quantities of iron scrap, metals and sponge iron are charged into the furnace with the help of EOT cranes. The furnaces are medium frequency essentially consisting of a power source, a coil, refractory lining, housing for coil in the lining and crucible.

The process consists of charging the furnace with scrap and then inducing a much heavier secondary current in the charge, which result in heating the metal charge by resistance. Any slag formed on the top of the surface of the molten metal is removed before superheating or alloying. Shallow spoons, covered with graphite are used for this operation.

The top of the furnaces are provided with MS hood with ducting and connected to induce draft fan to remove any small quantities of gases produced during the melting and sent to scrubbing system. Since these are electric furnaces, the fumes generation from them is very less.

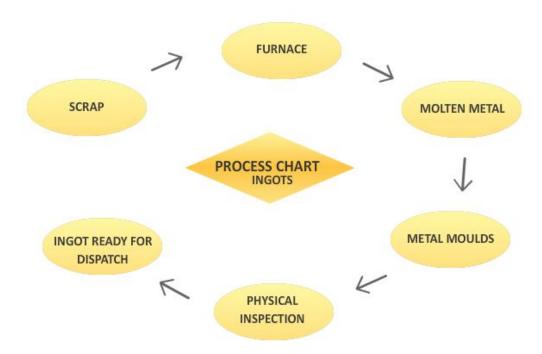
When the required temperature is attained the furnace is tilted with the help of a hydraulic system and the molten metal is poured in to the cast iron ingot moulds kept prepared in the pouring pit.

The sample is taken for analyzing in chemical laboratory to check the composition. Ferro Alloys and other materials are added to bring the composition of the final products. The ingots are then striped out of the moulds with the help of crane, allowed to cool, stacked and them dispatched.

The induction furnaces are cooled by circulating water through cooling coils inside the furnace. Fresh water is added in to cooling water sump to compensate the evaporation losses.



PROCESS FLOW CHART FOR MS INGOTS



III. Wire Drawing Process

The company has also recently setup two PLC controlled AC Drive driven 7 block wire drawing production line along with two PLC Controlled AC drive Driven 3 block wire drawing lines having the capacity to produce 1000 MT of quality Wires ranging from 11.9mm to 1.9mm per month. Because of the presence of our in house steel melting unit and a wire rod manufacturing facility, company does not need to depend on an external supply chain.

Wire drawing is a metalworking process used to reduce the cross-section of a wire by pulling the wire through a single, or series of, drawing die(s). Drawing is usually performed at room temperature, thus classified a cold working process which is used to manufacture precision wires for various steel products.

The wire is initially prepared by shrinking the beginning of it, by hammering, filing, rolling or swaging, so that it will fit through the die; the wire is then pulled through the die. As the wire is pulled through the die, its volume remains the same, so as the diameter decreases, the length increases. Usually the wire will require more than one draw, through successively smaller dies, to reach the desired size. This can be done on a small scale with a draw plate, or on a large commercial scale using automated machinery. The process of wire drawing improves material properties due to cold working.

WIRE DRAWING PROCESS

The areal reduction of small wires is 15–25% and larger wires are 20–45%. Very fine wires are usually drawn in bundles. In a bundle, the wires are separated by a metal with similar properties, but with lower chemical resistance so that it can be removed after drawing. If the reduction in diameter is greater than 50%, the process may require annealing between the processes of drawing the wire through the dies. Commercial wire drawing usually starts with a coil of hot rolled 9 mm diameter wire. The surface is first treated to remove scales. It is then fed into either a single block or continuous wire drawing machine.



Single block wire drawing machines include means for holding the dies accurately in position and for drawing the wire steadily through the holes. The usual design consists of a cast-iron bench or table having a bracket standing up to hold the die, and a vertical drum which rotates and by coiling the wire around its surface pulls it through the die, the coil of wire being stored upon another drum or "swift" which lies behind the die and reels off the wire as fast as required. The wire drum or "block" is provided with means for rapidly coupling or uncoupling it to its vertical shaft, so that the motion of the wire may be stopped or started instantly. The block is also tapered, so that the coil of wire may be easily slipped off upwards when finished. Before the wire can be attached to the block, a sufficient length of it must be pulled through the die; this is effected by a pair of gripping pincers on the end of a chain which is wound around a revolving drum, so drawing the wire until enough can be coiled two or three times on the block, where the end is secured by a small screw clamp or vice. When the wire is on the block, it is set in motion and the wire is drawn steadily through the die; it is very important that the block rotates evenly and that it runs true and pulls the wire at a constant velocity, otherwise "snatching" occurs which will weaken or even break the wire. The speeds at which wire is drawn vary greatly, according to the material and the amount of reduction.

Continuous wire drawing machines differ from the single block machines in having a series of dies through which the wire passes in a continuous manner. The difficulty of feeding between each die is solved by introducing a block between each die. The speeds of the blocks are increased successively, so that the elongation is taken up and any slip compensated for. One of these machines may contain 3 to 12 dies. The operation of threading the wire through all the dies and around the blocks is termed "stringing-up". The arrangements for lubrication include a pump which floods the dies, and in many cases also the bottom portions of the blocks run in lubricant.

Often intermediate anneals are required to counter the effects of cold working, and to allow further drawing. A final anneal may also be used on the finished product to maximize ductility and electrical conductivity.

Lubrication

Lubrication in the drawing process is essential for maintaining good surface finish and long die life. The following are different methods of lubrication.

Wet drawing: the dies and wire or rod are completely immersed in lubricant

Dry drawing: the wire or rod passes through a container of lubricant which coats the surface of the wire or rod

Metal coating: the wire or rod is coated with a soft metal which acts as a solid lubricant

Ultrasonic vibration: the dies and mandrels are vibrated, which helps to reduce forces and allow larger reductions per pass Various lubricants, such as oil, are employed. Another lubrication method is to immerse the wire in a copper (II) sulphate solution, such that a film of copper is deposited which forms a kind of lubricant. In some classes of wire the copper is left after the final drawing to serve as a preventive of rust or to allow easy soldering.

Mechanical Properties

The strength-enhancing effect of wire drawing can be substantial. The highest tensile strengths available on any steel have been recorded on small-diameter cold-drawn austenitic stainless wire. Tensile strength can be as high as 400 ksi (3760 MPa).

Collaborations, any performance guarantee or assistance in marketing by the collaborators:

SAL has executed a technology agreement dated 24th December, 2004, with SAL-Tempcore Inc., a company incorporated in Delaware (USA). As per the agreement, SAL-Tempcore shall provide complete technical know-how along with logistic support to produce TMT Rebar's and in case of requirement shall support with their technical staff to implement the complete process and to stabilize the production of quality TMT Rebar's as per international standards. SAL shall be free to use the know-how/technology in its own plants as well to provide technology to other plants situated only in Asia. Licensing Certificate was issued to the company on June 03, 2005 which is valid for a period of 10 years.

The details of the agreement are mentioned on page 100 of this Draft Red Herring Prospectus.

Certain brief details about SAL-Tempcore Inc. are:



Place of registration	Delaware, USA
Commencement of business	29.01.2004
Paid up share capital	Not Available
Turnover of last financial year	Not Available
Profile of Company	Sal Tempcore Inc. provides technology to Rebar manufacturers across the world in the field of automated Thermo Mechanical Treatment (Controlled Quenching) Process and helps implement and Maintain quality control Systems to achieve replicated results.

Raw Material

The major raw material required is MS Ingots for rolling mill division and Scrap and Sponge Iron for furnace division.

Monthly requirement of MS Ingots is in the range of 5000-6000 MT and SAL manufacture 30% of Ingots in house in its unit located at C-232, Bulanssahar Road, Industrial Area, Ghaziabad, U.P. Balance of it is sourced from local markets and also from inter-state suppliers from Raipur, Chamba, Agra, Bhiwadi etc.

Furnace Oil is mainly sourced from BPCL, Mathura.

Scrap Metal for furnace division is sourced from various local dealers and also imported mainly from Middle East region.

Sponge Iron is sourced from Bilaspur, Orissa and Satna.

POWER

Our power requirement is met through supplies from Uttar Pradesh Power Corporation Limited (UPCCL). Facilitywise sanctioned load is:

S No.	Facility	Sanctioned Load
1	Rolling Mill Division I M.G. Road	2000KVA
2	Rolling Mill Division II Dujana	2000KVA
3	Furnace Division Industrial Area, Ghaziabad	3800KVA

WATER

The use of water in Furnace unit is for cooling of induction furnace. The water is recycled through installed Cooling Tower and wastage per production day comes to around 2 kilo litres.

In rolling mill units water is used to cool the finished TMT bars i.e. it is used in quenching box. Consumption of water in rolling mill units comes to around 4 kilo litres per production day.

Water is sourced from bore well within the factory premises. Water is recirculated and re-used.

EFFLUENT TREATMENT

At the production plant, the use of a coal based Gas plant technology lowers the emissions of green house gases to the tune of 99% helping in reducing burden on the environment. The presence of an ultra modern pollution control systems at the melting facilities and the use of environmentally friendly reheating sources shows the companies efforts to reduce its burden on the environment.



MANPOWER

The present strength of SAL is around 220 employees.

INSURANCE

The Details of Insurace policies are as follows:

S. N O.	POLICY NO.	POLICY TYPE	INSURANCE DETAILS	SUM ASSURED (`in Lacs)	PREMIUM PAID	POLICY START DATE	POLICY END DATE
1.	272500/48/20 11/2225	BURGLARY- STANDARD POLICY	To insure STOCK, & MACHINERY located at Plot No. 575- 576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh	2600.00	74936/-	16.11.2010	15.11.2011
2.	272500/11/20 11/386	STANDARD FIRE & SPECIAL PERILS POLICY	To insure STOCK, BUILDING, PLANT & MACHINERY for its unit located at Plot No. 575- 576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh	3000.00	235766/-	16.11.2010	15.11.2011
3.	250602/11/11 /11/00000375	STANDARD FIRE & SPECIAL PERILS POLICY	To insure STOCK, BUILDING, PLANT & MACHINERY located at C- 232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad	402.75	26099/-	02.09.2011	01.09.2012
4.	250602/46/11 /04/00000403	BURGLARY BP POLICY	To insure STOCK, & MACHINERY f located at AN-28-33, CN 112-132, Masoori	826.00	22777/-	02.09.2011	01.09.2012



			Gulaoti Road, UPSIDC Industrial Area, Ghaziabad				
5.	250602/46/11 /04/00000404	BURGLARY BP POLICY	To insure STOCK, & MACHINERY located at C- 232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad	800.00	15129/-	02.09.2011	01.09.2012
6.	250602/11/11 /11/00000376	STANDARD FIRE & SPECIAL PERILS POLICY	To insure STOCK, BUILDING, PLANT & MACHINERY located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad	900.00	43431/-	02.09.2011	01.09.2012
7.	413203209	Life Maker Unit Linked Investment Plan	Maturity or Death of Life Insured	50.00	374560.17/-	23.06.2005	23.06.2030

PROPERTY

A. Properties owned by Company:

1	Sale Certificate	Certificate of Sale dated November 04, 2010 executed by Invent Assets Securitisation & Reconstruction Private Limited in favour of Supreme Alloys Limited
	Property	Khasra No. 569, 571,575-576, Village Bisnooli;
		Khasra No. 58 and 62-66 Village Achheja; Dujana Road, Dadri, G.B. Nagar admeasuring 43241 sq yrds along with Building, Plant and Machinery installed thereof etc.
	Stamp Duty	` 101.55 Lacs
	Consideration	` 2031 Lacs
	Registration	Registered at the office of Sub-Registrar, Dadri
	Liabilities, if any	Nil
	Purpose	Rolling Mill Division II of the Company



B. Intellectual Property Rights

The Company is registered proprietor of the following Trade Marks:

- 1. Issued under Class 6 (Angel, Joist Channel, Cold Twisted Deformed, Steel Bars, Ribar and other Steel, Strips, Steel Sheets, Steel Tools, Steel Alloys, Steel Pipes and Steel Plates included in class 6)
 - (a) 'REBAR' registered on January 18, 2007 vide certificate no. 592168.
 - (b) 'JKTOR' registered on January 21, 2006 vide certificate no. 513225.
 - (c) 'TORSAL' registered on October 28, 2006 vide certificate no. 575220.
 - (d) 'JKTMT' registered on October 27, 2005 vide certificate no. 454114.
 - (e) 'TMTSAL' registered on December 14, 2007 vide certificate no. 658968.
- 2. Issued under Class 19 (Building materials; non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monument, not of metal)
 - (a) 'SAL' registered on March 31, 2009 vide certificate no. 824641
- 3. Issued under Class 8 (Hand Tools and Implements)
 - (a) 'SAL' registered on March 30, 2010 vide certificate no. 862786

Apart from above, Company has also applied for the registration of logo 'SAL' with the Trademark Registry, New Delhi vide application dated August 07, 2006 under class 6. The application is pending as on date.

All the Trademarks are registered in the name of Supreme Alloys Private Limited (now "Supreme Alloys Limited") and the Company is in the process of applying for change of its name as Supreme Alloys Limited with the respective authority.

C. Properties on Lease

1	Lease Deed	Lease Deed dated June 11, 2003 executed between U.P.State Industrial Development Corporation Limited, and M/s Supreme Alloys Limited (formely known as "Supreme Alloys Pvt. Limited")
	Property	Plot no. An-28 to An-33 and Cn-112 to Cn- 122, Masoori Gulaoti Road, Ghaziabad Industrial Area, Ghaziabad admeasuring 19129 sq mtrs.
	Period	90 (Ninety) years from May 20, 2003.
	Rent	At the rate ` 2,000 per hectare per year during the first thirty years, at the rate ` 5,000 per hectare per year during the next thirty years after the expiry of first thirty years, and at the rate ` 10,000 per hectare per year during the next thirty years after the expiry of first sixty years.

2	Lease Deed	Lease Deed dated February 22, 1990 executed between U.P.State Industrial Development Corporation Limited and M/s Supreme Alloys Limited (formely known as "Supreme Alloys Pvt. Limited")
	Property	Plot no. C-232, Site No. 1 BulandSahar Road Industrial Area,



	Ghaziabad admeasuring 5608.00 Sq Yds.
Period	90 years from February 22, 1990.
Yearly Rent	` 193.00

3	Lease Deed	Lease Deed dated January 03, 2004 executed between U.P.State Industrial Development Corporation Limited and M/s Supreme Alloys Limited (formely known as "Supreme Alloys Pvt. Limited")
	Property	Plot no. Cn-123 to Cn- 132, Masoori Gulaoti Road, Ghaziabad Industrial Area, Ghaziabad admeasuring 5726.57 sq mtrs
	Period	90 years from August 16, 2003
	Rent	Starting from August 16, 2003 Yearly rent of ` 2000 per hectare per year during the first thirty years, `5000 per hectare per year during the next thirty years after the expiry of the first thirty years and ` 10000 per hectare per year during the next thirty years after the expiry of the first sixty years along with the following maintenance charges:
		For first 5 years : ` 2 per sq . mtr. p.a.
		For year 2002-2006: ` 4 per sq . mtr. p.a.
		For year 2007-2011: ` 6 per sq . mtr. p.a.
		For year 2012-2016: ` 8 per sq . mtr. p.a.

4	Lease Deed	Lease Deed dated September 20, 2004 executed between U.P.State Industrial Development Corporation Limited and M/s Supreme Alloys Limited
	Property	Plot no. AN-37 to AN-38, Masoori Gulaoti Road, Ghaziabad Industrial Area, Ghaziabad admeasuring 3420 sq mtrs.
	Period	90 years from March 11, 2004
	Rent	Yearly rent of ` 2000 per hectare per year during the first thirty years, ` 5000 per hectare per year during the next thirty years and after the expiry of the first thirty years ` 10000 per hectare per year during the next thirty years after the expiry of the first sixty years along with the following maintenance charges:
		For first 5 years : ` 2 per sq . mtr. p.a.
		For year 2002-2006: ` 4 per sq . mtr. p.a.
		For year 2007-2011: ` 6 per sq . mtr. p.a.
		For year 2012-2016: ` 8 per sq . mtr. p.a.

5	Rent Agreement	Agreement dated February 12, 2011 executed between M/s Kapco Enterprises and M/s Supreme Alloys Limited
	Property	B-7, WHS, Kirti Nagar, New Delhi
	Period	11 months w.e.f. February 01, 2011
	Rent	` 5000/- per month
	Interest Free Security Deposit	Nil



6	Rent Agreement	Agreement dated May 03, 2011 executed between M/s Ram Chand & Sons (HUF) and M/s Supreme Alloys Limited.
	Property	14/4, Mathura Road, Faridabad
	Period	11 months w.e.f. March 01, 2011
	Rent	` 5000/- per month
	Interest Free Security Deposit	Nil

7	Rent Agreement	Agreement dated June 09, 2011 executed between M/s Supreme Engineers and M/s Supreme Alloys Limited.
	Property	315, Mukund Nagar, Ghaziabad, U.P. (admeasuring 1400 Sq yrds)
	Period	11 months w.e.f. June 01, 2011
	Rent	` 5000/- per month
	Interest Free Security Deposit	Nil

In addition to above, the Company has been allotted Plot No. B-54, M. G. Road, Ghaziabad by U.P. State Industrial Development Corporation ("UPSIDC") vide their Letter No. 8258/SIDC/ROG/B-54 dated July 22, 2006. The Company has not yet taken the possession of land and the said land is also not been registered in the name of Company. The Company has not yet started construction on the said property and has been asking for extension of time for construction. The Company has vide its letter dated September 08, 2010 applied for change of name of the Company because of deletion of the word 'private' in the records of UPSIDC. In the event of failure of the Company to take possession of the plot and start construction of the factory building, UPSIDC may cancel their allotment and forfeit the amount deposited by the Company.

PRODUCTS AND ITS APPLICATION

We derive revenue primarily from sale of TMT bars. We also manufacture MS Ingots primarily for captive utilization as input for manufacturing TMT bars. We also have wire drawing manufacturing facility in our Furnace Division located at Industrial Area, Ghaziabad, UP for producing wire ranging from 11.9mm to 1.9mm using the wire rods produced in one of our rolling mills.

PRODUCT	APPLICATION
MS INGOTS	Raw material for manufacturing TMT Bars, Angles, Channels, Garders, T-Iron, Flats, Rounds,
Square.	
WIRE RODS	Manufacture of Drawn Wire and other Industrial Application
TMT BARS	Infrastructure & Construction projects
MS & ALLOY	Used in automobile, engineering, power transmission industry, fastners hardware, cycle parts,
STEEL WIRES	Earth Wires, Electrode Wires, Usage in Automobile Industry, Gun Shots, Tensile Wire, Rope
	Wire, Chain lock industry, Hardware, Fastners etc.

Product Specifications

Trademark: TMTSAL

Grade: TMTSAL Grade Fe 415, Fe 500 and Fe 550

Mechanical Properties of the product and comparison with Indian Standard



Mechanical properties	Indian standards (IS:1786)	American Standards (ASTM A 615)	European standards (DIN 488)	TMTSAL standards
Grade	Fe415	60 (420)	Bst 420-S	
Proof stress in N/mm²	415	420	420	425
Tensile strength in N/mm²	485	500	500	490
Elongation in%	14.5	14	10	17
Bend test	up to 22 mm - 3D	10 to 16 mm - 4D	6 to 25 mm - 4D	4D
Grade	Fe-500	75 (520)	Bst-500 S	
Proof stress in N/mm²	500	520	500	525
Tensile strength in N/mm²	545	620	550	620
Elongation in%	12	9	10	15
Bend test	up to 22mm - 4D	10 to 25 mm - 4D	6 to 25 mm - 5D	4D
Grade	Fe - 550	90 (570)	Bst 500 - M	
Proof stress in N/mm²	550	570	500	570
Tensile strength in N/mm²	585	690	550	690
Elongation in%	8	7	8	10
Bend test	up to 22mm - 5D	6 to 25 mm-5D	6D	5D

^{*} Technical specification may change without prior notice.

DETAILS ABOUT THE MARKET

a) Competition

Our main competitors are Kamdhenu Ispat Limited, Gallant Metal Limited and Surana Industries Limited.

b) Market Size, trends and outlook of key products:

There is no authentic data available for the same.

c) Approach to marketing and proposed marketing set up

Our company sells its products through retail outlets in National Capital Region (NCR) of India. We also have a strong network of sales distributors in NCR region. Besides the dealership network, we also have our own marketing team of highly experienced marketing personnel, for direct marketing of the products to the government, semi-government bodies and other corporate clients.

We have an enviable clientele - many of the largest business houses as well as Defence and government organizations including the likes of SAIL, Ambuja Cement Limited, Wipro Limited, HCL Technologies Limited, Military Engineering Services, Delhi Metro and Rail Corporation, Delhi International Airport Limited, NHAI, CPWD, PWD, IOC Refinery, UP Bridge Corporation, Arcelor Mittal, Bhatinda Refinery, DDA, Maritime Accomodation Projects (MAP) and leading private real estate developers such as Unitech, DLF Limited, AnantRaj Industries, Eros Group, Parsvnath Limited, Ansal Group, Omaxe Limited, Supertech Limited, Jai Prakash Associates, Emaar MGF Limited, Orchid Limited, BPTP Limited etc.

We market our TMT bars under the brand "TMTSAL $^{\otimes}$ ". Our key markets have been Uttar Pradesh, New Delhi, Haryana, Rajasthan, Uttarakhand and Punjab.

Production from one of our rolling mill (RMD I) is now dedicated to supplies only to SAIL, India's largest steel manufacturing company. We entered into a contract for wet-leasing arrangement with SAIL to manufacture TMT bars under their brand name "SAIL TMT" for the next 3 years (extendable upto 1 years subject to conditions) beginning 16th June 2010 to cater to the demands of market of North India. Full capacity of RMD I is exclusively dedicated for production of 8 mm to 32 mm diameter TMT bars. SAIL guarantees minimum utilization of 75% of the leased capacity.

We have entered into supply agreement with another large Indian Steel company – Essar Steel Limited, to manufacture and deliver steel TMT bars after embossing the trade mark 'Essar Steel TMT". Agreement is for one



year beginning 1st April 2011 to supply 12,000MT (+/- 10% acceptable) of Essar Steel TMT rebars. This will ensure 16% capacity utilization of the rated capacity of RMD II of the Company. Both Essar Steel as well as the Company are authorised to sell ESSAR STEEL TMT branded TMT in UP & NCR region through their selling arms.

d) **Export possibilities and export obligations:** We have no export obligations.

BUSINESS STRATEGY

- Increase utilization in RMD II: We recently acquired a rolling mill unit located at Dujana Road, Distt. Gautam Budh Nagar, Uttar Pradesh engaged in the manufacturing of TMT bars having an annual production capacity of 55,000 MT to cater to the needs of the vast network of "TMTSAL®". We sell our product in strong markets of New Delhi, Haryana, Uttar Pradesh, Rajasthan, Uttarakhand and Punjab. This will help us towards increase capacity utilization of RMD II in future. Further the company also plans to utilize the wire rods produced in house by setting up a wire drawing unit having production capacity of 72000 MT per annum, which will enhance product profile of the company.
- Manufacture higher value added products: After strengthening its roots in Indian construction steel market, we plan to manufacture other value added products. The automobile sector is the fastest growing sector and constantly requires quality galvanized and alloy wires for spokes, springs, wiper, arms, blades, auto cables, washers and circlips. The company has setup two PLC controlled AC Drive driven 7 block wire drawing production line along with two PLC Controlled AC drive Driven 3 block wire drawing lines at our unit located at C-232, Site No. 1, Buland Sahar Road, Industrial Area, Ghaziabad, U.P, having the capacity to produce 1000 MT per annum of quality Wires ranging from 11.9mm to 1.9 mm per month. Because of the presence of our in house steel melting unit and a wire rod manufacturing facility, company does not need to depend on an external supply chain for catering to the needs of the customers, which primarily includes lock industry based in Aligarh and nail manufacturers in Meerut.
- Improvement in production efficiency and cost rationalization: We have a coal based gas plant at RMD I located at AN 28-33, CN 112-132, M G Road, UPSIDC Industrail Area, Ghaziabad, U.P, with a capacity of apprx. 10 MT per hour. Company plans for technical upgradation of the facilities at its Rolling Mill Division I catering to the production of TMT bars for Steel Authority of India limited (SAIL) by undertaking the job of converting the reheating furnace located at the plant from Oil/Gassifire base to Natural Gas base along with other technical upgradations, which will reduce the consumption of furnace oil which in turns helps in cost reduction and less emission of pollutants in the air and in view of this, we have already entered into a spot gas supply agreement with GAIL for supply of Natural Gas to RMD I which will also help in curtailing the production cost. Supply of natural gas from GAIL is expected to commence from March 2012.

CAPACITY UTILISATION

EXISTING

Year	Installed Capacity	Production (MT per	% Utilization
	(MT per annum)	annum)	
2008-09			
RMD I	70,000	52840.515	75.50
RMD II	NA	NA	NA
Furnace Division	15,000	11974.825	79.83
2009-10			
RMD I	70,000	49987.755	71.41
RMD II	NA	NA	NA
Furnace Division	15,000	13433.455	89.56
2010-11			
RMD I	70,000	49246.250	70.35
RMD II	55,000	21543.950*	39.17
Furnace Division	15,000	10743.980	71.63



* The production of RMD II commenced in October 22, 2010, the total production as stated above i.e 21543.950 MTPA is for five months.

PROPOSED CAPACITY UTILISATION

Expansion in Existing Units

The Company expects that capacity utilization after the proposed modernization and expansion in existing unit i.e RMD II (Plot No. 575- 576 Dujana Road, GautamBudh Nagar, U.P) and setting up of drawing wire unit will be as under:

Particulars	2012-13	2013-14	2014-15
Installed Capacity(MTPA)			
RMD I	70,000	70,000	70,000
RMD II	1,29,000	2,03,000	2,03,000
Wire Rod & TMT	93,000*	131,000	131,000
Drawn Wire	36,000*	72,000	72,000
Furnace Division	15,000	15,000	15,000
Capicity Utilisation	85%	75%	75%

^{*} Commercial production in view of proposed project will commence w.e.f. October 2012.

With the proposed capacity expansion and through the proposed manufacturing process, there will be production of TMT Bars, Wire Rods and Drawing Wires.



KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Central/State Governments that are applicable to our Company in India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

ENVIRONMENT REGULATIONS

The Environmental Protection Act, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the inter-relationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Air (Prevention & Control of Pollution) Act, 1981

According to Section 21 of the of the Air (Prevention & Control of Pollution) Act, 1981, no person shall, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area. Further as per the provisions of Section 22 of the said act, no person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollution in excess of the standards laid down by the State Board under Clause 17(1)(g).

The Water (Prevention & Control of Pollution) Act, 1974

According to Section 25(1) of the Water (Prevention & Control of Pollution) Act, 1974, no person shall without the previous consent of the State Pollution Control Board, establish or take any steps to establish any industry, operation or process or any treatment and disposal system for any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land ("discharge of sewage") or bring into use any new or altered outlet for the discharge of sewage or begin to make any new discharge of sewage. Under Section 25(4), the State Pollution Control Board may grant its consent subject to certain conditions relating to the point, nature, composition, temperature, volume, rate, etc. of discharge of sewage, or refuse and for a specified period.

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 applies to handling of hazardous waste as specified in the Schedules. These rules supersede Hazardous Waste (Management and Handling) Rules 2003. The Rules specifies the procedure for handling hazardous waste, under which it mentions the responsibilities of the occupier, granting of authorization, power to suspend or cancel such authorization, rules regarding storage of such waste. The Rules also mention the procedure for recycling, processing and reuse of hazardous waste, import and export of hazardous waste, treatment, storage and disposal facility for hazardous waste, its packaging labeling and transport along with other miscellaneous provisions like records and returns, responsibilities of authorities, accident reporting and follow ups, liability of a transporter, occupier and importer etc.

FACTORY RELATED ACT(S)/REGULATION(S)

a. Factories Act, 1948

Every factory wherein 10 or more workers are working on any day of the preceding twelve months and manufacturing process is being carried on with the aid of power or wherein 20 or more workers are working on any day of the preceding twelve months and manufacturing process is being carried on without the aid of power is required to be registered under Factories Act, 1948 ("the **Factories Act**").

According to Section 7(1) of the Factories Act the occupier shall at least 15 days before he begins to occupy or use any premises as a factory, send to the Chief Inspector, a written notice containing particulars of the factory, its occupier, owner of premises, nature of manufacturing process, number of workers and such other information.

According to Section 7A, every occupier is required to ensure, so far as is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory. Every occupier shall prepare, and, as often may be appropriate, revise, a written statement of his general policy with respect to the health and safety of the workers at



work and the organization and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision thereof to the notice of all the workers in such manner as may be prescribed.

b. The Petroleum Act 1934 and The Petroleum Rules, 1976

The Petroleum Act 1934 (the "Petroleum Act") states the various provisions related to the Petroleum industry. The main object of the Act is to regulate the petroleum industry of the country. The Act provides for control over petroleum, testing of petroleum, penalties and procedure and supplemental provisions. Under control over petroleum the Act lays down detailed provisions on rules of import, transport and storage of petroleum, production, refining and blending of petroleum, Receptacles of dangerous petroleum to show a warning, licenses required for storage of petroleum products etc.

c. Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977

The Standards of Weights and Measures Act, 1976 (the "Act") aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. The Act and rules formulated thereunder regulate *inter alia* inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

LABOUR LAW RELATED LAWS

Employees' Provident Funds And Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme' and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

Employees State Insurance Act, 1948

Employees State Insurance Act, 1948 was introduced with object to provide for certain benefits to employees in case of sickness, maternity and "employment injury" and to make provisions for certain other matters in relation there to. It prescribes that contributions to the Employee Insurance Fund are to be made by the employer and the employee.

The Payment of Wages Act, 1936

The Payment of Wages Act, 1936 (the "Act") is enacted to regulate the period and payment of wages, overtime wages and deductions from wages and also to regulate the working hours, overtime, weekly holidays of certain classes of employed persons. The Act contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948, as amended, provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government.



Workman Compensation Act, 1923

The Workmen's Compensation Act, 1923 (the "WC Act") aims at providing financial protection to employees (for their dependents in the event of fatal accidents) by means of payment of compensation by the employers, if personal injury is caused to them by accidents arising out of and in the course of their employment. The WC Act makes it obligatory for the employers brought within the ambit of the Act to furnish, to the State Governments/Union Territory Administrations, annual returns containing statistics relating to the average number of workers covered under the Act, number of compensated accidents and the amount of compensation paid.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. This Act ensures that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or `100, whichever is higher.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered his long and meritorious service, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- a) On his/her Superannuation; or
- b) On his/her retirement or resignation; or
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

Industrial Dispute Act, 1947 provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit strikes and lock-outs, declaration of strikes and lockouts as illegal and provisions relating to lay-off and retrenchment and closure, Conciliation and adjudication of industrial disputes by; Conciliation Officers, a Board of Conciliation, Courts of Inquiry, Labour Courts, Industrial Tribunals and a National Industrial Tribunal.

INTELLECTUAL PROPERTY

Trademarks Act, 1999

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. Certification marks and collective marks are also registrable under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. However, the registration of a trademark that is not inherently distinctive on the basis of intent to use may be difficult to obtain.

Applications for a trademark registration may be made for in one or more international classes. The trademark, once applied for, is advertised in the trademarks journal. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961



Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 31st October of the Assessment Year .Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

The Customs Act, 1962

The Customs Act, 1962 (the "Customs Act") is to consolidate and amend the laws related to customs. The Custom Act provides that all importers must file a bill of entry or a cargo declaration, containing the prescribed particulars for a customs clearance. Additionally, a series of other documents relating to the cargo are to be filed with the appropriate authority. After registration of the bill of entry, it is forwarded to the concerned appraising group in the custom house. This is followed by an assessment by the assessing officer in order to determine the duty liability which is on the basis of statement made in the entry relating thereto and the documents produced and information furnished by the importer or exporter. Further, all imported goods are examined for verification of correctness of description given in the bill of entry. Post- assessment, the importer may seek delivery of the goods from the custodians.

Central Excise

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and also prescribes procedures for clearances from factory once the goods have been manufactured etc. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods.

Value Added Tax

Value Added Tax ("VAT") is a system of multi-point levy on each of the entities in the supply chain with the facility of set-off input tax whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is essentially a consumption tax applicable to all commercial activities involving the production and distribution of goods, and each State that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register themselves and obtain a registration number.

Sales Tax

The tax on sale of movable goods within India is governed by the provisions of the Central Sales Tax Act, 1956 or relevant state law depending upon the movement of goods pursuant to the relevant sale. If the goods move interstate pursuant to a sale arrangement, then the taxability of such sale is determined by the Central Sales Tax Act, 1956. On the other hand, when the taxability of an arrangement of sale of movable goods which does not contemplate movement of goods outside the state where the sale is taking place is determined as per the local sales tax/VAT legislations in place within such state.

Service Tax

Service tax is a tax levied on services rendered by a person and the responsibility of payment of the tax is cast on the service provider. It is an indirect tax as it can be recovered from the service receiver by the service provider in course of his business transactions. Service Tax was introduced in India in 1994 by Chapter V of the Finance Act, 1994. For the purpose of Service tax a service provider of taxable services is required to collect service tax from service recipient and pay such tax to the Government of India. The tax is levied on services and not on income or profits, thus carrying the tax to the point of consumption.



OTHER REGULATIONS

In addition to the above, the Company is required to comply with the provisions of the Companies Act, Stamp Act, 1899, Registration Act, 1908, Transfer of Property Act, 1882 various other legislations imposed by the centre or the state and other applicable statutes for its day-to-day operations.



HISTORY AND CORPORATE STRUCTURE OF OUR COMPANY

HISTORY AND MAJOR EVENTS

'Supreme Alloys Limited' was incorporated on October 09, 1989 under the Companies Act, 1956 as 'Supreme Alloys Private Limited' and received its Certificate of Incorporation from the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Company was subsequently converted into a public limited company on May 03, 2008 and received a fresh certificate of incorporation pursuant to the change in name. The Corporate Identity Number of the Company is U74899DL1989PLC037969. The Registered Office of the Company is situated at B-7, WHS, Kirti Nagar, New Delhi-110015.

The Company was set up in 1989 by the founder Chairman Mr. M L Arora. The company has grown from an indigenous single furnace in Ghaziabad to three steel plants in North India manufacturing steel ingots and thermomechanically treated (TMT) bars.

At present the Company has three manufacturing units in the state of Uttar Pradesh viz. Rolling Mill I (UPSIDC Industrial Area, Ghaziabad), Rolling Mill II (Dujana Road, Gautam Budh Nagar) and an Induction Furnace Plant at Buland Saher Road Industrial Area, Ghaziabad.

The Company started manufacturing C L Casting, C L Ingots moulds in the year 1994. Thereafter in the year 1999 Company installed two furnaces with capacity of 3 MT each and in the year 2002-03 the capacity was increased to 8 MT.

Meanwhile in the year 1999, Company entered into steel melting and casting business with production capacity of 6000 tonnes per annum. Today the melting capacity of the plant is 30,000 tonnes per annum.

The Company started its second unit in 2004 at Ghaziabad, Uttar Pradesh by setting up a rolling mill having annual capacity of 70000 MTPA for manufacturing of "TMT Bars" to be used in construction steel with technical expertise of SAL-Tempcore Inc., USA, the world's most advanced Sal Tempcore Technology. At present this mill is producing TMT bars exclusively for India's top steel producer Steel Authority of India Limited (SAIL) under their brand name "SAIL TMT" for the next three years to cater to the needs for steel at various stations in northern India.

In the Year 2010, the Company has purchased the assets of M/S Golden Rathi Star Industries Limited (GRISIL) in November 04, 2010 for a consideration of ` 2031 Lacs, which were assigned to Invent Assets Securitisation & Reconstruction Private Limited by Jammu & Kashmir Bank in accordance with the Securitisation and Reconstruction of Financial Assets and enforcement of Security Interests (SARFAESI) Act. With acquisition of assets of GRISIL, the overall rolling mill capacity of company for manufacturing of TMT bars and wire rods got increased to 125,000 MTPA.

Products of the company are used in construction of multi storied buildings, dams, bridges, flyovers and other infrastructure and construction projects and the Company's products adhere to high quality standards and it has got ISO 9001:2000 certification for "the manufacture and supply Ingot, TMT Bars and Wire Rods".

The Company has entered into a supply agreement dated April 01, 2011 with ESSAR Steel Limited to manufacture and deliver steel TMT bars after embossing the trade mark "ESSAR STEEL TMT".

Change in Registered Office

Date of	From	То	Reasons for change
Change			
January 01,	I -93 WHS Kirti Nagar	N-102, Kirti Nagar, New	The change in the registered office was made
2002	New Delhi	Delhi 110 015	for administrative convenience.
May 02,	N-102, Kirti Nagar,	B-7, WHS, Kirti Nagar,	The change in the registered office was made
2011	New Delhi 110015	New Delhi-110015	for administrative convenience.



Amendments to Memorandum of Association of the Company.

Since incorporation the following changes have been made to Memorandum of Association of the Company.

Date of Alteration	Nature of Alteration
June 24,1998	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from `7,50,000 to `25,00,000
April 20, 1999	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from `25,00,000 to `40,00,000
May 18, 1999	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from ` 40,00,000 to ` 65,00,000
July 25, 2003	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from `65,00,000 to `1,50,00,000
December 12, 2003	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from ` 1,50,00,000 to ` 2,00,00,000
March 08, 2006	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from `2,00,00,000 to `3,00,00,000
December 16, 2006	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from `3,00,00,000 to `5,00,00,000
February 05, 2008	Change in Clause iii C of the Memorandum of Association on insertion of new sub cluses from 25 to 37 under the "Other Object".
March 24, 2008	Change in Clause V of the Memorandum of Association on Authorized share capital was sub-divided from ` 5,00,00,000 divided into 5,00,000 equity shares of `100 to ` 5,00,00,000 divided into 50,00,000 shares of `10 each.
May 03, 2008	Change in Clause I of the Memorandum of Association on change in the Status of the Company from private limited company to public limited company along with change in name of the Company i.e. "Supreme Alloys Private Limited" to "Supreme Alloys Limited".
October 30, 2010	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from `5,00,00,000 to `12,00,00,000
August 31, 2011	Change in Clause V of the Memorandum of Association on increase of the Authorised Capital of the Company from ` 12,00,00,000 to ` 15,00,00,000

Major Events

Date	Events
1989	Incorporated as Supreme Alloys Private Limited
1994	Obtained registration as a Small Scale Industrial Unit for manufacturing/processing of C.L.
	Casting, C.L. Ingot Moulds, Machinery Parts.
1999	 Obtained approval for manufacturing/processing of Steel Ingots, Steel Castings,
	M.S. Ingots.
	Enters into steel melting and casting with First Mini Steel Plant set up with
	production capacity of 6000 tonnes per annum.
	 Received Certificate of Importer Exporter Code (IEC No. 0599009578)
2003	Acquisition of land situated at AN 28-29, CN112-122, MG Road, UPSIDC Industrial Area,
	Ghaziabad, Uttar Pradesh
2004	The Company Started production of TMT Bars at its unit located at AN 28-29,
	CN112-122, MG Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh
	 The Company has entered into an technology agreement with SAL-Tempcore Inc.,
	USA for manufacturing of TMT bars on the world's most advanced Sal Tempcore
	technology.
2005	Trade Mark "JK TMT" registered in name of the Company under Trade Marks Act, 1999
2006	 Trade Mark "JK TOR" registered in name of the Company under Trade Marks Act,
	1999
	Trade Mark "TORSAL" registered in name of the Company under Trade Marks Act,



	1999
2007	 Trade Mark "REBAR" registered in name of the Company under Trade Marks Act, 1999 The company has entered into an agreement with "Steel Authority of India Limited"
	to undertake conversion of TMT bars under their brand name "SAIL TMT"
	 Trade Mark "TMTSAL" registered in name of the Company under Trade Marks Act, 1999
2008	 The Company has entered into a Memorandum of Understanding cum agreement with M/s Supreme International to merge the same into Supreme Alloys Private Limited.
	The Status of the company changed from Private Limited Company to Public Limited Company with the name "Supreme Alloys Limited".
	 Supreme Alloys Limited got ISO 9001: 2000 certification for the "manufacturing and supply of Ingot" and "manufacturing and supply of TMT Bars & Wire Rods
2009	Trade Mark "SAL" registered in name of the Company under Trade Marks Act, 1999
2010	 Entered into agreement with "Steel Authority of India Limited" for WET-LEASING Arrangement.
	• The Second Rolling Mill has been set up by acquiring the assets of M/S Golden Rathi Star Industries Limited (GRISIL) on November 04, 2010 for a consideration of `20.31 Crores located at Khasra No. 575-576, Dujana Road, Dadri, Gautam Budh Nagar, Uttar Pradesh. The assets of GRSIL were assigned to Invent Assets Securitisation & Reconstruction Private Limited by Jammu & Kashmir Bank in accordance with the Securitisation and Reconstruction of Financial Assets and enforcement of Security Interests (SARFAESI) Act. With acquisition of assets of GRSIL, the rolling mill capacity of company for manufacturing of TMT Bars got increased to 125,000 MTPA.
2011	Entered into agreement with "ESSAR STEEL Limited" for supply of TMT Rebars under the brand name of "ESSAR Steel TMT".

Awards and Accreditations

- > The Company has received quality certification, IS 1786:2008 from Beaureau of Indian Standards for high strength deformed steel bars and wires for concrete reinforecement.
- > The Company has been awarded ISO 9001:2000 Certification for manufacturing and supply of Ingot and manufacturing and supply of TMT bars & wire rods.

Our competitors

For details on our competitors, please refer to the chapter titled "*Our Business*" on page 98 of this Draft Red Herring Prospectus.

Capital raising through equity and debt

For details in relation to our capital raising activities through equity and debt, see the chapters titled "Capital Structure" on page 19 respectively of this Draft Red Herring Prospectus.

Time or cost overrun in setting up projects

There have been no time and cost overruns with respect to any projects undertaken by our Company.

Defaults or rescheduling of borrowings with financial institutions or banks

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

Lock-out or strikes



There have been no lock-outs or strikes in our Company since the date of its incorporation.

Changes in the activities of our Company during the last five years

Except as otherwise stated in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 98 and 178, respectively, there have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Corporate profile of our Company

Description of the Activities

We manufacture TMT Bars, Mild Steel Ignots, Wire Rods and Drawn Wires.

Our products are used in various industries such as construction, real estate, automobiles, power & energy, oil & gas, railways, ship building, industrial machineries & equipment, consumer Durables, agricultural equipment, automobiles, engineering, hardware, cycle parts etc.

→ Description of the Services provided by the Company

At present we are not providing any services.

→ Description of the products of the Company

- a. TMT BARS for construction steel of various sizes : 10mm to 25mm
 8mm, 28mm & 32 mm
- b. MILD STEEL INGOTS
- c. WIRE RODS and Drawn Wires used in automobile industry, engineering, gun shots, tensil wire, rope wire for manufacturing of earth wires, electrode wires.

Comparision table vis-à-vis our competitors (As on March 31, 2011)

Particulars	Supreme Alloys Limited	Panchmahal Steel Limited	Steel Exchange of India Limited	Kamdhenu Ispat Limited
Revenue (`In Lacs)	35387.30	40190.00	115610.00	38310.00
Net Profit after tax excluding exceptional Items (* In Lacs)	329.92	1150.00	1750.00	310.00

Source: Capital Market Volume XXVI/15 dated September 19- October 02, 2011; Steel-Medium/Small

Technology and managerial competence

For details on our manufacturing technology and managerial competence, please refer to the chapter titled "Business Overview" on page 73 of this Draft Red Herring Prospectus.

Injunctions or restraining orders, if any, with possible implications

As on the date of this Draft Red Herring Prospectus, apart from the disclosures in the section titled "Outstanding Litigation and Material Developments" on page 189, there are no injunctions / restraining orders that have been passed against our Company.



Acquisition of Business/Undertakings

Other than as disclosed under "*Major Events*" in this chapter and the chapter titled "*Our Business*" on page 98 of this Draft Red Herring Prospectus, our Company has not acquired any business or undertakings.

Our Shareholders

As on the date of the Draft Red Herring Prospectus, our Company has 7 (seven) shareholders For further details regarding the shareholders of our Company, please see the chapter titled "Capital Structure" on page 19 of this Draft Red Herring Prospectus.

Main Object of our Company

Supreme Alloys Limited is enabled by Clause III (A) of its Memorandum of Association to undertake any or all of the following Main Objects:

- 1. To carry on the business as manufacturers of continuous of extrusion of non-ferrous metals and its alloys and cladding of steel and similar core, temperature sensitive cores with aluminum, copper and alloys.
- 2. To set up ferrous and non-ferrous furnaces and continuous casting and rolling mill plant for producing steel and alloy steel ingots, steel and steel billets and all kinds \and sizes of re-rolled sections, such as flats, angles, rounds, squares, hexagons, octagons, rails, joints, channels, steel strips, sheets, plates deformed bars, plain and cold twisted bars, bright bars, shafting and steel structural.
- To carry on the business of manufacturers, processors, importers, exporters, of and dealers in all kinds of ferrous and non-ferrous metals meant for any industrial or non-industrialize and to carry on the business in cold or hot rolling, re-rolling, slitting, edge-milling, sheeting, stamping, pressing extruding, forging, drawing, flattening, straightening, heat treatment of all kinds of ferrous and non-ferrous metals or any other kinds of strips, sheets, foils, tapes, wires, rods, plates, and any other sections, shapes or forms.
- 4. To carry on business of iron and steel founders, steel melters, steel makers, steel shapers and manufacturers, mechanical engineers and fabricators, contractors, tool makers, brass founders, metal workers, manufacturers of steel, metal and malleable grey casting including ferrous, nonferrous special and alloy steel, spring steel, forging quality steel manufacturers, processors of all types of forged components and accessories, alloys, nuts, bolts, steel rounds, nails tools, all type of hard wire items, plate makers, wire drawers, tube manufacturers, galvanisers japaners, re-rollers, annealors, enameller and electroplaters and to buy, take on lease or hire, sell import, export, manufacture, process, repair convert, let on hire, otherwise deal in such products, raw materials, stores, packing materials, by products and allied commodities, machines, rolling stock implements, tools tensils, ground tools materials and conveniences of all kinds connected therewith.
- 5. To search, prospect, win, work, get, raise, quarry, smelt, refine, dress, manufacture, manipulate, convert, make merchantable, sell, buy, import, export and otherwise deal in iron ore, all kinds of metals, maetiliterous ores and all other minerals and substances and to sell, buy, import, export and otherwise deal in any of such articles and commodities related thereto.
- 6. To carry as the business of importers and exporters of and dealers in all kinds of activated carbons used or required for the business referred to in Sub Clauses (1) to (4) above.
- 7. To act as consultants, agents, distributors, for the business referred to in Sub-Clause (1) to (6) above.



Our Subsidiaries

Our Company does not have any subsidiaries as on date of this Draft Red Herring Prospectus.

Shareholder's Agreement

Our Company does not have any subsisting shareholder's agreement as on the date of filing this Draft Red Herring Prospectus.

Other Agreements

Agreement for Wet-Leasing Arrangement of Steel Authority of India Limited ("SAIL").

The Company has entered into an agreement for wet-leasing arrangement with SAIL on June 28, 2010. Vide this Agreement, the Company has been appointed as Wet-Leasing Agent for conversion of steel materials at Ghaziabad in the manner required at AN-28 to AN-33 & CN-112 to CN-132, Masoori Gulawati Road, UPSIDC Industrial Area, Ghaziabad, Uttar Pradesh. This Agreement is effective from June 16, 2010 and shall remain in force for a period of three years from the date of commencement of work unless terminated earlier by the SAIL. Further the Company has to emboss "SAIL TMT" on the materials.

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	However, SAIL reserves the right to recover such losses and/or damages by
	enforcing the Bank Guarantee as well as the Custody and Indemnity Bond and/or
	from any of the WLA's Bills pending for payment with SAIL without prejudice to any
	other legal remedies/resources available to SAIL to proceed against the WLA for
	recovering such losses/damages.
	d) Upon any default by the WLA in the observance or performance of work
	under the contract, SAIL may without notice and without prejudice to any
	other right, recover the amount(s) and appropriate the same from the
	Security Deposit and/or the B/G and the Custody an Indemnity Bond
	towards the settlement of all loss or damage.
Metal Loss	a) For every tonne of semis supplied, WLA shall have to return 0.95 MT of the
	tested finished product.
	b) In case WLA fails to supply 95% of the input as finished products, SAIL shall
	recover the value of the shortage of finished product at the prevailing selling price
	by SAIL of the items having highest selling price in the contract. The decision of the
	Branch of SAIL will be final in this regard. This will also be done on monthly basis.
Basis for determining	The WLA(s) shall have to compensate SAIL on the shortages found, if any, at the
Excess/shortage	prevailing rate of SAIL, applicable for the highest priced finished converted product
9:	within the production range as contracted between SAIL and the WLA.
Monitorina	
Monitoring of	la contrata de la contrata del contrata de la contrata del contrata de la contrata del contrata de la contrata del contrata de la contrata del contrata del contrata de la contrata de la contrata del contrata del contrata de la contrata del
conversion	plant to oversee the conversion activities. However, this will not dilute the
	responsibility of the WLA to ensure proper utilization of semis supplied for
	conversion, process inspection including sampling, testing and quality control of
	converted materials.
	Third party inspection agency would also inspect the process activities.
1	
Inspection and Quality	To ensure that all materials dispatched to the customer /other branches conform to
Control:	the BIS 1786:2008 specification, regular inspection/testing is to be carried out by
	WLA as per BIS norms.
	Executives of SAIL would have the right to make frequent visits to the premises of
	WLA and oversee deliveries being affected.
Quality Complaints and	a) WLA shall be responsible for all the losses/damages and deteriorations caused to
its Settlement:	materials while these are in custody of WLA. Such loss/damage/deterioration and/or
	pilferage in the WLA's premises/custody will be compensated in full by the WLA.
	b) Assessment of loss made by SAIL on damage/deterioration to the materials in
	the custody of WLA shall be binding on the WLA.
	c) Complaints regarding quality of returned converted products shall be disposed by
	SAIL and WLA will be responsible for paying to SAIL the loss in realization on
	account of quality complaints.
	d) In case of rejection of finished products after 3 rd party inspection, such materials
	will be taken back by SAIL for disposal. The loss in realization and transportation
	cost in taking back such material shall have to be borne by the WLA.
	e) WLA shall have to settle the loss on account of Quality
	Complaint/materials rejected by 3 rd party inspection agency within 7 days
	of intimation by SAIL of such loss. In case of failure to do so, the same
	shall be recovered from the pending /forthcoming bills of WLA.
Sales Tax and Exercise	a) The WLA shall in accordance with prevailing procedure prescribed by the Sales
Duty	Tax and Excise Authorities, comply with all necessary formalities such as
	registration with Sales Tax, Excise Dept. etc. and also shall undertake the
	documentation and timely furnishing of return as stipulated by the Excise Authority.
	b) The WLA shall ensure that the delivery of converted /finished products is made
	after payment of the excise duty as applicable. The WLA shall ensure that the
	applicable excise duty is paid within due date as per excise law on delivery of
	converted/finished products.
Guarantee of work a	a) SAIL shall endeavour to utilize full capacity of the WLA on a monthly basis, but a
Guarantee of work &	
penalty	minimum conversion volume of 75% of the leased capacity shall be guaranteed by
	SAIL.
	b) If SAIL fails to supply semis for conversion for 75% of leased capacity, (the



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	minimum guarantee), 60 % of the Wet Leasing charges per tonne for the quantities				
	short supplied from the minimum guarantee percentage shall be paid to the WLA				
	per the example given below.				
	Example: In case actual semis supplied are to the extent of 70 % of least				
	capacity, then 5% will be the short supplied quantum in terms of Billets. Assumi				
	the Wet Leasing charges are `A /- per tonne of finished product and 5 % of billet				
	short supplied translates to B tonnes on a quantitative basis, then penalty payable				
	will be ` 60 % of A X B tonnes X 0.95.				
	However, Force Majeure provision shall be invoked if supply of Semis is affected due				
	to break down of Plant and Machinery of the company, conditions like strike, lock				
	out, natural calamity etc. or due to any other act beyond its control and no				
	compensation shall be payable in such an eventuality.				
	c) The WLA shall have to ensure above minimum monthly guaranteed production				
	(i.e. above 75% of leased capacity) failing which penalty equal to the conversion				
	charges per tonne in respect of the shortfall in the volume with reference to the				
	minimum guaranteed 75% of the capacity shall be paid by the WLA, in a manner				
	similar to the example given at para b above.				
	d) In such an event, Wet Leasing Charges shall not be payable by SAIL in respect of				
	the shortfall quantity, if any.				
Reports & Returns	a) The WLA shall keep proper daily account of the converted or finished products.				
Roporto a Rotarrio	b) The WLA shall keep delivery order register indicating therein the delivery				
	order(s).				
	c) The WLA shall furnish weekly conversion returns as per SAIL's prescribed				
	proforma.				
Banning of Business	a) SAIL reserves its rights to ban business dealings if the WLA is found to have				
Dealings	committed misconduct and also to suspend business dealings pending				
3	investigations. In case WLA is found in any unauthorized, or wrongful removal of				
	materials not sold or in any attempt for such removal using the mill capacity for				
	their own production/marketing need of finished product, using SAIL logo or				
	reputation or brand name for marketing of their own product produced at other				
	mills, this shall amount to breach of contract as well as misconduct caused by the				
	party.				
	c) SAIL shall reserve its right to terminate/short-close the contract summarily in				
	case, on enquiry if it is found that the WLA has committed misconduct/malpractice				
	in connection with the present contract.				
Liabilities of the WLA	1. The WLA shall comply with all the statutory requirements towards fulfillment of				
	all the obligations under all the prevailing labour laws and other applicable				
	laws. And shall indemnify SAIL in case of non compliance thereof.				
	2. WLA shall be responsible for any injury/damage caused by it or its agents to				
	any man and material at his premises as well as when materials are in transit.				
	3. WLA shall not assign any part of this contract to any other WLA without prior				
	clearance and permission from SAIL.				
	4. In case of inability on the part of WLA to perform to the full satisfaction of SAIL				
	under this contract, SAIL shall have the right to terminate the contract on				
	serving due notice and appoint another WLA for the same job at the cost and				
	risk of WLA.				
	5. The WLA will be held responsible for damage caused to materials, inside the				
	wet leased premises by his/their staff, transport, equipment, etc., employed by				
	it / or any injury/death caused to the customer(s), visitor(s) and employee(s)				
	in the Wet Leased premises as also to any other third parties.				
	6 SAIL is not obliged to provide the MLA with any equipment for transporting				
	6. SAIL is not obliged to provide the WLA with any equipment for transporting, handling and storage of different types of materials and the WLA should				
	employ his / own / hired equipment and manual labour for the same.				
	Shiploy his / own / hinea equipment and mandar labour for the same.				



- 7. In the event of the WLA's failure or default to provide sufficient equipment and timely labour at any time to do any of the jobs entrusted with it under the contract or in the event of the WLA, unilaterally terminating the contract, SAIL shall have the right to get the work done through alternate arrangements, and all the charges and expenses incurred by SAIL in this behalf shall be recovered from the WLA.
- 8. The WLA shall be solely responsible for any injury/ damage that may be caused to his personnel and should provide full medical treatment to his staff and labour in case of accidents on duty.
- 9. Upon the termination of the contract, the WLA is required to submit:
- a. No demand Certificate from Railways in favour of SAIL
- No pending demands' Certificate from statutory authorities like Labour Deptt, in respect of PF, Gratuity, compensation to workmen etc.No dues certificate in favour of SAIL
- 10. In the event of the WLA's failure to execute the work under the contract to the satisfaction of SAIL, SAIL shall put the WLA on notice calling upon it to execute/complete the work strictly in terms of the contract, within the time stipulated in the said notice and upon the WLA's failure to comply with the same within the prescribed time, SAIL shall be entitled to terminate the contract, and/or offload the work or items of work so defaulted to any other alternate agency at WLA's risk and costs.
- 11. On termination of the contract for any reason whatsoever or completion of contract, the WLA will have to handover all company's properties and documents including stocks produced out of SAIL's material and obtain a clearance certificate from SAIL before the Security Deposit can be claimed and / or Bank Guarantee custody cum Indemnity Bond returned / discharged.
- 12. Any sum of money due and payable to the WLA including Security Deposit under the contract may be adjusted and appropriated by SAIL and set off against any claims of SAIL for the payment of any sum of money arising out of this contract or any other contract.
- 13. The WLA shall pay his labourers (male or female) not less than the minimum wages prescribed by the Minimum Wages Act, or such minimum wages as may be prescribed from time to time by the Central Government or by the appropriate government in the state where the WLA works.
- 14. The WLA shall be liable for any injury or death arising out of any accident either within or outside the yard in the course of work.
- 15. The WLA shall be liable for all complaints and / or claims made by and received from company's customers due to any default or negligence on the part of the WLA or his representative or workmen.
- 16. The WLA shall provide the representative(s) of SAIL suitable office accommodation and necessary secretarial assistance in the discharge of their duties.
- 17. Proper security shall have to be made by the WLA at its costs for the safe custody of materials supplied by SAIL. Any loss, damage or deterioration whatsoever and/or pilferage in premises/custody of WLA shall be solely to the account of the WLA.

Losses/Damages

a)The WLA shall be responsible for all losses/damages/deterioration's caused to



	the materials, when the material are in WLA 's custody, including losses, if any,				
	caused during the transportation and handling by the WLA. b) The WLA shall not hypothecate and/or charge and/or encumber in any manner				
	whatsoever the material dispatched to/ stored by it either in full or in part to any				
	bank, a financial institution or association(s) or company or firm as security or				
	otherwise.				
	c) The WLA shall not suffer any injunction and/or attachment and/or appointment of				
	receiver in respect of SAIL's material dispatched to/stored by it.				
Alternate Arrangement	a) If at any time during the continuance of this contract, SAIL is of the opinion that				
	in the best interest of its business, it is necessary to take possession of the				
	materials from the WLA's custody, SAIL may forthwith issue notice to the WLA and				
	take possession of the materials by physically removing the materials to such places				
	as SAIL may decide in this regard.				
Termination	a) The contract will be effective from the date of commencement of the work as				
	mentioned in the work order for a period of three years, extendable by one year at				
	a time upto to a maximum of two years at the same rates, terms and conditions				
	and solely at the discretion of SAIL on the basis of satisfactory performance.				
	b) SAIL shall have the option to terminate the contract at any time at its sole				
	discretion due to non-performance / mis-utilisation by giving 30 days' notice in				
	writing and without payment of any compensation.				
Dispute Resolution	In the event of any dispute/difference whatsoever arising between the parties				
	relating to or arising out of the contract; the parties shall endeavour to resolve such				
	dispute through conciliation as per provisions of the SCOPE Forum of Conciliation				
	Rules-2003.				
	In the event the dispute/difference is not resolved through conciliation, either party				
	may upon giving notice to the other party refer the dispute to Arbitration under the				
	SCOPE Forum of Arbitration Rules-2003.				
	The venue of the Arbitration shall be Ghaziabad.				
	The Court at Ghaziabad shall have jurisdiction over all matter of dispute.				

Agreement with Gas Authority of India Limited ("GAIL")

The Company has entered into an agreement with GAIL for supply of natural gas to the Company.

Agreement	Spot Gas Sales Agreement			
Parties to the	GAIL (India) Limited ("Seller") and M/s Supreme Alloys Limited ("Buyer")			
Agreement				
Date	October 28, 2010			
Scope	The Buyer may from time to time wish to purchase Gas from the Seller at market determined prices upon entering into an agreement known as a 'Gas Sales and			
	Purchase Notice' (GSPN).			
Term	This agreement will come into force on October 28, 2010 and is valid till April 1, 2026 till 0600 Hours.			
	Each GSPn shall become effective upon execution by the parties and remain in full force and effect for the supply period set out in the relevant GSPN.			
Gas Sale and Purchase	Upon execution of the relevant GSPN and during the supply period under such GSPN, the Buyer shall take and pay for or pay for if not taken Gas in such quantities, at such time and in such manner as established under such GSPN and this Agreement and the Seller shall sell and make available for delivery Gas at the Delivery Point in such quantities, at such time and in such manner as established			
Security Deposit & Bank Guarantee	The Buyer shall make a security deposit of ` 11,00,500/- to the Seller. The Buyer shall also arrange to submit a bank guarantee for ` 33,01,500 from any of the nationalised/ scheduled banks in favour of the Seller at the time of signing of the Contract. The activities, if not completed within 3 months of the date as indicated in the			
	Agreement, the Seller shall recover 25% of the Bank Guarantee amount per			



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	delayed activity.
	If the Buyer does not complete activity no. 3 in Annexure 6 within 3 months of the date indicated in Annexure, the Seller shall have the unrestricted right to terminate the contract and or forfeit the security deposit and the bank guarantee.
Price	The total price (exclusive of taxes, duties etc) payable by the Buyer for the quantity of gas delivered shall be as per relevant GSPN.
	The Buyer shall be liable for the taxes, duties, service charges etc with respect to sale, transfer, transport or importation of gas.
	The Buyer shall indemnify the Seller against any taxes/duties/ service charges/ statutory levies which the Seller, as a result of any law or rule is or becomes obliged to pay directly or indirectly on sale, transfer, transport, importation, treatment or handling of natural gas sold as per the terms of the Agreement.
Interest on delayed	Should Buyer fail to make payment of any sum due, simple interest on that sum
payments	shall accrue from the due date, until the late payment is made, on a day to day basis at SBI PLR applicable on on the due date of payment plus 2%. Such interest shall be compounded annually.
Letter of Credit	The Buyer shall provide standby revolving unconditional Letter of Credit ("LC") which shall be irrevocable, and unconditional in favour of the Seller covering the price of gas for gas supply equal to 16 days as per the contracted quantity as mentioned in the GSPN or 100% of the amount of value of gas, which ever is lower.
Dispute Resolution	The parties shall use their best efforts to settle amicably all disputes, differences or claims arising out of or in connection with any terms and conditions of this Agreement.
	Matters which by the terms of the Agreement, the parties have agreed to refer to a Sole Expert, will be referred to an Expert.
	If a dispute, claim or differences are not settled as per the above stated mechanisms, the same will be settled by a sole arbitrator in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
Assignment	The rights and obligations shall not be assigned or transferred in part or in whole by any party without the prior written consent of the other party.

Supply Agreement with ESSAR Steel Limited

Agreement	Supply Agreement				
Parties	ESSAR Steel Limited ("ESSAR") and Supreme Alloys Limited ("Company")				
Date of the Agreement	April 01, 2011				
Scope	The Company has agreed to supply and deliver to Essar TMT Rebars after embossing the Trade mark "ESSAR STEEL TMT" on the said products and Essar				
	has agreed to purchase and accept delivery of products from the Company, during the term of this Agreement.				
Product	ESSAR STEEL TMT Rebars				
Quantity	minimum 12000 MT +/- 10% acceptable				
Term of the Agreement	The term of the Agreement is 1 (One) Year unless terminated. The Agreement can be renewed for a further period of 1 (One) Year on mutually agreed terms and conditions.				
Price of the Product	The Company will provide the most competitive FOB Price for TMT as compared to the prevailing market prices for that day. The Company's price and quantity available for sale should be available well in advance for the day (Before 12 Noon) to releasing the order on the Company by Essar for that day. (a) 10mm to 25mm sizes- As per prevailing market				

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	(b) 8mm, 28mm & 32 mm sizes- As per prevailing market
	Duties & taxes – as applicable extra at the time of dispatch. The freight and applicable taxes from the supplier's manufacturing facility to various retail outlets will be paid at actual and as per the purchase terms agreed upon between the two parties.
Selling Mechanism	Both Essar Steel as well as the Company is authorised to sell ESSAR STEEL TMT branded TMT in UP & NCR region through their selling arms in accordance with the terms and conditions as specified in the Agreement. Under the terms of the agreement , the Company can also sell ESSAR STEEL TMT branded TMT through their selling arms. The modus operendi will be the company will sale material to ESSAR on vat basis (local sale) and ESSAR will add `400/- margin over it and invoice to selling arm of the company.
Trademark	All the products to be supplied by Company to Essar shall contain the Trade Mark/Brand Name of "ESSAR STEEL TMT".
Standard/Fixed Length	The standard/fixed length of Essar STEEL TMT will be 12 meters, however, ESSAR shall accept upto 5% of the total supply of Essar STEEL TMT with a random length ranging between 9 and below 13 meters at a discount of `500 per ton on the agreed cost. The Company shall segregate the random length material at plant and supply it separately.
BIS Registration	The Company shall apply and obtain BIS registration for rolling Essar STEEL TMT brand TMT as its plant and supply TMT with ISI mark. Essar shall furnish required documents to complete BIS registration formalities.
Quality Complaint	The Company will be responsible for manufacturing defects in the products. Company shall replace products suffering quality deficiency or make good for the loss by monetary settlement by making payment
Claims	In the event of supply of products not meeting the agreed specifications, the Company shall offer commercial discount per MT to be decided mutually by both the parties to settle the claim or the Company is liable to replace the material at his cost and consequence.
Responsibility	The Company confirms that the overall responsibility of all issues, statutory compliances including the issues relating to workmen in connection with the operation of the facilities for manufacturing the products shall be the sole responsibility of the Company and accordingly settled and complied with by the Company.
Termination	Both parties shall have a right to terminate the Agreement by serving 60 days notice to the other party under the following circumstances: a. initiation of liquidation or winding up proceedings against the other party b. when mutually decided between the parties to terminate
Consequences of Termination	Upon expiry or termination of the Agreement, the Company shall remove "ESSAR STEEL TMT" engraved on the rollers in the presence of authorised representative of Essar. All settlement and payments between the parties shall be completed within 30 days from the date of expiry or termination.
Dispute Resolution	In the event of any dispute, not settled amicable, such dispute shall be referred to the Arbitration consisting of sole arbitrator to be appointed mutually by the parties as per the Indian Arbitration and Conciliation Act, 1996.
	The place of arbitration shall be Surat.



Technology Agreement with SAL-TEMPCORE INC.

Agreement	Technology Agreement					
Parties	SAL-TEMPCORE INC ("STI") and Supreme Alloys Limited ("Company")					
Date of the Agreement	December 24, 2004					
Scope	STI shall provide complete technical know how along with logistic support for					
	producing TMT Rebar's and if required, also provide its technical staffs to					
	implement the complete process and to stabilize the production of quality of TMT					
	Rebars as per international standards					
Consideration	Company shall pay USD 4000 as one time license fees within one year from the					
	date of execution of technology agreement.					
Responsibilities	The Company shall strictly adhere to their regional boundaries and under no circumstances shall part with the technology to the plants situated outside Asia					
	The Company shall be fully responsible for the maintenance of quality norms and it will be a duty of the Company to supervise and implement quality control plans provided by STI.					
	The Company shall be fully responsible for the implementation of SAL-TEMPCORE Technology provided to any other plant within Asia by the Company. The quality standards shall be supervised by the Company to ensure that the norms set by STI to produce international quality TMT Rebar are maintained.					

Further to the Agreement, a License has been issued by SAL-TEMPCORE INC. to the Company on June 03, 2005 whereby the Company has been appointed as the sole user and technology provider of SAL-TEMPCORE within Asia. The License certifies the Company to use the name of SAL-TEMPCORE INC. for the materials produced by the Company or to whomsoever the Company provides the technology. The License is valid for a period of 10 years from the date of issue of the License.

Strategic Partners

As on date of filing this Draft Red Herring Prospectus with SEBI there are no strategic partner agreements entered into by the Company.

Financial Partners

As on the date of the Draft Red Herring Prospectus, apart from the various arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.



OUR MANAGEMENT

BOARD OF DIRECTORS

Supreme Alloys Limited is a professionally managed organization. The Company functions under the control of a Board of Directors. The day to day matters are looked after by qualified key personnel, under the supervision of the Managing Director.

Name, Fathers' name Designation, Status, Experience, Occupation, Address	Age (In Years)	Qualifications	DIN	Date of expiration of current term of	Details of directorships in other companies
Occupation, Address				office	
Mr. MOHINDER LAL ARORA, (S/o: Late Mr. Ram Chand Arora)	79	Graduate in Arts	00791178	31.05.2013	 → Indian Exchnage of Metal Limited → Matchless Metals
Designation: Chairman and Whole Time Director					Private Limited
Status: Promoter Director					
Experience: 55 Years					
Occupation: Business					
Address: KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India					
Mr. JAGJIV KUMAR ARORA, (S/o: Mr. Mohinder Lal Arora)	52	Graduate in Arts	00791132	31.05.2013	→ Indian Exchange of Metal Limited
Designation: Managing director					→ SAL International Private Limited
Status: Promoter Director					
Experience: 30 Years					
Occupation: Business					
Address: KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India					
Mr. SAHIL ARORA, (S/o: Mr. Jagjiv Kumar	26	BE (Mechanical)	01335200	31.05.2013	→ Indian Exchnage of Metal Limited
Arora) Designation: Whole					→ SAL International Private Limited



Time Director						
Status: Promoter Director						
Experience: 5 Years						
Occupation: Business						
Address: KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India						
Mr. CHANDER GUPTA	60	FCA	00497837	Liable to retire	→	The Indure
(S/o:Late Mr. Man Raj Gupta)				by rotation	→	Private Limited Desein Private Limited
Designation: Director						
Status: Independent Director						
Experience: 37 Years						
Occupation: Service						
Address: 874, Pkt-B2C, Sector-A, Vasant Kunj, New Delhi- 110070, India						
Mr. JOGINDER PAL UPPAL	49	FCA	00677246	Liable to retire by	→	Asian Vinyl Manufacturing
(S/o:Mr. Hans Raj Uppal)				rotation	→	Industries Private Limited Uppal Steel &
Designation: Director						Alloys & Private Limited
Status: Independent Director					→	Rajhans Agrofarms Private Limited
Experience: 25 Years					→	Jridh Rish Leasing & Investment
Occupation: Practising Chartered Accountant						Private Limited
Address: C-2/100, Sector-36, Noida, 201301, Uttar Pradesh, India						
Mr. BRIJ MOHAN SACHDEVA	54	BE (Mechanical)	00167464	Liable to retire by	→	Sachdeva Auto Engineers Private
(S/o:Mr. Gurucharan Das Sachdeva)				rotation	→	Limited Zech Engineers Private Limited
Designation: Director					→	Jaycee Steels Private Limited



Status: Independent Director			
Experience: 30 Years			
Occupation: Business			
Address: KF-2, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India			

Brief Profile of Our Board of Directors

Mr. Mohinder Lal Arora, aged 79 years is the Chairman and Whole-time Director of our Company. He holds a bachelors degree in arts. He has over 55 years of experience in the steel industry. He laid the foundation of Supreme Group of Industries by setting up the first Company to manufacture horizontal diesel engines. He is one of the founder Promoter of the Company. He has been awarded the Udyog Patra award in 1977 from President of India and Indira Gandhi National Unity Award by Ex. President Sh Giani Zail Singh. He has served as member of Trade Tax Committee, Income Tax Committee, Excise Committee and Telephone Advisory Committee on several Ocassions. He guides the company based on his knowledge and experience is to steer the business development activities of the Company.

Mr. Jagjiv Kumar Arora, aged 52 years is the Vice Chairman and Managing Director of our Company. He holds a bachelors degree in arts from Meerut University and Quality Control diploma in Diesel Engine from BIS. He has over 30 years of experience in steel industry including projects, plant orientation and installation. He is associated with our Company since inception. He is engaged in overall supervision of the company. His strong leadership skills has been backed by his years of study, research and interactive sessions with best minds in the business. As the Managing Director, he is actively involved in the day to day affairs of our Company and in strategic decision making. He is President of Association of Secondary Steel Manufacturers and also he was immediate past president of All India Induction Furnace Association. He was also a National Council Member of Confideration of Indian Industries(CII), a past Member of Board of Governors of Secondary Steel Technology(Ministry of Steel Government of India), a past Member of the Board of Governors of United Nations Development Programme(reduction of emission in Steel Industry of India), past Member of CII Committee for Steel and Capital Goods, FICCI Steel Committee. He is member of UP Committee of PHD chamber of Commerce. He Co-lead the CII delegation to Saudi Arabia along with the Honerable Finance Ministery at that time.

Mr. Sahil Arora aged 26 years, is the Whole-time Director of our Company. He holds Bachelors Degree in Mechanical Engineering from Thapar University, Patiala. He is associated with our Company from past 5 years. He has gained in-depth knowledge in steel manufacturing as well as international sourcing and marketing. He handles all the production as well as marketing related activities of the Company.

Mr. Chander Gupta aged 60 years, is Non-Executive Independent Director of the Company. He is the fellow member of The Institue of Chartered Accountants of India (FCA). Mr Chander Gupta has more than 37 years of experience in accounts, audit, finance and taxation, etc. He provides guidance to the Company in the matters of audit, finance and taxation. He was appointed as Non-Executive Independent Director on April 30, 2011.

Mr. Joginder Pal Uppal aged 49 years, is Non-Executive Independent Director of the Company. He holds a bachelors degree in Commerce from Shri Ram College of Commerce, Delhi University and is a fellow member of The Institue of Chartered Accountants of India (FCA). He is a practicing Chartered Accountant from past 25 years. He has vast knowledge and experience in the field of accounts, audit, finance and taxation. He was appointed as Non-Executive Independent Director on April 30, 2011.

Mr. Brij Mohan Sachdeva aged 54 years, is Non-Executive Independent Director of the Company. He holds Bachelors degree in Engineering. He is having an experience of about 30 years in the steel and automobile industry. He was appointed as Non-Executive Independent Director on April 30, 2011.



Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension

None of our Directors are currently or have been, in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the NSE or BSE.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from being traded on any stock exchange.

Family relationship between Directors:

Name	Designation	Relationship with other Directors
Mr. Mohinder Lal Arora	Chairman and Whole Time	Father of Mr. Jagjiv Kumar Arora
	Director	_
Mr. Jagjiv Kumar Arora	Managing Director	Son of Mr. Mohinder Lal Arora and Father of
		Mr. Sahil Arora
Mr. Sahil Arora	Whole Time Director	Son of Mr. Jagjiv Kumar Arora

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors of our Company are selected as a director or member of senior management.

Details of service contracts

Except as otherwise provided in this section, there are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Details of Borrowing Powers

In terms of the Articles of Association, the Board may, from time to time, at its discretion raise or borrow any sum or sums of money for the purposes of the Company and subject to the provisions of the Companies Act may secure payment or repayment of the same in such manner and terms as prescribed by the Board of Directors, in particular by issue of bonds, debentures or debenture-stock of the Company either secured or unsecured by a mortgage or charge over all or any of the property of the Company including its uncalled capital for the time being, and debenture-stock bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Vide a resolution passed at the Extra Ordinary General Meeting of the Company held on June 26, 2008, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(a) of the Companies Act, 1956 for authorising and empowering them to mortgage, charge or hypothecate the assets of the Company's present and future, movable or immovable, fixed or current, situated in India or elsewhere in favour of the lenders who will extend financial facilities in any format to the Company.

Vide a resolution passed at the Extra Ordinary General Meeting of the Company held on June 26, 2008, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time all such sum of money as they may deem requisite, notwithstanding that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers/financial institutions in ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any one time shall not exceed the limit of `500 crore (Rupees Five Hundred Crore only).



COMPENSATION OF MANAGING DIRECTORS/ Whole Time Director.

The remuneration of the following executive Directors is as per the terms of appointment contained below:

Mr. Jagjiv Kumar Arora

The remuneration payable to Mr. Jagjiv Kumar Arora under the terms of the Board resolution dated June 26, 2008 with immediate effect for a period of five years is as follows:

Salary	` 205000 P.M
Perquisites	Nil
Amount of compensation paid during the last	Nil
financial year	
Benefits in kind granted on an individual basis	Nil
during the last financial year	

Mr. Mohinder Lal Arora

The remuneration payable to Mr. Mohinder Lal Arora under the terms of the Board resolution dated June 26, 2008 with immediate effect for a period of five years is as follows:

Salary	` 50000 P.M
Perquisites	Nil
Amount of compensation paid during the last	Nil
financial year	
Benefits in kind granted on an individual basis	Nil
during the last financial year	

Mr. Sahil Arora

The remuneration payable to Mr. Sahil Arora under the terms of the Board resolution dated June 26, 2008 with immediate effect for a period of five years is as follows:

Salary	` 100000 P.M
Perquisites	Nil
Amount of compensation paid during the last	Nil
financial year	
Benefits in kind granted on an individual basis	Nil
during the last financial year	

No portion of the compensation as mentioned above was paid pursuant to a bonus or profit-sharing plan.

For the purpose of calculating the ceiling perquisites shall be evaluated as per income tax rules wherever applicable and in absence of any such rule the same shall be evaluated at actual cost. The above said remuneration and perquisites shall be subject to the ceiling laid down in sections 198, 309 and other applicable provisions as may be amended from time to time.



Shareholding of the Directors

The Articles of our Company do not require the Directors to hold any qualification shares. The list of Directors holding Equity Shares and the number of Equity Shares each of them as on date is set forth below:

S. No.	Name	No. of Shares Held
1.	Mr. Mohinder Lal Arora	3128321
	(Jointly with Mr. Jagjiv kumar Arora)	
2.	Mr. Jagjiv kumar Arora	1943381
3.	Mr. Sahil Arora	529999
4.	Mr. Chander Gupta	Nil
5.	Mr. Joginder Pal Uppal	Nil
6.	Mr. Brij Mohan Sachdeva	Nil
	Total	5601701

Interest of directors

Mr. Mohinder Lal Arora, Mr. Jagjiv Kumar Arora and Mr. Sahil Arora are the promoters of Supreme Alloys Limited.

Mr. Jagjiv Kumar Arora and Mr. Sahil Arora are also the Promoters of SAL International Private Limited, who are the Promoters of Supreme Alloys Limited.

Mr. Mohinder Lal Arora, Mr. Jagjiv Kumar Arora and Mr. Sahil Arora are also the Promoters of Indian Exchange of Metal Limited, who are the Promoters of Supreme Alloys Limited.

Mr. Mohinder Lal Arora is also the Promoter of Matchless Metals Private Limited, one of the Promoter of Supreme Alloys Limited.

There are no sums paid or agreed to be paid to either Mr. Mohinder Lal Arora or Mr. Jagjiv Kumar Arora or Mr. Sahil Arora in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them, in connection with the promotion or formation of the Supreme Alloys Limited.

All the Directors may be deemed to be interested to the extent of fees payable to them, if any, for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them, if any, under the Articles of Association, and to the extent of remuneration paid to them, if any for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as Directors, members, partners, trustees and Promoter, pursuant to this Issue. All of the Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in the section titled "Related Party Transactions" on page 168 of this Draft Red Herring Prospectus, the Directors do not have any other interest in the business of the Company.

Our executive Directors Mr. Mohinder Lal Arora and Mr. Jagjiv Kumar Arora and Mr. Sahil Arora are also promoters of our Company. Except Mr. Mohinder Lal Arora and Mr. Jagjiv Kumar Arora and Mr. Sahil Arora, none of our Directors has any interest in the promotion of our Company. All our executive Directors may be deemed to be interested to the extent of remuneration payable to them for their services as executive directors of our Company and all our non executive independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board. All our Directors may be deemed to be interested to the extent of reimbursement of expenses payable to them under our Articles of Association. All our executive Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives



or firms, trusts or other entities/bodies corporate in which they have interest, and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with other company in which they hold directorships, or any partnership firms in which they are partners or any proprietary concerns of which they are proprietors as declared in their respective declarations.

Further, save and except as stated otherwise in the chapters titled "Our Business", "Our Promoters and their Background" and "Financial Statements" beginning on pages 98, 125 and 134, respectively, of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

Our Directors have no interest in any property acquired by our Company within two years from the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

Interest in promotion of our Company

Except for Mr. Mohinder Lal Arora and Mr. Jagjiv Kumar Arora and Mr. Sahil Arora, none of our Directors have any interest in the promotion of our Company.

Interest in the Property of our Company

Except as disclosed in the sections titled "Financial Statements – Related Party Transactions" and Objects of the Issue" at pages 168 and 41 respectively, our Directors do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the DRHP.

Changes in the Board of Directors in the last 3 years

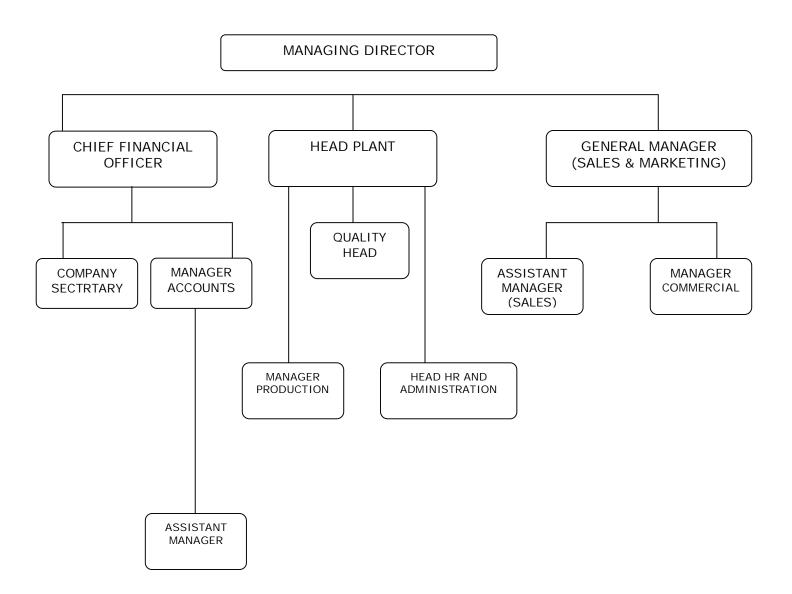
The following are the changes in the Board of Directors in the last 3 years. To maintain brevity and to avoid any confusion, this table does not enumerate the instances where the Status or Designation of the Director has been changed or when the appointment of an Additional Director has been regularized.

S. No	Name, Address & DIN	Date of Appointment	Date of Cessation	Reason
1.	Mr. Chander Gupta	April 30, 2011	-	Appointed
2.	Mr. Joginder Pal Uppal	April 30, 2011	-	Appointed
3.	Mr. Brij Mohan Sachdeva	April 30, 2011	-	Appointed

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Management Organisation Structure





COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the requirements of the applicable regulations, including the listing agreement to be entered in to with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Company has a Board constituted in compliance with the Companies Act and listing agreement to be entered in to with the Stock Exchanges and in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of the Company provides the Board detailed reports on its performance periodically.

Currently, the Board of Directors has Six Directors and the Chairman of the Board of Directors is an Executive Director. In compliance with Clause 49 of the equity listing agreement, the Company has three executive Directors and three independent Directors, on its Board of Directors.

Composition of Board of Directors

The Board of Directors of the Company consists of 6 (Six) Directors and has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Accordingly not less than 50% of the Board of Directors comprises of non-executive and independent Directors. Three of the Directors on the Board are independent directors.

S.NO	NAME OF DIRECTOR	DESIGNATION	STATUS*
1.	Mr. Mohinder Lal Arora	Chairman	Executive & Non Independent
2.	Mr. Jagjiv Kumar Arora	Vice Chairman & Managing Director	Executive & Non Independent
3.	Mr. Sahil Arora	Whole Time Director	Executive & Non Independent
4.	Mr. Chander Gupta	Director	Non Executive & Independent
5.	Mr. Joginder Pal Uppal	Director	Non Executive & Independent
6.	Mr. Brij Mohan Sachdeva	Director	Non Executive & Independent

^{*} As per Clause 49 of the Listing Agreement

Committees of the Board

Audit Committee

The Audit committee was constituted by a meeting of the Board of Directors on April 30, 2011. The present members of the Audit Committee are:

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	Mr. Joginder Pal Uppal	Chairman	Independent Director
2.	Mr. Chander Gupta	Member	Independent Director
3.	Mr. Jagjiv Kumar Arora	Member	Managing Director

Mr. Gaurav Kapoor, Company Secretary, shall be the Secretary of the Committee.

The terms of reference of the Audit Committee are:

- 1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.



- 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
- b. Changes, if any, in accounting policies and practices and reasons for the same
- c. Major accounting entries involving estimates based on the exercise of judgment by management
- d. Significant adjustments made in the financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions
- g. Qualifications in the draft audit report.
- 5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 8. Discussion with internal auditors any significant findings and follow up there on.
- 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 14. To review the uses / applications of funds received by the company by way of Public Issue/Right Issue/Preferential Issue), on a quarterly basis and shall make appropriate recommendations to the Board to take up steps in this matter.
- 15. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

The powers of the Audit Committee shall include the power:

- 1. To investigate activity within its terms of reference;
- 2. To seek information from any employees;
- 3. To obtain outside legal or other professional advice; and
- 4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- 1. Management discussion and analysis of financial condition and results of operations;
- 2. Statement of significant related party transactions (as defined by the audit committee),



- submitted by management;
- 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4. Internal audit reports relating to internal control weaknesses; and
- 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The scope and function of the Audit Committee are in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement.

Share Transfer and Investor Grievance Committee

The Share Transfer and Shareholder's grievance Committee was constituted by a meeting of the Board of Directors on April 30, 2011. The members of the Share Transfer and Investor Grievance Committee are:

Sr.	Name of the Director	Designation in Committee	Nature of Directorship
No			
1.	Mr. Chander Gupta	Chairman	Independent director
2.	Mr. Jagjiv Kumar Arora	Member	Managing Director
3.	Mr. Sahil Arora	Member	Whole-time Director

Mr. Gaurav Kapoor, Company Secretary, shall be the Secretary of the Committee.

The role of the above committee shall include the following:

To allot the Equity Shares of the Company, and to supervise and ensure:

- 1. Efficient transfer of shares; including review of cases for refusal of transfer transmission of shares and debentures;
- 2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- 3. Issue of duplicate / split / consolidated share certificates;
- 4. Allotment and listing of shares;
- 5. Review of cases for refusal of transfer / transmission of shares and debentures;
- 6. Reference to statutory and regulatory authorities regarding investor grievances; and to otherwise ensure proper and timely attendance and redressal of investor gueries and grievances.
- 7. To oversee performance of the Registrar and Transfer agents of the Company and recommend measures for overall improvement in the quality of investor service.

Remuneration Committee

The Remuneration Committee was constituted by a meeting of the Board of Directors held on April 30, 2011. The members of the Remuneration Committee are:

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	Mr. Joginder Pal Uppal	Chairman	Independent Director
2.	Mr. Chander Gupta	Member	Independent Director

Mr. Gaurav Kapoor, Company Secretary, shall be the Secretary of the Committee.

The terms of reference of the Remuneration Committee are as follows:

- 1. To decide and approve the terms and conditions for appointment of Executive Directors and/ or Whole-time Directors and Remuneration payable to other Directors and matters related thereto.
- 2. To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e.



- salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- 3. To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment;
- 4. To implement, supervise and administer any share or stock option scheme of the Company.

IPO Committee

The IPO Committee was constituted by a meeting of the Board of Directors on April 30, 2011. The members of the IPO Committee are:

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	Mr. Jagjiv Kumar Arora	Chairman	Managing Director
2.	Mr. Sahil Arora	Member	Whole-time Director
3.	Mr. Joginder Pal Uppal	Member	Independent director

Mr. Gaurav Kapoor, Company Secretary, shall be the Secretary of the Committee.

The principal function of the committee is to review and take decision on all matters in connection with the issue of shares to the public including signing any documents, deeds and declaration to be filed before any authorities including Securities and Exchange Board of India, The National Stock Exchange of India Limited, Bombay Stock Exchange Limited.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges. It shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 prior to listing of its Equity Shares.

Compliance with Listing Agreement

The Company in terms of this Draft Red Herring Prospectus intends to list its equity shares on BSE and NSE and comply with the requirements under the Listing Agreement to be entered into with BSE and NSE. Further, we are in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time.



Key Management Personnel

Following are the key managerial employees of the Company:

Name	Date of Joining	Age	Term of office	Details of	Experienc	Previous
Designation		(Years)	with date of expiration of	service contracts	e (yrs)	Employment
Qualification			term	including termination/reti rement benefits		
Mr. Ravinder Watts Chief Financial Officer Chartered Accountant	01.04.2011	54	On Retirement	Company shall pay, gratuity, pension, PF, earn leave as per its policy.	27	He was practicing chartered accountant.
Mr. Ashu Goswami General Manager (Administration) M.A., LL.B	04.05.2010	50	On Retirement	Company shall pay, gratuity, pension, PF, earn leave as per its policy.	26	Amity University
Mr. Anil kumar Anand, General Manager (Administration) Graduate	01.09.2008	61	On Retirement	Company shall pay, gratuity, pension, PF, earn leave as per its policy.	29	Shri Rathi Steels Limited
Mr. Gaurav Kapoor Company Secretary & Compliance officer Company Secretary, LL.B	05.04.2011	34	On Retirement	Company shall pay, gratuity, pension, PF, earn leave as per its policy.	8	Rathi Bars Limited
Mr. Sanjay Tyagi Senior Manager – Marketing Graduate	01.10.2010	40	On Retirement	Company shall pay, gratuity, pension, PF, earn leave as per its policy.	20	Dudheswar Steels & Alloys Private limited
Mr. Manoj kumar Quality Control - In Charge B.Sc.	01.07.2008	40	On Retirement	Company shall pay, gratuity, pension, PF, earn leave as per its policy.	18	Rathi Special Steels Limited



Mr. Anil Kumar	01.11.2007	40	On	Company shall	20	Shri Rathi
			Retirement	pay, gratuity,		Steels
Electrical				pension, PF,		Limited
Engineer				earn leave as		
				per its policy.		
Diploma in						
electrical						

Mr. Ravinder Watts, aged 54 years, is the Chief Finance Officer of our Company, holds a bachelors degree in Commerce from Punjab University and is a member of the Institute of Chartered Accountants of India. He has more than 27 years (post qualification) experience in the fields of Finance, Accounts and other Commercial matters. He joined our Company on August 01, 2011. He is currently looking after all the financial matters of our Company. Prior to joining our Company, he was a practicing Chartered Accountant. Remuneration paid to him during the financial year 2010-2011 was nil beacause he joined the company with effect from August 01, 2011.

Mr. Ashu Goswami, aged 50 years, is the General Manager – Administration of our Company. He completed his Masters in Arts and LLB from Merrut University. He joined our Company on May 04, 2010. He is currently looking after all the administrative matters of our Company. Prior to joining our Company, he was employed with Amity University. Remuneration paid to him during the financial year 2010-2011 was `2.02 Lacs.

Mr. Anil Kumar Anand, aged 61 years, he holds a bachelors degree in arts from Rajasthan University. He is the General Manager – Administration of our Company. He joined our Company on September 01, 2008. He is currently looking after all the liasoning and administrative matters of our Company. Prior to joining our Company, he was employed in Shri Rathi Steels Limited. Remuneration paid to him during the financial year 2010-2011 was `2.50 Lacs.

Mr. Gaurav Kapoor, aged 34 years, is the Company Secretary and Compliance Officer of our Company. He holds Masters degree in Commerce and LLB from Meerut University and is also a member of the Institute of Company Secretaries of India. He has over 6 years of experience in legal and secretarial matters. He joined our Company on April 05, 2011. He is currently looking after all the Legal and Secretarial matters of our Company. Prior to joining our Company, he was employed with Rathi Bars Limited. Remuneration paid to him during the financial year 2010-2011 was Nil, because he joined the company with effect from April 05, 2011.

Mr. Sanjay Kumar, aged 40 years, he holds a Bachelors degree in Commerce and LL. B from Merrut University. He is Senior Manager – Marketing of our Company. He joined our Company on October 01, 2010. He is currently looking after all the Marketing matters of our Company. Prior to joining our Company, he was employed in Dudhewar Steels Limited. Remuneration paid to him during the financial year 2010-2011 was `1.80 Lacs.

Mr. Manoj Kumar, aged 40 years, he holds a Bachelors degree in science from Ruhelkhand University, Bareily. He is the Quality Control In Charge of our Company. He joined our Company on July 01, 2008. He is currently looking after all the Quality Control aspects of our Company. Prior to joining our Company, he was employed in Rathi Special Steels Limited. Remuneration paid to him during the financial year 2010-2011 was 1.79 Lacs.

Mr. Anil Kumar, aged 40 years, holds a diploma in Electrical from Indira Gandhi Memeorial ITI, Hapur, Ghaziabad, u.p He is working as Electrical Engineer in our Company. He joined our Company on November 01, 2007. He is currently looking after all the electrical matters of our Company. Prior to joining our Company, he was employed in Shri Rathi Steels Limited. Remuneration paid to him during the financial year 2010-2011 was `0.78 Lacs.

Nature of any family relationship between any of the Key Managerial Personnel:

None of the Key Managerial Personnel are related to each other



Details of any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the key managerial personnel, was selected as a director or member of senior management.

None of our key managerial personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Status of Key Managerial Personnel

All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees. The term will be decided as per the policy of the Company.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel are holding any equity share in the Company.

Profit sharing plan of the Key Management Personnel

The Company does not have any profit sharing plan of the Key Management Personnel.

Interests of Key Management Personnel

All our key managerial personnel may be deemed to be interested to the extent of the remuneration and other benefits in accordance with their terms of employment for services rendered as officers or employees to our Company. Further, if any Equity Shares are allotted to our key managerial personnel in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same. Furthermore, no amount towards benefit has been paid or given during the preceding year to any of our key managerial personnel.

None of the key management personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Changes in the Key Management Personnel

The changes in the key management personnel in the last three years are as follows:

SI.	Name	Dat	Reason	
No.		Joining	Leaving	
1.	Mr. Manoj kumar	01.07.2008	-	Appointed
2.	Mr. Anil kumar Anand	01.09.2008	-	Appointed
3.	Mr. Ashu Goswami	04.05.2010	-	Appointed
4.	Mr. Ravinder Watts	01.04.2011	-	Appointed
5.	Mr. Sanjay Tyagi	01.10.2010	-	Appointed
6.	Mr. Gaurav Kapoor	05.04.2011	-	Appointed



Employees

Employee Stock Option Scheme and Employee Stock Purchase Scheme

Presently, we do not have ESOP/ESPS scheme for employees.

Other Benefits to the Officers of the Issuer Company

Except the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.



OUR PROMOTERS AND PROMOTER GROUP

Promoters

The following are the Promoters of the Company:

1. Mr. Mohinder Lal Arora;

2. Mr. Jagjiv Kumar Arora; and

3. Mr. Sahil Arora

Promoter Group

The following natural persons, HUFs, companies and partnerships constitute our promoter group under the ICDR Regulations (the "Promoter Group"):

The natural persons who are part of the Promoter Group, other than the Promoters named above, are as follows:

Name	Shareholding in Supreme Alloys Limited
Mrs. Sangeeta Arora	481600
Mrs. Sudesh Rani Arora	115500
Mrs. Tanya Arora	1200
Mr. Sudhir Kumar Arora	Nil
Mrs. Veena Chopra	Nil
Mrs. Bala Gulati	Nil
Mrs. Renu Ahuja	Nil
Mrs. Seema Maggon	Nil
Mrs. Anjali Arora	Nil
Total	598300

The companies that are part of the Promoter Group are as follows:

Name	Shareholding in Supreme Alloys Limited
M/s SAL International Private Limited	1299999
M/s Indian Exchange of Metal Limited	Nil
M/s Supreme Engineers	Nil
Total	1299999



The details of the Promoters are as follows: INDIVIDUALS
Mr. MOhinder Lal Arora



Age	79 years		
Personal Address	KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India		
Educational qualifications	See the section "Our Management" beginning on page 108 of		
and professional Experience	this Draft Red Herring Prospectus		
Designation	Chairman and Whole-time Director		
Directorship held	See the section "Our Management" beginning on page 108 of		
-	this Draft Red Herring Prospectus		
Other ventures	M/s Indian Exchange of Metal Limited		
	M/s Supreme Engineers		
	M/s Matchless Metals Private Limited		
Business	Industrialist		
Voter ID No.	FVX9391525		
Driving License Number	H-2-1715/DC/CZB, However the same has been expired on		
	28.01.2009.		
Permanent Account Number	ACKPA4998F		
Passport Number	F4536831		
Bank Account No.	85562010007132		
	With syndicate bank, Navyug Marg, Ghaziabad Branch		
DIN	00791178		

Mr. Mohinder Lal Arora, aged 79 years is the Chairman and Whole-time Director of our Company. He holds a bachelors degree in arts. He has over 55 years of experience in the steel industry. He laid the foundation of Supreme Group of Industries by setting up the first Company to manufacture horizontal diesel engines. He is one of the founder Promoter of the Company. He has been awarded the Udyog Patra award in 1977 from President of India and Indira Gandhi National Unity Award by Ex. President Sh Giani Zail Singh. He has served as member of Trade Tax Committee, Income Tax Committee, Excise Committee and Telephone Advisory Committee on several Ocassions. He guides the company based on his knowledge and experience is to steer the business development activities of the Company.

Mr. Mohinder Lal Arora owns 3128321 Equity Sares jointly with Mr. Jagjiv Kumar Arora, representing 41.71% of the pre-Issue share capital and 21.57% of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Mohinder Lal Arora other than as mentioned in this Draft Red Herring Prospectus.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Mohinder Lal Arora is being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.



Mr. Jagjiv Kumar Arora



Age	52 years			
Personal Address	KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India			
Educational qualifications and professional Experience	See the section "Our Management" beginning on page 108 of this Draft Red Herring Prospectus			
Designation	Vice-Chairman and Managing Director			
Directorship held	See the section "Our Management" beginning on page 108 of this Draft Red Herring Prospectus			
Other ventures	M/s Sal International Private Limited M/s Indian Exchange of Metal Limited M/s Supreme Engineers			
Business	Industrialist			
Voter ID No.	FVX9446832			
Driving License Number	J-1522/DC/GZB24/10/75			
Permanent Account Number	AFGPA3767H			
Passport Number	F3205060			
Bank Account No.	85562010013379 With syndicate bank, Navyug Marg, Ghaziabad Branch			
DIN	00791132			

Mr. Jagjiv Kumar Arora, aged 52 years is the Vice Chairman and Managing Director of our Company. He holds a bachelors degree in arts from Meerut University and Quality Control diploma in Diesel Engine from BIS. He has over 30 years of experience in steel industry including projects, plant orientation and installation. He is associated with our Company since inception. He is engaged in overall supervision of the company. His strong leadership skills has been backed by his years of study, research and interactive sessions with best minds in the business. As the Managing Director, he is actively involved in the day to day affairs of our Company and in strategic decision making. He is President of Association of Secondary Steel Manufacturers and also he was immediate past president of All India Induction Furnace Association. He was also a National Council Member of Confideration of Indian Industries(CII), a past Member of Board of Governors of Secondary Steel Technology(Ministry of Steel Government of India), a past Member of the Board of Governors of United Nations Development Programme(reduction of emission in Steel Industry of India), past Member of CII Committee for Steel and Capital Goods, FICCI Steel Committee. He is member of UP Committee of PHD chamber of Commerce. He Co-lead the CII delegation to Saudi Arabia along with the Honerable Finance Ministery at that time.

Mr. Jagjiv Kumar Arora owns 1943381 Equity Shares, representing 25.91% of the pre-Issue share capital and 13.40 % of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Jagjiv kumar Arora other than as mentioned in this Draft Red Herring Prospectus.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Jagjiv Kumar Arora is being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.



Mr. Sahil Arora



Age	26 years			
Personal Address	KF-16, Kavi Nagar, Ghaziabad, 201001, Uttar Pradesh, India			
Educational qualifications	See the section "Our Management" beginning on page 108 of			
and professional Experience	this Draft Red Herring Prospectus			
Designation	Whole Time Director			
Directorship held	See the section "Our Management" beginning on page 108 of			
	this Draft Red Herring Prospectus			
Other ventures	M/s Sal International Private Limited			
	M/s Indian Exchange of Metal Limited			
Business	Industrialist			
Voter ID No.	ZMRO348037			
Driving License Number	1410037229/GZB/21/5/03			
Permanent Account Number	AHDPA1414G			
Passport Number	E3066132			
Bank Account No.	85562200000229			
With syndicate bank, Navyug Marg, Ghaziabad Branch				
DIN	01335200			

Mr. Sahil Arora aged 26 years, is the Whole-time Director of our Company. He holds Bachelors Degree in Mechanical Engineering from Thapar University, Patiala. He is associated with our Company from past 5 years. He has gained in-depth knowledge in steel manufacturing as well as international sourcing and marketing. He handles all the production as well as marketing related activities of the Company.

Mr. Sahil Arora owns 529999 Equity Shares, representing 7.07% of the pre-Issue share capital and 3.65% of the post-Issue share capital of the Company.

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Mr. Sahil Arora other than as mentioned in this Draft Red Herring Prospectus.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Sahil Arora is being submitted to the Stock Exchanges on which Equity Shares are proposed to be listed, at the time of filing of Draft Red Herring Prospectus with them.



BODY CORPORATE

NIL

OTHER INFORMATION ABOUT THE PROMOTERS

The present promoters are the original promoters of Supreme Alloys Limited.

There has been no change in control or management of Supreme Alloys Limited.

Details of disassociation of our promoters from Companies during the last three years is as follows:

Mr. Mohinder Lal Arora has resigned from M/s Supreme Electrocast Private Limited on September 06, 2010, due to his preoccupation.

Common Pursuits

Our Promoters and Directors do not have any interest in any venture that is involved in any activities similar to those conducted by our Company or our Group Entities. Further, the main objects of our Group Companies SAL International (P) Limited and Matchless Metals Private Limited are similar to the main object of our Company. Presently, SAL International (P) Limited and Matchless Metals Private Limited do not carry on any business that is similar to our business. However, in the event that SAL International (P) Limited and Matchless Metals Private Limited engage in any business similar to that of our Company in the future, there would arise a potential conflict of interest between our Company and these entities. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Interest of the Promoters

The Promoters of the Company are interested to the extent of their shareholding in the Company. Except as stated otherwise in this Draft Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by the Company other than in the normal course of business.

There are companies/firms that have been controlled by one or more of the promoters, and to that extent they may be considered in such company/firm.

For further details on the above, please refer to page no. 129 of this DRHP.

Payment of benefits to the Promoter

Except as stated in the section titled "Related Party Transactions" on page 168 of this Draft Red Herring Prospectus, there has been no payment of benefits to the Promoter during the two years prior to the filing of this Draft Red Herring Prospectus

Related Party Transaction

For details of related party transactions please refer to page no. 168 of the DRHP.

Confirmations

Further, the Promoters have not been declared as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by the Promoter in the past or are pending against them except as disclosed in section titled "Outstanding Litigation and Material Developments" beginning on page 189 of this Draft Red Herring Prospectus.

Information in respect of all the group companies including companies forming part of the Promoter Group.



1) M/s SAL International Private Limited

Type of Organisation: The Company was incorporated as a Private limited Company on the March 07, 2007. Its Company Identification No. is U13209DL2007PTC160214.

Brief Description of Business: The main object SAL International Private Limited prescribes for to carry on the business of manufacturing, grinding, making, trading and dealing in all kinds of building materials, to set up a steel furnace and continuous casting and rolling mill plant etc. However the Company has yet to commence its commercial activity.

Nature and extent of interest of the promoters

Name	Number of Shares held in SAL International Private Limited	Percentage
Mr. Jagjiv Kumar Arora	375000	72.12
Mr. Sahil Arora	95000	18.27

The Promoters of the Supreme Alloys Limited are interested to the extent of the shareholding in SAL International Private Limited and to the extent of shareholding of SAL International Private Limited in the issuer Company.

Financial Performance

(`in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008
Paid up Equity Capital	52.00	52.00	52.00
Reserves & Surplus (excluding revaluation reserves)	99.00	99.00	99.00
Sales/Total Income	Nil	1Nil	Nil
Profit/(Loss) after Tax (PAT)	Nil	Nil	Nil
Earning per Share	Nil	Nil	Nil
Net Asset Value (In `)	28.61	28.63	28.64

Source: Audited Financial Statement

2) M/s Indian Exchange of Metal Limited

Type of Organisation:

The Company was incorporated as a Public Limited Company on the October 04, 2007. Its Company Identification No. is U65900DL2007PLC168923.

Brief Description of Business:

The company currently engage in the business of acting as an exchange for spot and future trading in all kinds of metals and allied items.



Nature and Extent of interest of promoters

Name	Number of Shares held in Indian	Percentage
	Exchange of Metal Limited	
Mr. Mohinder Lal Arora	2000	0.25
Mr. Jagjiv Kumar Arora	670000	84.87
Mr.Sahil Arora	62000	7.85

The Promoters of the Supreme Alloys Limited are interested to the extent of the shareholding in Indian Exchange of Metal Limited.

Financial Performance

(In Lacs)

			(III Lacs)
Particulars	31.03.2010	31.03.2009	31.03.2008
Paid up Equity Capital	78.95	78.95	5.00
Reserves & Surplus (excluding revaluation reserves)	205.76	200.47	0.00
Sales/Total Income	5352.80	4527.11	Nil
Profit/(Loss) after Tax (PAT)	5.29	4.41	Nil
Earning per Share (in `)	0.67	0.56	Nil
NAV (in `)	34.19	33.67	5.98

Source: Audited Financial Statements

3. M/s Matchless Metals Private Limited

Matchless Metals Private Limited was incorporated as a Private limited Company on the October 21, 2008. Its Company Identification No. is U27100DL2008PTC184385.

Brief Description of Business:

The main object of Matchless Metals Private Limited is to carry on the business of manufacture of continuous extrusions of non ferrous metal and its alloys, casting of steel and similar core, to set up ferrous and non ferrous furnaces and continuous casting and rolling mill plant for producing steel and alloy steel ingots/ billets etc.

Financial Performance

(Amount in `Lacs)

Particulars	31.03.2011	31.03.2010	31.03.2009
Paid up Equity Capital	1.00	1.00	1.00
Reserves & Surplus (excluding	0.12	(0.12)	Nil
revaluation reserves)			
Sales/Total Income	2.40	Nil	Nil
Profit/(Loss) after Tax (PAT)	0.24	(0.12)	Nil
Earning per Share (In `)	2.40	(1.22)	Nil
NAV per share (In `)	10.03	7.18	8.00

Source: Audited Financial Statements



Nature and extent of interest of the promoters

Name	Number of Shares held in Indian Exchange of Metal Limited	Percentage
Mr. Mohinder Lal Arora	7500	75.00

PARTNERSHIP FIRMS

M/s Supreme Engineers is a partnership firm engaged in the business of manufacture and sale of oil engines, printing machines, spare parts, etc. The present partners of the firm as constituted by a partnership deed dated April 01, 1992 are Mr. Mohinder Lal Arora, Mr. Jagjiv kumar Arora, and Mr. Sudhir Kumar Arora.



CURRENCY OF PRESENTATION

In the DRHP, all references to "Rupees" and "`" and "Indian Rupees" are to the legal currency of the Republic of India. Through out the sections on 'Financial Information' and 'Summary of Financial Information' and 'Management's of Financial Condition and Results of Operations' in the DRHP figures have been expressed in lacs. The term 'lacs' means 'One Hundred Thousand'.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and elsewhere in the DRHP, unless otherwise indicated, have been calculated on the basis of our financial statements prepared in accordance with Indian GAAP. In the DRHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.



DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the Annual General Meeting of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the members of the Company. The factors that may be considered by the Board before making any recommendations for the dividend, include but are not limited to profits earned during the financial year, liquidity of the Company, obligations towards repayment of debt including maintaining debt service reserves, future expansion plans and capital requirements, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

The Board may also, from time to time, pay to the members interim dividend, as appears to the Board to be justified by the profits of the Company.

Our Company has not paid any dividend so far.



SECTION V- FINANCIAL INFORMATION FINANCIAL INFORMATION OF OUR COMPANY

AUDITORS REPORT

The Board of Directors Supreme Alloys Limited B-7, WHS, Kirti Nagar, New Delhi -110015

Dear Sirs.

We have examined the financial information of **Supreme Alloys Limited** ("Company") annexed to this report, initialed by us for identification, which has been prepared in accordance with the requirements of:

- i) Paragraph B, of Part II of Schedule II of the Companies Act, 1956 (the "Act"), and the amendments thereof:
- ii) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement Regulation) 2009 issued by the Securities and Exchange Board of India ("SEBI") and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- iii) Our engagement with the Company requesting us to examine the financial information referred to above and proposed to be included in the offer document of the Company in connection with its public issue of Equity Shares (referred to as the "issue").

(A) Financial Information of the Company

We have examined:

- 1. The attached summary statement of Restated Assets & Liabilities of the Company as at 31st March 2007, 2008, 2009, 2010 & 2011 as prepared by the company and approved by the Board of Directors. (Annexure I)
- 2. The accompanying summary statement of Restated Profits & Losses of the Company for the financial years ended 31st March, 2007, 2008, 2009, 2010 & 2011 as prepared by the Company and approved by the Board of Directors. (Annexure II)
- 3. The accompanying summary statement of cash flow of the company for the financial year ended 31st March 2007, 2008, 2009, 2010 & 2011 as prepared by the company and approved by the Board of Directors. (Annexure-III)

These statements reflect the Assets and Liabilities and Profit and Losses for each of the relevant years as extracted from the balance sheet and profit and loss account for those years. For our examination, we have placed reliance on the financial statements audited by M/s. V. Kohli & Associates for the financial years 2006-07, 2007-08, 2008-09, 2009-10 and by our self for the financial year 2010-11. These financial statements for all the years have been approved by the Board of Directors of the Company and adopted by the members of the Company for the respective years (except for the financial year 2010-11 which are only approved by the Board of Directors & not approved by the members of the company). The Restated financial statements have been made after making such adjustments and regroupings and after incorporating material amounts and auditor's qualification requiring adjustments as in our opinion are appropriate and are described fully in the Notes appearing in Annexure V to this report.

Based on our examination of these summary statements we confirm that the restated financial information has been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations, and after incorporating:

- a. Adjustments suggested in paragraph 9 of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations,
- b. There are no prior period items which are required to be adjusted,
- c. There are no extra-ordinary items that need to be disclosed separately in the accounts.
- d. The accounting policies applied for each of the years ended March 31, 2007, 2008, 2009, 2010 and 2011 are materially consistent with the existing Accounting Standards. (Annexure IV)



- e. The Restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year to which they are related as described in Restated Financial Statement.
- f. There was no qualification in the audit reports issued by the statutory auditors for the respective years which would require adjustment in these Restated Financial Statements.

(B) Other Financial Information

We have also examined the following financial information relating to the Company prepared by the management and approved by the Board of Directors for the purpose of inclusion in the Offer Document :-

- 1. Statement of Other Income as appearing in Annexure VI to this report.
- 2. Statement of Accounting & Other Ratios as appearing in Annexure VII to this report.
- 3. Statement of Capitalization of the company as appearing in Annexure VIII to this report.
- 4. Statement of Tax Shelters as appearing in Annexure IX to this report.
- 5. Statement of Secured Loans as appearing in Annexure X to this report.
- 6. Statement of Unsecured Loans as appearing in Annexure XI to this report.
- 7. Statement of Sundry Debtors as appearing in Annexure XII to this report.
- 8. Statement of Loans and Advances as appearing in Annexure XIII to this report.
- 9. Statement of Contingent Liabilities & Capital Commitments as appearing in Annexure XIV to this report.
- 10. Statement of Dividend paid as appearing in Annexure XV to this report.
- 11. Statement of Investment as appearing in Annexure XVI to this report.
- 12. Statement of Current Liabilities & Provisions as appearing in Annexure XVII to this report.
- 13. Statement of Related Party Transaction as appearing in Annexure XVIII to this report.

In our opinion, the above financial information of the Company read with Significant Accounting Policies & Notes to Accounts attached in Annexure IV & V to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Schedule II of the Act and the SEBI (ICDR) Regulations issued by SEBI, as amended from time to time subject to and read with other notes.

We confirm that our firm M/s. VAPS & Co. has been subjected to Peer Review process of Institute of Chartered Accountants of India (ICAI) and firm holds a valid certificate no. FRN 003612N dated February 10, 2011 issued by "Peer Review Board" of ICAI.

This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.

This report is intended solely for your information and for inclusion in the Offer document in connection with the issue of Equity shares of the Company and is not be used, referred to or distributed for any other purpose without our written consent.

Thanking you
For VAPS & Co.
Chartered Accountants
Firm Regn. No.: 003612N

(Vipin Aggarwal)
Partner
Membership No. 82498
Place: New Delhi

Date: September 19, 2011



Annexure-I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(`in Lacs)

_		(In Lacs)					
		As at					
	Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011	
Α	FIXED ASSETS						
	Gross Block	1,427.35	1,842.18	2,381.07	3,056.23	6,429.30	
	Less: Depreciation Reserve	221.06	433.45	596.14	897.23	1,408.32	
	Net Block	1,206.29	1,408.73	1,784.93	2,159.00	5,020.98	
	Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00	
	Net Block after adjustment for Revaluation Reserve	1,206.29	1,408.73	1,784.93	2,159.00	5,020.98	
	Total Fixed Assets (A)	1,206.29	1,408.73	1,784.93	2,159.00	5,020.98	
В	CURRENT ASSETS, LOANS AND ADVANCES						
	Inventories	1,486.43	967.76	1,400.28	1,539.71	1,955.03	
	Sundry Debtors	2,948.53	3,283.06	2,696.23	2,528.70	4,292.56	
	Cash and bank Balance	67.41	66.93	50.63	58.38	133.58	
	Loans and Advances	1,446.36	1,499.76	1,719.39	1,359.14	1,170.74	
	Total (B)	5,948.73	5,817.51	5,866.53	5,485.93	7,551.91	
С	LIABILITIES AND PROVISIONS						
	Secured Loans	1,745.49	2,120.61	3,099.33	3,320.17	7,058.19	
	Unsecured Loans	1,436.83	982.28	887.71	1,930.83	1,586.79	
	Current Liabilities & Provisions	3,131.16	2,999.39	2,162.16	548.74	1,032.39	
	Deferred Tax Liabilities/Assets	35.05	119.91	184.81	204.53	274.18	
	Misc. expenditure to the extent not w/off or adjusted	0.00	0.00	0.00	0.00	0.00	
	Total (C)	6,348.53	6,222.19	6,334.01	6,004.27	9,951.55	
D	Deferred Tax Assets (D)	0.00	0.00	0.00	0.00	0.00	
E	NET WORTH (A+B-C+D)	806.49	1,004.05	1,317.45	1,640.66	2,621.34	
	REPRESENTED BY:						
	Share Capital	373.21	500.00	500.00	500.00	500.00	
	Share Application Money	0.00	0.00	0.00	0.00	650.00	



Reserve and Surplus	433.28	504.05	817.45	1,140.66	1,471.34
Less : Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Reserve and Surplus after adjustment for Revaluation Reserve	433.28	504.05	817.45	1,140.66	1,471.34
NET WORTH	806.49	1,004.05	1,317.45	1,640.66	2,621.34



Annexure-II

SUMMARY STATEMENT OF PROFITS AND LOSSES (AS RESTATED)

(`in Lacs)

		For	the year end	,	Lacs)
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
INCOME					
SALES-					
Of products manufactured by the issuer	10,437.22	16,904.88	21,266.37	19,524.66	27,111.13
Of products traded by the issuer	0.00	0.00	0.00	4,143.86	8,276.17
Total	10,437.22	16,904.88	21,266.37	23,668.52	35,387.30
Other Income/Job Work	19.68	228.89	43.89	45.55	31.15
Increase/(Decrease) in Inventories	(707.86)	(518.67)	432.52	126.60	188.67
Total	9,749.04	16,615.10	21,742.78	23,840.67	35,607.12
EXPENDITURE-					
Raw Material Consumed	7,878.62	14,227.10	19,207.26	21,583.52	32,054.63
Staff Costs	87.52	71.23	80.00	80.03	148.06
Other Manufacturing Expenses (including Depreciation)	1,027.78	1,548.46	1,536.82	1,280.08	2,058.43
Administration Expenses	39.57	81.27	105.61	103.71	111.78
Selling & Distribution Expenses	172.65	151.89	81.43	83.43	95.02
Interest & Finance Charges	109.09	210.57	299.86	356.97	644.26
Misc./Deferred Revenue Exp. Written off	0.00	0.00	0.00	0.00	0.00
Total	9,315.23	16,290.52	21,310.98	23,487.74	35,112.18
Net Profit/(Loss) before Tax & Extra ordinary items	433.81	324.58	431.80	352.93	494.94
Provision for Income Tax for Current Year	55.00	38.00	50.00	10.00	98.64
Less: MAT Credit Entitlement	0.00	0.00	0.00	0.00	(4.03)
Provision for FBT for Current Year	2.29	6.55	3.50	0.00	0.00
Deferred Tax Liabilities/(Assets) for Current Year	15.21	84.86	64.90	19.72	69.65
Net Profit/(Loss) after Tax & Extra ordinary items	361.31	195.17	313.40	323.21	330.68
Balance brought forward from the last year	71.97	433.28	504.05	817.45	1,140.66



Issue of Bonus Shares (3:1)	0.00	(124.40)	0.00	0.00	0.00
Net Profit/(Loss) carried over to Balance Shee	t 433.28	504.05	817.45	1,140.66	1,471.34



Annexure – III

SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)

(`in Lacs)

For the Year ende					:d		
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011		
CASH FLOW FROM OPERATIONS							
Profit before Taxation	433.81	324.58	431.80	352.93	494.94		
Add:-Adjustment							
Deprecation	57.32	212.39	162.69	302.31	511.09		
Deferred Revenue Expenditure	0.00	0.00	0.00	0.00	0.00		
Interest expenses	109.09	210.57	299.86	333.90	595.53		
Provision for Gratuity/ Leave Encashment	1.34	0.42	0.29	0.83	0.00		
Less : Reserves	0.00	(124.40)	0.00	0.00	0.00		
Less : Written back	(207.62)	0.00	0.00	(1.22)	0.00		
Less: Interest income	(19.68)	(105.06)	(43.89)	(45.55)	(31.15)		
Proceeds on sale of assets	0.00	0.00	0.00	1.80	0.00		
Operating Profit before Working							
Capital Change	374.26	518.50	850.75	945.00	1,570.41		
Adjusted For							
(Increase) / Decrease in Current Assets							
(Increase) / Decrease in Inventories	707.86	518.67	(432.52)	(139.43)	(415.32)		
(Increase) / Decrease in Sundry Debtors	(423.48)	(334.53)	586.82	167.53	(1,763.87)		
(Increase) / Decrease in Loans & Advances	(920.27)	(88.86)	(228.19)	374.82	236.62		
Increase / (Decrease) in Current Liabilities	,						
Increase / (Decrease) in Sundry Creditors	(294.52)	(128.01)	(533.19)	(1,395.24)	209.25		
Increase / (Decrease) in Expenses Payable	8.29	54.52	(70.54)	(48.76)	232.54		
Increase / (Decrease) in Other Liabilities	100.70	(48.25)	(240.44)	(180.27)	(52.74)		
Cash Generated from Operations	(447.16)	492.04	(67.31)	(276.35)	16.89		
Income Tax paid	(30.00)	(19.54)	(38.28)	(16.37)	(48.22)		
NET CASH FROM OPERATIONS (A)	(477.16)	472.50	(105.59)	(292.72)	(31.33)		
INVESTING ACTIVITIES							
Additions to Fixed Assets	(156.34)	(414.83)	(538.89)	(675.16)	(3,373.07)		
Sale of Fixed Assets	19.50	0.00	0.00	0.00	0.00		
Income from Intt.& Dividend	19.68	105.06	43.89	45.55	31.15		
NET CASH FROM							
INVESTING ACTIVITIES (B)	(117.16)	(309.77)	(495.00)	(629.61)	(3,341.92)		
FINANCING ACTIVITIES							
Proceeds from issuance of Share Capital	75.00	126.79	0.00	0.00	0.00		
Increase in Share Application Money	0.00	0.00	0.00	0.00	650.00		
Proceeds from Long Term Borrowings	762.37	692.48	1,618.80	1,475.53	3,943.06		
Repayment of Long Term Borrowings	(115.18)	(771.91)	(734.66)	(211.55)	(549.08)		
Net Interest Paid	(109.08)	(210.57)	(299.85)	(333.90)	(595.53)		
NET CASH FROM FINANCING ACTIVITIES (C)	613.11	(163.21)	584.29	930.08	3,448.45		
Net Change in cash and cash equivalents(A + B + C)	18.79	(0.48)	(16.30)	7.75	75.20		



Cash and cash equivalents at the beginning of the period	48.62	67.41	66.93	50.63	58.38
Cash and cash equivalents at the end of the period	67.41	66.93	50.63	58.38	133.58

- Notes: 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'.
 - 2. Previous years figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.



Annexure-IV

SIGNIFICANT ACCOUNTING POLICIES

1) General

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 & the provisions of the Companies Act, 1956.

2) Revenue Recognition

- i) Revenue from operations is recognized as and when the goods are cleared from the premises.
- ii) Revenue from E-trade is recognized as and when the risk and rewards of the goods have been passed to the buyer.
- iii) All sales are gross of invoices raised but net of sales tax, trade discounts and returns.

3) Inventories

Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value. Finished goods and work-in-progress include costs of conversion and other costs in bringing the inventories to their present location and condition.

4) Fixed & Intangible Assets

- i) Fixed assets are stated at historical cost less provision for impairment losses, if any, depreciation and amortization.
- ii) Borrowing costs eligible for capitalization incurred, in respect of acquisition / construction of a qualifying asset, till the asset is substantially ready for use, are capitalized as part of the cost of that asset.
- iii) Intangible assets are recognised on the basis of recognition criteria as set out in Accounting Standard (AS) 26 "Intangible Assets".

5) Depreciation

Depreciation for the year has been accounted on the following basis:

- i) Depreciation on Fixed Assets is provided on straight-line method at the rates prescribed in Schedule XIV on single shift basis.
- jj) Leasehold Land and Leasehold Improvements are not being written off over the period of the lease.
- iii) Software costs are amortized at the rate applicable for computers specified in Schedule XIV to the Companies Act, 1956, which is a fair representation of the period of time over which the asset is expected to be used.
- iv) In the case of assets where an impairment loss is recognized, the revised carrying amount is depreciated over the remaining estimated useful life.

6) Impairment of assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.



7) Leases

The company has no assets on lease under which significant risks and rewards of ownership are effectively retained by the lessor. Maintenance charges on lease assets are accounted as and when demanded or paid whichever is earlier.

8) Foreign Currency Transactions

- Foreign exchange transactions during the year are recorded at the exchange rates prevailing on the dates
 of the transactions. Gains or losses out of fluctuations in rate between transaction date and settlement
 date are recognized in the Profit and Loss account.
- Monetary Assets and Liabilities are translated into rupees at the exchange rates prevailing at year-end rate and overall net gain / loss is adjusted in the Profit and Loss Account.

9) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Other borrowing costs are recognised as an expense in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for its intended use are complete.

10) Employee Benefits

(a) Short Term Employee Benefits

Short term employee benefits are recognised in the year during which the services have been rendered.

(b) Long Term Employee Benefits

i) Defined Contribution plan

Provident Fund and employees' state insurance schemes

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes and employee's pension schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

ii) Defined benefit plan

Leave Encashment - The Company has provided for the liability at year end on account of unavailed earned leave as per the Projected Unit Credit (PUC) actuarial method

Gratuity - The Company has provided for the liability at year end on account of gratuity as per the Projected Unit Credit (PUC) actuarial method

iii) Termination benefits are recognized as an expense immediately.



11) Tax on Income

Tax expense for the Year, comprising current tax and deferred tax is included in determining the net profit for the year. Current Tax is provided for in accordance with the provision of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for all timing differences between accounting income and taxable income and are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are carried forward to the extent there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized. Deferred Tax Assets in respect of unabsorbed depreciation or brought forward losses are recognized to the extent of virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

12) Earning per shares

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

13) Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of past event and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



NOTES TO ACCOUNTS

A. Notes on adjustments for restated summary statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Table-1

(`in Lacs)

	For the year ended				
Particulars	31 st March	31 st March	31 st March	31 st March	31 st March
	2007	2008	2009	2010	2011
Profit after tax before appropriation (as per					
Audited accounts)	360.89	194.14	312.43	323.76	329.92
Adjustments For:					
Deferred Revenue Expenditure	1.31	1.31	1.16	0.00	0.00
Provision for Gratuity	(1.21)	(0.27)	(0.11)	(0.49)	0.00
Provision for Leave Encashment	(0.13)	(0.15)	(0.18)	(0.34)	0.00
Deferred Tax Asset	0.45	0.14	0.10	0.28	0.76
Profit after Tax as per Restated Accounts	361.31	195.17	313.40	323.21	330.68

The Explanatory notes for these adjustments are discussed below:

(a) Deferred Revenue Expenditure Written off

The Company has adopted Accounting Standard-26-Intangible Assets, as issued and required by the Companies (Accounting Standards) Rules 2006, of the Companies Act, 1956 in preparing the Financial Statement for the year ended 31st March, 2011. AS-26 has not been applied for the year ended 31st March 2009, 2008 & 2007.

Expenditure incurred for a company has been treated as Deferred Revenue Expenditure till the year ended 31st March 2009, for the purpose of this statement such expenses have been treated as revenue expenditure consequently the effect has adjusted in the opening revenue reserve and current years profit.

(b) Provision for Gratuity and Leave Encashment

During the year ended 31st March 2011, Company has adopted Accounting Standard-15 (Revised) – Employee Benefits, as issued and required by the Companies (Accounting Standards) Rules 2006, of the Companies Act, 1956.

Now, provision for Gratuity and Leave Encashment have been computed on Actuarial Valuation basis for each preceding year i.e. year ended 31st March 2007, 31st March 2008, 31st March 2009 and 31st March 2010. Consequently, the adjustments have been made in the respective financial year in the respective account head i.e. Provision for Gratuity, Leave encashment and Deferred Tax.

(c) Deferred Tax Assets

In current year, the company has recognised deferred tax asset of `0.76 lacs on provision for gratuity & leave encashment, because it is reasonably certain that sufficient future taxable income will be available against which, such deferred tax assets can be realized.

(d) Material Regrouping

Appropriate adjustments, wherever material, have been made in Restated Summary Statements of Assets & Liabilities, Profit & Loss, wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the Regulations issued by



the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended up-to-date.

B. NOTES TO ACCOUNTS

- Restated Financial Statements have been prepared in respect of five years commencing from the financial year ended 31st March 2007, 2008, 2009, 2010 & 2011.
- 2. During the year 2006-07 the company has issued 75,000 Equity Shares on 31st March 2007 @ ` 100/- each fully paid up and during the year 2007-08, company has issued 12, 44,043 Equity Shares as bonus in the ratio of 3:1 and 23,827 Equity Shares i.e. total 12,67,870 Equity Shares and split the Equity Share of ` 100/- each to ` 10/- each.
- 3. Details of Contingent Liabilities have been given in Annexure-XIV
- 4. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently, the amount paid/ payable to these parties during the year is not ascertainable. Consequently, as of now, it is neither possible for the Company to ascertain whether payment to such enterprises has been made within 45 days from the date of acceptance of supply of goods or services rendered by a supplier nor to give the relevant disclosures as required under the Act. This has been relied upon by the auditors.
- 5. Details of Employees Benefits as required by the Accounting Standard 15 (Revised) i.e. Employee Benefits are as follows:

1) Defined Contribution Plans

					` in Lacs
During the year, the company has recognised the following amounts in the Profit and Loss Account:	2006-07	2007-08	2008-09	2009-10	2010-11
-Employers' Contribution to Provident Fund	4.73	4.73	4.06	3.15	6.93
-Employers' Contribution to Employee State Insurance	1.67	1.67	1.91	1.70	4.21

2) Defined Benefit Plans

Leave Encashment & Gratuity

Valuations in respect of Leave Encashment and Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

`	in	Lacs

Principal actuarial assumptions	2006-07	2007-08	2008-09	2009-10	2010-11
Discount Rate (Per annum)	8.00%	8.00%	8.00%	8.00%	8.50%
Rate of increase in Compensation					
levels (Per annum)	5.00%	5.00%	5.00%	5.00%	5.00%
	LIC 94-96	LIC 94-96	LIC 94-96	LIC 94-96	LIC 94-96
Mortality	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
Expected Rate of Return	0.00%	0.00%	0.00%	0.00%	0.00%
Withdrawal Rate (Per annum)					
(18 to 60 Years)	2.00%	2.00%	2.00%	2.00%	2.00%
Expected Retirement Age of					
employees in no. of Years	58 Years	58 Years	58 Years	58 Years	58 Years



1	i	_		1	SUPREM
LEAVE ENCASHMENT					
Changes in Present Value of Obligations					
Present value of the obligation at the beginning of the period	0.00	0.13	0.28	0.46	0.80
Interest cost	0.00	0.01	0.02	0.03	0.07
Current service cost	0.00	0.13	0.23	0.44	0.94
Benefits paid	0.00	0.00	0.00	0.00	0.00
Actuarial (gains)/loss	0.00	0.01	(0.07)	(0.13)	(0.18)
Present value of the obligation at the end of the period	0.13	0.28	0.46	0.80	1.63
Amount to be recognized in the Balance Sheet					
Present value of the obligation at the end of the period	0.13	0.28	0.46	0.80	1.63
Fair value of plan assets at end of period	0.00	0.00	0.00	0.00	0.00
Net liability/(asset) recognized in Balance Sheet and related analysis	0.13	0.28	0.46	0.80	1.63
Funded Status	(0.13)	(0.28)	(0.46)	(0.80)	(1.63)
Expenses recognized in the Profit and Loss Account					
Current service cost	0.00	0.13	0.23	0.44	0.94
Interest cost	0.00	0.01	0.02	0.03	0.07
Expected return on plan assets	0.00	0.00	0.00	0.00	0.00
Net actuarial (gain)/loss	0.00	0.01	(0.07)	(0.13)	(0.18)
Expenses to be recognized in the Profit and Loss Account	0.00	0.15	0.18	0.34	0.83
Actuarial (Gain) / Loss recognized					
Actuarial (gain)/loss – obligation	0.00	0.01	(0.07)	(0.13)	(0.18)
Actuarial (gain)/loss – plan assets	0.00	0.00	0.00	0.00	0.00
Total Actuarial (gain)/loss	0.00	0.01	(0.07)	(0.13)	(0.18)
Actuarial (gain)/loss – recognized	0.00	0.01	(0.07)	(0.13)	(0.18)
Outstanding actuarial (gain)/loss at the end of the period	0.00	0.00	0.00	0.00	0.00
GRATUITY Changes in Present Value of Obligations					



		_			
Present value of the obligation at the	0.00	1 01	1 40	1.50	2.00
beginning of the period	0.00	1.21	1.48	1.59	2.08
Interest cost	0.00	0.09	0.11	0.13	0.18
Current service cost	0.00	0.36	0.36	0.44	0.82
Benefits paid	0.00	0.00	0.00	0.00	0.00
Actuarial (gains)/loss	0.00	(0.18)	(0.36)	(0.08)	0.47
Present value of the obligation at the end of the period	1.21	1.48	1.59	2.08	3.55
Amount to be recognized in the Balance Sheet					
Present value of the obligation at the end of the period	1.21	1.48	1.59	2.08	3.55
Fair value of plan assets at end of period	0.00	0.00	0.00	0.00	0.00
Net liability/(asset) recognized in Balance Sheet and related analysis	1.21	1.48	1.59	2.08	3.55
Funded Status	(1.21)	(1.48)	(1.59)	(2.08)	(3.55)
Expenses recognized in the Profit and Loss Account					
Current service cost	0.00	0.36	0.36	0.44	0.82
Interest cost	0.00	0.09	0.11	0.13	0.18
Expected return on plan assets	0.00	0.00	0.00	0.00	0.00
Net actuarial (gain)/loss	0.00	(0.18)	(0.36)	(0.08)	0.47
Expenses to be recognized in the statement of Profit and Loss Account	0.00	0.27	0.11	0.49	1.47
Actuarial (Gain) / Loss recognized					
Actuarial (gain)/loss – obligation	0.00	(0.18)	(0.36)	(0.08)	0.47
Actuarial (gain)/loss – plan assets	0.00	0.00	0.00	0.00	0.00
Total Actuarial (gain)/loss	0.00	(0.18)	(0.36)	(0.08)	0.47
Actuarial (gain)/loss – recognized	0.00	(0.18)	(0.36)	(0.08)	0.47
Outstanding actuarial (gain)/loss at the end of the period	0.00	0.00	0.00	0.00	0.00

Notes: - Above Disclosure in respect of Revised Accounting Standard 15 "Employee Benefits" has been made from the year 2007.

- **6.** All manufacturing units of the company are covered under Central Excise Act, 1994 which makes it mandatory to raise invoices for all goods cleared from its premises including those after conversion and gross of all invoices raised are taken as turnover in the books of accounts.
- 7. The Company has received legal notice of claim / lawsuit filed against it in respect of issue of royalty payments by M/s Kamdhenu Ispat Ltd. In the opinion of the management, no liability is likely to arise on account of such claim / lawsuit.
- **8.** The company has availed credit limits from its bankers against its Industrial Land both lease hold and free hold as well as by way of hypothecation of plant & machinery including all moveable fixed assets.



9. Particulars of Managerial Remuneration

(`in Lacs)

					(= 2.00)
Particulars	31 st March	31 st March	31 st March	31 st March	31 st March
Pai ticulai S	2007	2008	2009	2010	2011
		Direct	ors		
Salaries and	12.70	18.00	38.50	42.60	42.60
Allowances					
Total	12.70	18.00	38.50	42.60	42.60
		Relatives	of KMP		
Remuneration	7.10	6.00	6.00	6.00	6.00
Total	7.10	6.00	6.00	6.00	6.00

10. Taxation

a) Minimum Alternate Tax (MAT)

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961. However, where the tax is computed in accordance with the provision of section 115JAA of the Income Tax Act, 1961, as Minimum Alternate Tax(MAT), it is charged off to the profit & Loss Account in the relevant year. Further in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternative Tax(MAT) under the Income Tax, issued by the Council of the Institute of Chartered Accountants of India, MAT credit is recognised as an asset under the head "Loans & Advances" based on the convincing evidence that the company will pay normal Income tax during the specified period accordingly a sum of `4.03 lacs has been shown as MAT Credit entitlement under loans and advances.

b) Deferred Tax

Deferred taxes arise because of difference in treatment between financial accounting and tax accounting, known as "Timing differences". The tax effect of these timing differences is recorded as "deferred tax assets" (generally items that can be used as a tax deduction or credit in future periods) and "deferred tax liabilities" (generally items for which the Company has received a tax deduction, but has not yet been recorded in the statement of income).

The principal components of the net deferred tax balance are as follows:

(`in Lacs)

Deferred Tax	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
Opening Balance	19.84	35.05	119.91	184.81	204.53
Current Year					
Deferred Tax Liabilities:					
Depreciation (on Account of					
timing difference between	15.66	85.00	65.00	20.00	70.41
depreciation as per Income	15.00	05.00			70.41
Tax Act and Companies Act)					
Deferred Tax Assets:					
On Account of Gratuity and	(0.45)	(0.14)	(0.10)	(0.28)	(0.76)
Leave Encashment	(0.43)	(0.14)	(0.10)	(0.20)	(0.76)
Net Deferred Tax	15.21	84.86	64.90	19.72	69.65
Closing Balance	35.05	119.91	184.81	204.53	274.18

- 11. Details of Earning Per Shares given in Annexure- VII
- 12. Details of Related Parties Disclosures have been given in Annexure- XVIII

13. Disclosure regarding AS-29 i.e. movement of provisions



(` in L	acs)
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					(acc)
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Opening Balance	40.54	58.63	48.60	55.55	12.88
Utilized	(20.21)	(55.00)	(46.84)	(53.50)	(10.00)
Reversed	(20.33)	(0.17)	(0.43)	(0.22)	0.00
Provided during the year	58.63	45.14	54.22	11.05	100.95
Closing Balance	58.63	48.60	55.55	12.88	103.83

14. Auditors' Remuneration

(`in Lacs)

					(===,
Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Statutory Audit (excluding service tax)	0.30	0.60	0.60	0.60	0.70
Tax Audit (excluding service tax)	0.10	0.25	0.25	0.25	0.30
Other services	0.04	0.15	0.15	0.15	0.20

15. Segment Reporting

Based on the guiding principles given in Accounting Standard on "Segment Reporting" (AS 17) issued by the Institute of Chartered Accountants of India, the Company is exclusively engaged in dealing in only one segment, hence there is only one primary segment in the contest of Accounting Standards 17 on Segment Reporting issued by ICAI. The company is not operating in any of the geographical segment. The Company is currently deals in two different businesses i.e. manufacturing and trading of Iron & Steel.

16. Value of Imported and Indigenous Raw Materials Consumed:

(`in Lacs)

	31 st Ma	arch 2007	_	March 008	31 st I	March 2009	31 st N	larch 2010	31 st N	larch 2011
Raw Materials and Components	% age	Value	% age	Value	% age	Value	% age	Value	% age	Value
Imported	2.01	11144	0	0.00	0	0.00	4.67	800.03	4.16	930.66
Indigenous	97.99	541910	100	13708	100	19148.83	95.33	16316.89	95.84	21462.90
	100	553054	100	13708	100	19148.83	100	17116.92	100	22393.56

17. Raw Materials Consumed:

(`in Lacs)

Class of	Unit	31st Marc	h 2007	31 st Marc	h 2008	31 st Mar	ch 2009	31 st Marc	h 2010	31 st Marc	h 2011
Goods *	Unit	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Scrap/ Sponge Iron etc.	MT	16499.735	203573	20019.888	4405.27	13064.545	2526.06	15360.946	2497.14	12298.00	1483.94
Ingots/ Billets etc.	MT	28604.857	344579	51281.978	9242.84	54364.09	13926.40	56658.175	14619.78	73121.261	20909.62

^{*} Does not include items, which in terms of value do not individually account for 10 percent or more of the total values of the raw materials consumed.

18. Licensed and Installed Capacity:

	2010)-11	2009-10		
Furnace Division -		Value		Value	
	Quantity in MT	(`in Lacs)	Quantity in MT	(`in Lacs)	



Licensed Capacity /				
Installed capacity	NA	NA	NA	NA
Actual Production	10743.980	0.00	13433.455	0.00
Raw Material Consumed	12298.00	1483.94	14790.226	2497.14
Raw Material Sales	591.355	124.18	570.720	92.17
Trading Purchases (Iron & steel)	3162.630	1030.38	1229.515	339.14
Sales & Stock Trfd.*	10262.105	2859.16	13845.585	3659.39
Trading Sales Iron & steel	2977.480	976.46	1229.515	345.71
Closing stock				
Finished Goods	1021.875	723.31	540.065	328.14
Raw Material	145.150	54.21	365.185	73.03
Ghaziabad	0.00	0.00	7.785	2.48
Trading TMT Bar	185.150	75.91	0.00	0.00
Opening Stocks				
Finished Goods	540.065	328.14	952.195	643.68
Raw material	365.185	73.03	440.498	90.30
Ghaziabad	7.785	2.48	7.785	3.69

^{*} Includes 7277.705 MT consumed for production of TMT bars and that of previous year 13845.585 MT

Rolling Mill Division	2010)-11	2009-10		
- Unit I	Quantity in MT	Value (` in Lacs)	Quantity in MT	Value (` in Lacs)	
Licensed Capacity / Installed capacity	NA	NA	NA	NA	
Actual Production	49246.250	0.00	49987.755	0.00	
Material Consumed	50704.285	14880.56	51538.090	14619.78	
Material Sales	854.035	147.34	5120.085	1201.62	
Trading Purchases (Iron & steel)	30220.000	7976.38	13250.000	3638.96	
Sale & Stock Trf.*	50543.375	16148.42	49064.895	12544.62	
Trading Sales Iron & steel	29770.000	7933.72	13250.000	3798.14	
Sales (At Delhi)	326.309	95.71	2725.563	798.10	
Sales (At Faridabad)	597.221	182.63	6187.775	1955.19	
Closing stock					
Finished Goods	341.325(own) 494.090(SAIL)	59.20	2126.788 (Own) 771.782(SAIL)	888.77	
Raw Material	423.475(SAIL)	0.00	200.356 (Own) 215.434 (SAIL)	116.20	
Delhi	0.00	0.00	34.861	11.12	
Faridabad	0.00	0.00	48.104	15.35	
Opening Stocks				_	
Finished Goods	2126.788 (Own) 771.782(SAIL)	888.77	895.010 (Own) 1080.700 (SAIL)	238.13	



Raw material	200.356 (Own) 215.434 (SAIL)	116.20	37.645	94.26
Delhi	34.861	11.12	148.214	45.95
Faridabad	48.104	15.35	48.054	14.90

^{*} Includes 45470.514 MT dispatched to SAIL and in previous year 29757.72 MT, includes 2670.590 MT dispatched to Unit - I and in previous year 3294.965 MT

Rolling Mill Division	2010)-11	2009	9-10
<u>- Unit II</u>	Quantity in MT	Value (`in Lacs)	Quantity in MT	Value (`in Lacs)
Licensed Capacity / Installed capacity	NA	NA	NA	NA
Actual Production	21543.950	0.00	0.000	0.00
Material Consumed	22251.141	6029.06	0.000	0.00
Material Sales	159.855	49.67	0.000	0.00
Trading Purchases (Iron & steel)	1050.00	267.34	0.000	0.00
Sales & Stock Trfd.	15254.185	4680.26	0.000	0.00
Trading Sales Iron & steel	1050.00	284.13	0.000	0.00
Sales (At Delhi)	528.225	163.10	0.000	0.00
Sales (At Faridabad)	4617.880	1466.86	0.000	0.00
Closing stock				
Finished Goods	1143.660	437.05	0.000	0.00
Raw Material	365.760	125.86	0.000	0.00
Delhi	23.730	7.87	0.000	0.00
Faridabad	25.080	9.03	0.000	0.00
Opening Stocks				
Finished Goods	0.00	0.00	0.000	0.00
Raw material	0.00	0.00	0.000	0.00

^{19.} The figures for the previous years have been regrouped/ rearranged wherever considered necessary to conform to the current year's classification.



Annexure - VI

STATEMENT OF OTHER INCOME

						(In Lacs)			
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011	Related/ Not Related to Business Activity	Nature		
Royalty Received	0.00	0.00	6.55	39.30	0.00	Related	Recurring		
Freight	0.00	0.00	0.00	0.00	19.93	Related	Recurring		
Miscellaneous Receipt	0.00	104.03	24.75	0.00	0.00	Related	Non- Recurring		
Interest Received on FDR	0.00	1.03	5.00	5.17	6.27	Related	Recurring		
Interest Received on Security (UPPCL)	2.12	0.00	6.69	0.00	3.34	Related	Recurring		
Short & Excess	0.00	0.00	0.00	0.00	0.53	Related	Recurring		
Rental Income	0.00	0.00	0.90	1.08	1.08	Related	Recurring		
Interest on Income Tax Refund	0.99	0.00	0.00	0.00	0.00	Related	Non- Recurring		
Income Tax Refund	14.11	0.00	0.00	0.00	0.00	Related	Non- Recurring		
Discount	0.12	0.00	0.00	0.00	0.00	Related	Non- Recurring		
Profit on Sale of Assets	2.34	0.00	0.00	0.00	0.00	Related	Non- Recurring		
Claim received (UPPCL)	0.00	123.83	0.00	0.00	0.00	Related	Non- Recurring		
Total	19.68	228.89	43.89	45.55	31.15	1	ı		
Net Profit before tax, as per Summary statement of Profits and Losses, as restated	433.81	324.58	431.80	352.93	494.94	-	-		
Percentage of Other Income	4.54	70.52	10.16	12.91	6.29	-	-		

Note: - 1. In view of the management, all the other income mentioned above are mainly related to the business of the company.

^{2.} The above amounts are as per the statement of profit & loss, as restated of the company.



Annexure - VII

STATEMENT OF ACCOUNTING & OTHER RATIOS

Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
Net Worth (` in Lacs) (A)	806.49	1,004.05	1,317.45	1,640.66	2,621.34
Restated Profit after tax (` in Lacs) (B)	361.31	195.17	313.40	323.21	330.68
No. of shares outstanding at the end of the year (C)	373,213	5,000,000	5,000,000	5,000,000	5,000,000
Adjusted weighted average no. of shares at the end of the year for bonus shares (D) (for Basic EPS)	4,976,173	4,976,368	5,000,000	5,000,000	5,000,000
Adjusted weighted average no. of shares at the end of the year for bonus shares (D1) (for Diluted EPS)	4,976,173	4,976,368	5,000,000	5,000,000	5,017,808
Weighted average no. of shares at the end of the year (E) (for Basic EPS)	298,418	4,976,368	5,000,000	5,000,000	5,000,000
Weighted average no. of shares at the end of the year (E1) (for Diluted EPS)	298,418	4,976,368	5,000,000	5,000,000	5,017,808
Current Assets (` in Lacs) (F)	5,948.73	5,817.51	5,866.53	5,485.93	7,551.91
Current Liabilities (` in Lacs) (G)	3,131.16	2,999.39	2,162.16	548.74	1,032.39
Basic Earning Per Share (`) (B/E)	121.08	3.92	6.27	6.46	6.61
Diluted Earning Per Share (`) (B/E1)	121.08	3.92	6.27	6.46	6.59
Adjusted Basic Earning Per Share for bonus shares (`) (B/D)	7.26	3.92	6.27	6.46	6.61
Adjusted Diluted Earning Per Share for bonus shares (`) (B/D1)	7.26	3.92	6.27	6.46	6.59
Return on Net worth (%) (B/A)	44.80	19.44	23.79	19.70	12.61
Net asset value per share (A/C)	216.09	20.08	26.35	32.81	52.43
Current Ratio (F/G)	1.90	1.94	2.71	10.00	7.31

Note:-

- 1. Earnings per share (`) = Profit available to equity shareholders / weighted average no. of equity shares.
- 2. Return on Net worth (%) = Profit after taxation / Net worth X 100
- 3. Net asset value / Book value per share (`) = Net worth / No. of equity shares
- 4. Current Ratio = Current Assets / Current Liabilities
- 5. The company does not have any revaluation reserves or extra-ordinary items.
- 6. Weight average no. of equity shares outstanding during the period / year means no. of equity shares outstanding at the beginning of the period / year, adjusted by the no. of equity shares issued during the period / year multiplied by the time weighted factor.
- 7. During the year ended 31.03.2008, company has splited its share from ` 100 to ` 10 per equity share.



Annexure - VIII

CAPITALIZATION STATEMENT

(in Lacs)						
	Pre Issue					
Particulars	As at 31 st March 2011	Post Issue*				
Total Debt:						
Short Term Debt	6,139.47	[•]				
Long Term Debt	2,505.51	[●]				
Total Borrowing	8,644.98	[•]				
Shareholders Funds:						
Share Capital	500.00	1450.00				
Share Application Money	650.00	[●]				
Reserves & Surplus	1,471.34	[•]				
Total Shareholders Funds	2,621.34	[•]				
Long Term Debt / Shareholders funds	0.96	[•]				
Total Debt / Equity	3.30	[●]				

^{*} Post issue calculation can be done only on the conclusion of the book building process.



Annexure - IX

STATEMENT OF TAX SHELTER

	(in Lacs)						
1				As at	-	1	
	Particulars	31 st	31 st	31 st	31 st	31 st March	
	i di ticalai 3	March	March	March	March	2011	
		2007	2008	2009	2010	2011	
	Rate of Tax (Normal)	33.66%	33.99%	33.99%	33.99%	33.22%	
	Rate of Tax (MAT)	11.33%	11.33%	11.33%	16.995%	19.9305%	
Α	Profit Before Tax						
ĺ	Profit / (Loss) as per Profit & Loss						
	Account before Tax(Restated)	433.81	324.58	431.80	352.93	494.94	
	Profit after Tax						
	Profit / (Loss) as per Profit & Loss						
	Account after Tax (Audited)	153.27	194.14	312.43	323.76	329.92	
	Adjustments in Audited P&L:						
	Depreciation as per P&L	57.32	212.39	162.69	302.31	511.09	
	Depreciation as per Income Tax Act	(103.39)	(480.53)	(441.43)	(451.25)	(723.06)	
	Charity & Donation and others	2.80	0.00	0.23	0.66	0.54	
	Amount disallowed u/s 40 (ia)	28.68	0.00	0.00	0.00	0.00	
ĺ	Income tax U/s 40(a)(ii)	0.00	7.67	1.11	1.04	0.00	
	Provision for Income tax u/s 40 (ii)/ FBT	72.95	44.50	55.97	30.28	94.61	
	Provision for Deferred Tax	0.00	85.00	65.00	0.00	70.41	
	Loss on sale of Car	0.00	0.00	0.00	2.13	0.00	
İ	Rent Considered Separately	0.00	0.00	0.00	(1.08)	0.00	
	Income Tax provision -FBT W/Back	(18.58)	0.00	0.00	0.00	0.00	
Ì	Income tax refund	(14.11)	0.00	0.00	0.00	0.00	
Ì	Profit on sale of Assets	(2.34)	0.00	0.00	0.00	0.00	
İ	Income from House Property	0.00	0.00	0.00	0.76	0.00	
ŀ	Net Taxable income	176.60	63.17	156.00	208.61	283.51	
	Transfer income	170.00	00.17	100.00	200.01	200.01	
В	Taxable Income						
	Taxable Income as per Income Tax	176.60	63.17	156.00	208.61	283.51	
	Tax Payable as per Income Tax (Normal)	59.44	21.47	53.02	70.91	94.18	
	Tax Payable as per MAT	21.95	37.54	48.95	60.35	98.65	
	Tax Fayable as per With	21.70	07.01	10.70	30.00	Not	
	Tax Payable as per Return*(After MAT Credit)	59.44	37.54	48.95	58.94	Available	
	(01101				
С	Movement of Deferred Tax (Restated)						
	Opening Balance	19.84	35.05	119.91	184.81	204.53	
	<u>Current Year</u>						
İ	Deferred Tax Liabilities:						
	Depreciation (on Account of timing difference						
	between depreciation as per Income Tax Act						
	and Companies Act)	15.66	85.00	65.00	20.00	70.41	
ĺ	Deferred Tax Assets:						
ĺ	On Account of Gratuity and Leave Encashment	(0.45)	(0.14)	(0.10)	(0.28)	(0.76)	
	Net Deferred Tax	15.21	84.86	64.90	19.72	69.65	
	Closing Balance	35.05	119.91	184.81	204.53	274.18	
	olosing buldine	33.03	117.71	104.01	204.00	2/4.10	
D	Deferred Tax Assets/ (Liabilities) Restated	(15.21)	(84.86)	(64.90)	(19.72)	(69.65)	
۳	Doron ou Tax Associs/ (Liabilities) Restated	(10.21)	(04.00)	(04.70)	(17.12)	(07.00)	
					l .	l	



(*) Tax payable as per computation made for provision for tax.

Note: - The above adjustments are provided on the basis of Income Tax Return of the company for the respective Assessment Year & Tax Payable as per computation made for provision for tax in audited accounts except for the year ended 31st March 2011.



Annexure – X

STATEMENT OF SECURED LOANS

Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
RUPEE TERM LOAN:					
FROM BANKS:					
Syndicate Bank					
Term Loan A/c 2003020	287.07	191.41	95.71	0.00	0.00
Term Loan A/c 2001010	0.00	0.00	0.00	0.00	0.00
Term Loan A/c 85567220001827	0.00	0.00	167.89	124.53	81.80
Term Loan A/c	0.00	197.70	0.00	0.00	0.00
Punjab National Bank					
Term Loan	0.00	0.00	0.00	0.00	2,400.00
Vehicle Loan :					
Syndicate Bank	0.00	0.00	0.00	20.10	13.04
Punjab National Bank	0.00	0.00	0.00	0.00	10.67
WORKING CAPITAL LOANS:					
Syndicate Bank					
ODH A/c No. 85561250000831	0.00	1,708.36	3,065.01	3,477.31	3,465.94
ODH A/c No. 85561250000122	1,213.57	0.00	0.00	0.00	0.00
PCL LC	209.80	0.00	0.00	0.00	0.00
Syndicate Bank Current A/c	35.05	23.14	(229.28)	(301.77)	0.00
Punjab National Bank					
Cash Credit	0.00	0.00	0.00	0.00	1,086.74
Total	1745.49	2120.61	3099.33	3320.17	7058.19



Principal Terms of Sanctioned Loans and Assets Charged as Security

S. No.	Lender	Type of Facility (Sanction Amount)	Sanction / letter no. and date	Terms of repayment	Rate of Interest	31/03/2011	Details of Security
1	SYNDICATE BANK NAVYUG MARKET GHAZIABAD U.P.	TERM LOAN	LETTER DATED 07.02.2011	MONTHLY INSTALLMENTS	12.00%	81.80	Equitable mortgage of immovable properties of Industrial Plots Nos. AN-28 to AN-33 & CN-112, CN-123 to 132 at Industrial Area, Masoori Gulawati Road, Ghaziabad & Plot No. C-232, B.S. Road Industrial Area, Ghaziabad together with all buildings, superstructur es, fixed machinery&plant and fixtures&fittings.
2	PUNJAB NATIONAL BANK SEC-18, NOIDA	TERM LOAN	LETTER DATED 23.09.2010	QUARTERLY INSTALLMENTS	12.75%	2400.00	Hypothecation charge on all movable fixed assets, Present & future of Unit at Dujana Road, Dadri. Equitable mortgage of immovable property of Industrial Plots Nos. 64, 575,576, 577, 66, 569, 574, 573, 65, 58, 571, 570 & 53 at Village Bisnooli & Acheja, Dujana Road, G.B. Nagar
3	SYNDICATE BANK NAVYUG MARKET GHAZIABAD U.P.	S. OVERDRAFT	LETTER DATED 07.02.2011	ONE YEAR	12.25%	2065.94	First charge on all current assets comprising of raw material, work in process, finished goods, spares, stores and book debts.
	SYNDICATE BANK NAVYUG MARKET GHAZIABAD U.P.	WCDL		ONE YEAR	12.25%	1400.00	First charge on all current assets comprising of raw material, work in process, finished goods, spares, stores and book debts.

SUPREM	E

4	PUNJAB	CASH	LETTER	ONE YEAR	12.25%	1086.74	Charge on of all
	NATIONAL BANK	CREDIT	DATED				current assets, present
	SEC-18, NOIDA		23.09.2010				& future,
							Hypothecation of all
							stocks i.e., raw
							material, stock in
							process, finished
							goods, stock in transit,
							all book debts, money
							in transit and other
							stocks of consumables,
							stores & spares etc of
							Dujana Unit of the
							company.

PUNJAB NATIONAL BANK

Penal Interest:

- a) 2% over and above the normal rate for the amount in default for the period of default.
- b) 2% for non submission/delayed submission of renewal proposal.
- c) 2% for default in repayment of Term Loan or its interest.
- d) 2% for non submission/delayed submission of quarterly PMS information, QMS forms I & II and QIS forms.
- e) 2% for default in observance of borrowing convenants/terms and conditions of the sanction.

Pre Payment Penalty:

2% of the amount outstanding, if the account is taken over by any Bank/FI.

SYNDICATE BANK

Penal Interest:

- a) 2% overdue loan amount
- b) 1% Non submission/delayed submission of stock statement/CCR Forms
- c) 1% temporary extension of validity of credit limits upto 3 months, 2% beyond 3 months
- d) 1% non submission of renewal proposal upto 3 months, 2% beyond 3 months

Pre Payment Penalty:

2% of outstanding in case of takeover by other Bank/FI.



Annexure - XI

STATEMENT OF UNSECURED LOANS

Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011	Interest Rate (for all loans)	Repayment schedule
From Promoters/ Directors / Share holders	935.38	553.55	475.72	881.84	955.86	0.00	There is no fixed repayment schedule
From group co./subsidiaries and material associate co.	411.99	411.99	411.99	1,048.99	630.93	0.00	and all the loans are repayable on
Others	89.46	16.74	0.00	0.00	0.00	0.00	demand.
Total	1,436.83	982.28	887.71	1,930.83	1,586.79		



Annexure - XII

STATEMENT OF SUNDRY DEBTORS

(`in Lacs)

Age-Wise Breakup	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
a) More than Six Months	679.00	618.49	466.74	1,188.48	74.20
b) Less than Six Months	2,269.53	2,664.57	2,229.49	1,340.22	4,218.36
Total	2,948.53	3,283.06	2,696.23	2,528.70	4,292.56

Note: - There are no debtors related to the directors or promoters of Supreme Alloys Ltd.



Annexure - XIII

STATEMENT OF LOANS & ADVANCES

(`in Lacs)

Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
Security Deposit and Advances	1,390.42	1,478.93	1,684.73	0.00	262.74
Advance recoverable incash or in kind or for value to be received	0.00	0.00	0.00	1,232.07	659.35
Prepaid Expenses	0.00	0.00	0.00	0.00	16.58
TDS A.Y. 2007-08	25.94	0.00	0.00	0.00	0.00
TDS A.Y. 2008-09	0.00	15.00	0.00	0.00	0.00
TDS A.Y. 2009-10	0.00	0.00	14.66	0.00	0.00
Advance Income Tax (A.Y. 2007-08)	30.00	0.00	0.00	0.00	0.00
Advance Income Tax (A.Y. 2008-09)	0.00	5.83	0.00	0.00	0.00
Advance Income Tax (A.Y. 2009-10)	0.00	0.00	20.00	0.00	0.00
MAT Credit Entitlement	0.00	0.00	0.00	0.00	4.03
Duties & Taxes	0.00	0.00	0.00	127.07	228.04
Total	1,446.36	1,499.76	1,719.39	1,359.14	1,170.74

Note: - There are no loans & advances related to the directors or promoters of Supreme Alloys Limited.



Annexure - XIV

STATEMENT OF CONTINGENT LIABILITIES

The details of the contingent liability of the company are as follows:

	As at							
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011			
Counter Guarantees given in respect of Guarantees given by Company Bankers	0.00	2,059.00	1,616.06	1,616.06	1,616.06			
Duties & Tax Liabilities disputed by Company	0.00	0.00	38.96	753.46	864.90			
Claims not acknowledged by Company	0.00	524.41	524.41	524.41	524.41			
Others	0.00	0.00	0.00	0.00	0.00			



Annexure -XV

STATEMENT OF DIVIDEND PAID

Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
Equity shares (In nos)	373,213	5,000,000	5,000,000	5,000,000	5,000,000
Face value (`)	100.00	10.00	10.00	10.00	10.00
Rate of Dividend %	0.00	0.00	0.00	0.00	0.00
Amount of Dividend	0.00	0.00	0.00	0.00	0.00

Note: - 1) During the year ended 31.03.2008, company has issued 1,244,043 Equity shares as bonus in the ratio 3:1.

²⁾ During the year ended 31.03.2008, company has splited its share from ` 100 to ` 10 per equity share.



STATEMENT OF INVESTMENTS

Annexure- XVI

							As at				
		31 st N	larch 2007	31 st N	larch 2008	31 st N	larch 2009	31 st N	larch 2010	31 st N	larch 2011
	Particulars	No.	Aggregate Book Value	No.	Aggregate Book Value	No.	Aggregate Book Value	No.	Aggregate Book Value	No.	Aggregate Book Value
1	SHARES - QUOTED										
	Long Term										
	Nil	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total (1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(1)										
2	SHARES - UNQUOTED										
	Long Term										
	Nil	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	National Savings Certificate- Unquoted										
	Nil	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sub-Total (3)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1+2+3)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Annexure- XVII

STATEMENT OF CURRENT LIABILITIES & PROVISIONS

(`in Lacs)

			As at		
Particulars	31 st March 2007	31 st March 2008	31 st March 2009	31 st March 2010	31 st March 2011
Acceptances					
Sundry Creditors					
-Goods Supplied	2,517.19	2,389.18	1,855.99	460.75	669.99
-Expenses Payable	111.45	165.97	95.42	26.04	258.57
-Provision for expenses	0.00	0.00	0.00	20.64	0.00
Total Sundry Creditors	2,628.64	2,555.15	1,951.41	507.43	928.56
Advance from customers	443.89	395.64	155.20	28.43	0.00
Total (A)	3,072.53	2,950.79	2,106.61	535.86	928.56
PROVISIONS	58.63	48.60	55.55	12.88	103.83
Total (B)	58.63	48.60	55.55	12.88	103.83
Total (A+B)	3,131.16	2,999.39	2,162.16	548.74	1,032.39

Note:

- a) Figures in bracket represent previous year amounts.
- b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.
- (*) Includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family.



						А	nnexure- XVIII
1. Re a)	lated Party Disclosures for List of related parties &				rdance with AS -	· 18 issued by The	ICAI
Sr. No.	Nature of Relationship	•	Wile Cool in C	Name of Par	<u>rties</u>		
1	Holding Company	Holding Company					
2	Subsidiary Company						
3	Associates Kov Management Personnel*			ii) Supi iii) SAL	reme Electrocast P reme Engg. (Regd. International Pvt L) td	
4	Key Management Personnel*			ii) Mr	Vlohinder Lal Arora Jagjiv Kumar Arora Sahil Arora		
5	Relatives of Key Managen		ii) Mrs. iii) Smt	Sangeeta Arora Indu Arora . Sudesh Rani Aro S.K. Arora	ora		
6	Enterprises where Signific	st by Key	i) Mato	chless Metal Indus	tries		
	Management Personnel			ii) Supreme International			
b)	Transactions with Rela	ited Parties		l		(in	Lacs)
Sr. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel
1	Remuneration	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	12.70 (3.00)	7.10 (2.88)	0.00 (0.00)
2	Purchase of Finished Material	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	347.25 (0.00)
3	Purchase of Raw Material	0.00 (0.00)	0.00 (0.00)	56.93 (1135.90)	0.00 (0.00)	0.00 (0.00)	0.00 (125.57)
4	Purchase of Capital Items	0.00 (0.00)	0.00 (0.00)	2.03 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
5	Repairing & Machining	0.00 (0.00)	0.00 (0.00)	7.43 (6.66)	0.00 (0.00)	0.00 (0.00)	0.00 (0.19)
6	Rent	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.60 (0.60)
7	Share Capital	0.00 (0.00)	0.00 (0.00)	65.00 (0.00)	7.50 (3.70)	2.50 (0.00)	0.00 (100.00)
8	Outstanding as on 31.0	03.2007					l
	a) Amount Receivable	0.00 (0.00)	0.00 (0.00)	46.95 (0.00)	3.86 (0.00)	3.20 (0.00)	119.13 (0.00)
	b) Amount Payable	0.00 (0.00)	0.00	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.60 (0.00)
	c) Security Deposit Received	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)



a)	List of related parties &	k relationships,	, where control	exists.					
<u>Sr.</u> <u>No.</u>	Nature of Relationship	,		Name of Par	<u>ties</u>				
1	Holding Company								
2	Subsidiary Company								
3	Associates			ii) Supr	reme Electrocast F reme Engg. (Regd.) International Pvt Lt)			
4	Key Management Personnel*			ii) Mr. J	Mohinder Lal Arora lagjiv Kumar Arora Sahil Arora				
5	Relatives of Key Management Personnel			ii) Smt.	Sangeeta Arora .Sudesh Rani Aro				
6	Enterprises where Significant Influence exist by Key Management Personnel				thless Metal Indus reme International	tries			
b)	Transactions with Rela	ted Parties				(in	Lacs)		
Sr. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel		
1	Remuneration	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	18.0 0 (12.70)	6.00 (7.10)	0.00 (0.00)		
2	Purchase of Finished Material	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	47.63 (347.25)		
3	Purchase of Raw Material	0.00 (0.00)	0.00 (0.00)	211.67 (56.93)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		
4	Purchase of Capital Items	0.00	0.00 (0.00)	85.59 (2.03)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		
5	Repairing & Machining	0.00 (0.00)	0.00 (0.00)	5.11 (7.43)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		
6	Rent	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.60 (0.60)		
7	Share Capital	0.00 (0.00)	0.00 (0.00)	0.00 (65.00)	0.24 (7.50)	0.00 (2.50)	0.00 (0.00)		
8	Outstanding as on 31.	03.2008			1		<u> </u>		
	a) Amount Receivable	0.00 (0.00)	0.00 (0.00)	0.36 (46.95)	2.36 (3.86)	1.18 (3.20)	245.51 (119.13)		
	b) Amount Payable	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.50 (0.00)	2.23 (0.00)	0.00		
	c) Security Deposit Received	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00	0.00		

- a) Figures in bracket represent previous year amounts.b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.



(*) Includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family

	lated Party Disclosures for List of related parties &				ordance with AS	- roissuea by In	IC ICAI		
a) <u>Sr.</u>	Nature of Relationship	•	s, where contro	Name of Par	tios				
<u>Si.</u> <u>No.</u>	<u>Nature of Relationship</u>			<u>INATIR OF FAI</u>	ues				
1	Holding Company								
2	Subsidiary Company								
3	Associates		ii) Supr iii) SAL	eme Electrocast f eme Engg. (Regd. International Pvt L in Exchange of Me) td				
4	Key Management Person		i) Mr. M ii) Mr. J	Mohinder Lal Arora Agjiv Kumar Arora Sahil Arora	l				
5	Relatives of Key Managen			ii) Smt	Sangeeta Arora Sudesh Rani Aror	a			
6	Enterprises where Signific	ant Influence e	xist by Key	,	hless Metal Indust	tries	-		
	Management Personnel			ii) Supr	eme International				
b) Sr.	Transactions with Rela Transactions		Subsidiary	Associates	Vov	(in Relatives of	Lacs)		
No.	Transactions	Holding Company	Company	Associates	Key Management Personnel / Individuals	Key Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel		
1	Remuneration	0.00	0.00	0.00	38.50 (18.00)	6.00 (6.00)	0.00 (0.00)		
2	Purchase of Finished Material	0.00	0.00	0.00	0.00	0.00 (0.00)	0.00 (47.63)		
3	Purchase of Raw Material	0.00	0.00	766.88 (211.67)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		
4	Purchase of Capital Items	0.00	0.00	56.69 (85.59)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		
5	Repairing & Machining	0.00 (0.00)	0.00 (0.00)	1.54 (5.11)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		
6	Rent	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.60 (0.60)		
7	Share Capital	0.00	0.00	0.00	0.00 (0.24)	0.00 (0.00)	0.00 (0.00)		
	Outotonding as as 24	02 2000							
8	a) Amount Receivable	0.00	0.00	368.31 (0.36)	0.00 (2.36)	0.00 (1.18)	67.46 (245.51)		
	b) Amount Payable	0.00	0.00	357.17 (0.00)	2.06 (0.50)	6.14 (2.23)	0.00		
		-		0.00	0.00	0.00	0.00		



Note

- a) Figures in bracket represent previous year amounts.
- b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.
- (*) Includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family

	4. Related Party Disclosures for the year ended <u>31st March 2010 i</u> n accordance with AS - 18 issued by The ICAI									
a)	List of related parties 8		, where control							
<u>Sr.</u> <u>No.</u>	Nature of Relationship			Name of Part	<u>ies</u>					
1	Holding Company									
2	Subsidiary Company									
3	Associates			ii) Supre iii) SAL Ir	eme Electrocast Pvt Li eme Engg. (Regd.) ntemational Pvt Ltd n Exchange of Metal L					
4	Key Management Personi	nel*		ii) Mr. Ja	ohinder Lal Arora gjiv Kumar Arora ahil Arora					
5	Relatives of Key Managen	nent Personnel			Sangeeta Arora Sudesh Rani Arora					
6	Enterprises where Signification Management Personnel	ant Influence exi	st by Key	i) Match	nless Metal Industries					
b)	Transactions with Rela	ted Parties			(in L	acs)				
Sr. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel			
1	Remuneration	0.00	0.00 (0.00)	0.00 (0.00)	42.60 (38.50)	6.00 (6.00)	0.00 (0.00)			
2	Purchase of Finished Material	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)			
3	Purchase of Raw Material	0.00	0.00 (0.00)	1.33 (766.88)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)			
4	Purchase of Capital Items	0.00	0.00 (0.00)	895.30 (56.69)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)			
5	Purchase of Consumables	0.00	0.00 (0.00)	5.66 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)			
6	Repairing & Machining	0.00	0.00 (0.00)	0.00 (1.54)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)			
7	Rent	0.00	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.60)			
8	Revenue	0.00	0.00 (0.00)	2574.50 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)			
9	Share Capital	0.00	0.00 (0.00)							
10	Outstanding as on 31.	03.2010				-	-			
	a) Amount Receivable	0.00	0.00 (0.00)	376.27 (368.31)	0.47 (0.00)	0.00 (0.00)	67.46 (67.46)			



b) Amount Payable	0.00 (0.00)	0.00 (0.00)	338.27 (357.17)	5.76 (2.06)	10.89 (6.14)	0.00 (0.00)
c) Security Deposit Received	0.00	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Note:

- a) Figures in bracket represent previous year amounts.
- b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.
- (*) Includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family

a)	ated Party Disclosures for List of related parties &			-			
	•		s, where will				
<u>Sr.</u> <u>No.</u>	Nature of Relationship			Name of Pa	<u>rties</u>		
1	Holding Company						
2	Subsidiary Company						
3	Associates			ii) India	International Pvt Lt an Exchange of Me reme Engineers (F	tal Ltd	
4	Key Management Personnel *			ii) Mr	Vlohinder Lal Arora Jagjiv Kumar Arora Sahil Arora		
5	Relatives of Key Manager		,	Sangeeta Arora : Sudesh Rani Arc	ra		
6	Enterprises where Signific Management Personnel		xist by Key				
b)	Transactions with Rela	ted Parties				(in Lacs)	
Sr. No.	Transactions	Holding Company	Subsidiary Company	Associates	Key Management Personnel / Individuals	Relatives of Key Management Personnel	Enterprises where Significant Influence exist by Key Management Personnel
1	Remuneration	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	42.60 (42.60)	6.00 (6.00)	0.00 (0.00)
2	Purchase of Finished Material	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
3	Purchase of Raw Material	0.00 (0.00)	0.00 (0.00)	697.42 (1.33)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
4	Purchase of Capital Items	0.00 (0.00)	0.00 (0.00)	23.92 (895.30)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
5	Purchase of Consumables	0.00 (0.00)	0.00 (0.00)	11.80 (5.66)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6	Repairing & Machining	0.00 (0.00)	0.00 (0.00)	7.92 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
7	Rent	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
		0.00	0.00	660.76	0.00	0.00 (0.00)	0.00 (0.00)



9	Share Capital	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	650.00 (0.00)	0.00 (0.00)	0.00 (0.00)	
10	<u>Outstanding as on 31.03.2011</u>							
	a) Amount Receivable	0.00 (0.00)	0.00 (0.00)	42.32 (376.27)	0.00 (0.47)	0.00 (0.00)	0.00 (67.46)	
	b) Amount Payable	0.00 (0.00)	0.00	630.93 (338.27)	37.37 (5.76)	0.00 (10.89)	0.00 (0.00)	
	c) Share Application Money	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	650.00 (0.00)	0.00 (0.00)	0.00 (0.00)	

Note:

- a) Figures in bracket represent previous year amounts.
- b) No amount have been written off/provided for or written back during the year in respect of amount receivable from or payable to the related parties.
- (*) Includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family



FINANCIAL STATEMENTS OF GROUP COMPANIES

The information for the last 3 years based on the audited statements in respect of 3 group companies, irrespective of whether these are covered under section 370(1)(B) of the Companies Act, 1956 or not are given hereunder:

1) M/s SAL International Private Limited

Type of Organisation:

The Company was incorporated as a Private limited Company on the March 07, 2007. Its Company Identification No. is U13209DL2007PTC160214.

Brief Description of Business:

The main object SAL International Private Limited prescribes for to carry on the business of manufacturing, grinding, making, trading and dealing in all kinds of building materials, to set up a steel furnace and continuous casting and rolling mill plant etc. However the Company has yet to commence its commercial activity.

Board of Directors:

As on date Board of Directors of the company are as under:

Name	Designation
Jagjiv Kumar Arora	Director
Sahil Arora	Director

Financial Performance

(`in Lacs)

			/
Particulars	31.03.2010	31.03.2009	31.03.2008
Authorised Equity Capital	100.00	100.00	100.00
Paid up Equity Capital	52.00	52.00	52.00
Reserves & Surplus (excluding	99.00	99.00	99.00
revaluation res			
erves)			
Sales/Total Income	Nil	1Nil	Nil
Profit/(Loss) after Tax (PAT)	Nil	Nil	Nil
Earning per Share (In `)	Nil	Nil	Nil
Net Asset Value (In `)	28.61	28.63	28.64

Source: Audited Financial Statements

The highest and lowest market price of shares during the preceding six months

The shares of SAL International (P) Limited are not listed and it has never come out with an IPO or a Rights Issue in the past.

Information regarding significant adverse factors:

The company has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;

Common Pursuits: For details of Common pursuits kindly refer to page 128 of this Draft Red Herring Prospectus.

For details of related business transactions within the group kindly refer to page 168 of the Draft Red Herring Prospectus.

SAL International Private Limited does not have business interests in the Supreme Alloys Limited except for as provided in the section "Related Party Transactions" on page 168 of this Draft Red Herring Prospectus.



2) M/s Indian Exchange of Metal Limited

Type of Organisation:

The Company was incorporated as a Public Limited Company on the October 04, 2007. Its Company Identification No. is U65900DL2007PLC168923.

Brief Description of Business:

The company currently engage in the business of acting as an exchange for spot and future trading in all kinds of metals and allied items.

Board of Directors:

As on date Board of Directors of the company are as under:

Name	Designation
Mohinder Lal Arora	Director
Jagjiv Kumar Arora	Managing Director
Sahil Arora	Director

Financial Performance

<i>/</i> /	1 ma	unt	in `	Lacs)
(-	ALLIO	un	11 1	Lacsi

Particulars	31.03.2010	31.03.2009	31.03.2008
Authorised Equity Capital	100.00	100.00	100.00
Paid up Equity Capital	78.95	78.95	5.00
Reserves & Surplus (excluding	205.76	200.47	0.00
revaluation reserves)			
Sales/Total Income	5352.80	4527.11	Nil
Profit/(Loss) after Tax (PAT)	5.29	4.41	Nil
Earning per Share (in `)	0.67	0.56	Nil
NAV (in `)	34.19	33.67	5.98

Source: Audited Financial Statements

The highest and lowest market price of shares during the preceding six months

The shares of Indian Exchange of Metal Limited are not listed and it has never come out with an IPO or a Rights Issue in the past.

Information regarding significant adverse factors:

The company has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;

Indian Exchange of Metal Limited has not made a loss in the immediately preceding year.

Common Pursuits: For details of Common pursuits kindly refer to page 128 of this Draft Red Herring Prospectus.

For details of related business transactions within the group kindly refer to page 168 of the Draft Red Herring Prospectus.

Indian Exchange of Metal Limited does not have business interests in the Supreme Alloys Limited except for as provided in the section "Related Party Transactions" on page 168 of this Draft Red Herring Prospectus.



3) M/s Matchless Metals Private Limited

Matchless Metals Private Limited was incorporated as a Private limited Company on the October 21, 2008. Its Company Identification No. is U27100DL2008PTC184385.

Brief Description of Business:

The main object of Matchless Metals Private Limited is to carry on the business of manufacture of continuous extrusions of non ferrous metal and its alloys, casting of steel and similar core, to set up ferrous and non ferrous furnaces and continuous casting and rolling mill plant for producing steel and alloy steel ingots/ billets etc.

Board of Directors:

As on date Board of Directors of the company are as under:

Name	Designation
Mohinder Lal Arora	Director
Amish Arora	Director

Financial Performance

(Amount in `Lacs)

Particulars	31.03.2011	31.03.2010	31.03.2009
Paid up Equity Capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	0.12	(0.12)	Nil
Sales/Total Income	2.40	Nil	Nil
Profit/(Loss) after Tax (PAT)	0.24	(0.12)	Nil
Earning per Share (In `)	2.40	(1.22)	Nil
NAV per share (In `)	10.03	7.18	8.00

Source: Audited Financial Statements

The highest and lowest market price of shares during the preceding six months

The shares of Matchless Metals Private Limited are not listed and it has never come out with an IPO or a Rights Issue in the past.

Information regarding significant adverse factors:

The company has not become a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 and is not under winding up;

Common Pursuits: For details of Common pursuits kindly refer to page 128 of this Draft Red Herring Prospectus.

For details of related business transactions within the group kindly refer to page 168 of the Draft Red Herring Prospectus.

Matchless Metals Private Limited does not have business interests in the Supreme Alloys Limited except for as provided in the section "Related Party Transactions" on page 168 of this Draft Red Herring Prospectus.



CHANGES IN ACOUNTING POLICIES IN THE LAST 3 YEARS

There were no changes in the Accounting Policies for the past 3 years and for the year ending 2010-11.



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

The following discussion of our financial condition and results of operations should be read in conjunction with the Company's audited restated financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010 and 2011, prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the ICDR Regulations, including the significant accounting policies, schedules, annexure and notes thereto and the reports thereon, included in the section titled "Financial Information" beginning on page 134 of this Draft Red Herring Prospectus.

Unless indicated otherwise, the financial data in this section is derived from the Company's restated financial statements prepared in accordance with Indian GAAP and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and included in this Draft Red Herring Prospectus. The Company's FY year ends on March 31 of each year, so all references to a particular FY year are to the 12 month period ended March 31 of that year. This discussion contains forward-looking statements that involve risks and uncertainties. The actual results may differ from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Draft Red Herring Prospectus, particularly under "Risk Factors" beginning on page no. xii of this Draft Red Herring Prospectus.

i. OVERVIEW OF THE BUSINESS OF THE COMPANY

Supreme Alloys Limited (SAL) is the flagship company of the Supreme Group. SAL was incorporated on 9th October, 1989 and entered into steel melting and casting business in 1999. From a modest beginning in 1999 with production capacity of 6000 MT per annum, today SAL has three steel plants in NCR (National Capital Region), India manufacturing Steel Ingots, Thermo Mechanically Treated (TMT) Bars, Wire Rods and Drawn Wires. SAL executed a technology agreement in 2004 with SAL-Tempcore Inc., USA for manufacturing of TMT bars on the world's renowned Sal Tempcore technology. Products of the company are used in construction of multi storied buildings, dams, bridges, flyovers and other infrastructure and construction projects. Today SAL has a combined furnace and rolling mill capacity of around 140,000MT tonnes per annum.

SAL acquired assets of M/s Golden Rathi Star Industries Limited (GRSIL) on November 04, 2010. The assets of GRSIL were assigned to Invent Assets Securitisation & Reconstruction Private Limited by Jammu & Kashmir Bank in accordance with the Securitisation and Reconstruction of Financial Assets and enforcement of Security Interests (SARFAESI) Act. The total aggregate investment of `350 Million was made towards acquisition and modernization of the rolling mill and the production capacity of TMT Bars of our company got increased to 125,000 MT.

Our company sells it products through retail outlets in National Capital Region (NCR) of India. We also have a strong network sales distributors in NCR region.

Our customers includes SAIL, ESSAR Steel Limited, Ambuja Cement Limited, Wipro Limited, HCL Technologies Limited, Military Engineering Services, Delhi Metro and Rail Corporation, Delhi International Airport Limited, NHAI, CPWD, PWD, IOC Refinery, U.P Bridge Corporation, Arcelor Mittal-HPCL(Bhatinda Refinery), DDA, Maritime Accomodation Projects (MAP) and leading private real estate developers such as Unitech, DLF Limited, AnantRaj Industries, Eros Group, Parsvnath Limited, Ansal Group, Omaxe Limited, Supertech Limited, Jai Prakash Associates, Emaar MGF Limited, Orchid Limited, BPTP Limited etc.

Products of the company are used in construction of multi storied buildings, dams, bridges, flyovers and other infrastructure and construction projects and the Company's products adhere to high quality standards and it has got ISO 9001:2000 certification for "the manufacture and supply Ingot, TMT Bars and Wire Rods"

During the FY 2010-11, the company reported net sales of ` 35,387.30 Lacs with profit after tax of ` 330.68 Lacs as compared to ` 23,668.52 Lacs and ` 21,266.37 Lacs respectively during the corresponding period based on the restated financial statements of the Company.



ii. SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

Save as mentioned herein-below in this Draft Red Herring Prospectus, in the opinion of the Board of Directors of the Company, there have not arisen any circumstances since March 31, 2011 which materially and adversely affect, or are likely to materially and adversely affect, the Company's business or the profitability of the Company, or the value of the assets, or the Company's ability to pay its liabilities within the next 12 months besides the following:

- i) Subsequent to the balance sheet date, the Company has allotted bonus shares to exisiting shareholders by capitalizing the reserves in the ratio of 1:2 amounting to `250 lacs.
- ii) Working Capital limit of the Company has been enhanced by Punjab National Bank from ` 1000 lacs to `2500 lacs for which additional charge has been created on the assets of the Company. Rate of interest on the said limit is 14% p.a.
- iii) The Company has entered into an supply agreement with another large Indian Steel company Essar Steel Limited, to manufacture and deliver steel TMT bars after embossing the trade mark 'Essar Steel TMT". Agreement is for one year beginning 1st April 2011 to supply 12,000MT (+/- 10% acceptable) of Essar Steel TMT rebars.

iii. FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS

The financial condition of the Company and its results of operations are affected by numerous factors including the following:

General economic and business conditions:

The demand for the Company's products and its business is dependent on general economic conditions in India and, may be affected if there are changes in business conditions in the country. In the era of globalization and cut throat competition, the Indian Industry is facing hurdles, which depend upon the following factors:

a. **Demand:**

Our revenues are dependent on the growing demand of steel in different industries. Steel finds applications in industries such as construction, real estate, automobiles, power & energy, oil & gas, railways, shipbuilding, industrial machineries & equipment, consumer durables and agricultural equipment. Construction sector in the country is the largest consumer of steel. Construction industry includes housing, industrial construction and also infrastructure. Infrastructure sector includes various subsectors like roads, ports, aviation and power etc. which consume different varieties of steel products.

b. Competition:

Selling prices of our products may be affected if competition intensifies, including as a result of increased capacity of competitors or our competitors adopt aggressive pricing strategies in order to gain market share or new competitors enter the markets we serve.

c. RawMaterial:

Our ability to remain competitive and maintain our market share is dependent upon our ability to source adequate supply of the raw materials. Any delay or disruption in supply of raw material to our plant may affect our operations. The major raw material required is MS Ingots, Scrap and Sponge Iron. Monthly requirement of MS Ingots is in the range of 6000-7000 MT and SAL manufacture 30% of MS Ingots in house in its Furnace Division located at Ghaziabad. Balance of it is sourced from local markets and also from inter-state suppliers. Furnace Oil is mainly sourced from outstation. Scrap Metal for furnace division is sourced from various local dealers and also imported mainly from Middle East region. Sponge Iron is sourced from outstation suppliers. Our Company has multiple suppliers for all key raw materials with cumulative capacities significantly higher than our requirements. We are also making efforts to enter into long term supply contracts with escalation clause in orders to minimize the impact of fluctuation in the prices of raw materials.



d. Other Factors:

The Company's results of operations are dependent upon its success in managing its manpower. The Company has to schedule out manufacturing process and procurements according to delivery schedule of its customers. Any change in schedule may affect its operation in the short run.

e. Cost of funds:

Another important problem that is hampering the India's competitiveness is the cost of funds available for promoting new projects. The higher cost of funds increases the required rate of return of projects, which consequently impedes further investment in any projects. Lending rates in India continue to be still higher in comparison to the international markets. Interest rate is mainly a function of two factors namely underlying liquidity and policies of the RBI, which in turn is influenced by trends in international rates, external sector scenario and inflation rate.

Key factors influencing results of operations

Several factors influence the Company's results of operations, financial condition and cash flow significantly. The key factors affecting its operations include:

- 1. Fluctuation and increase in raw material prices.
- 2. New competitive businesses.
- 3. Government Regulations and Policies.
- 4. Any slow down in the economic growth.
- 5. Technology Upgradation.

For more information on these and other factors/developments, which have or may affect the Company, please refer to the section titled "Risk Factors" beginning on page xii and the section titled "Business Overview" on page 73 of this Draft Red Herring Prospectus.

Critical Accounting Policies

1) General

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 & the provisions of the Companies Act, 1956.

2) Revenue Recognition

- i) Revenue from operations is recognized as and when the goods are cleared from the premises.
- ii) Revenue from E-trade is recognized as and when the risk and rewards of the goods have been passed to the buyer.
- iii) All sales are gross of invoices raised but net of sales tax, trade discounts and returns.

3) Inventories

Inventories are valued at lower of cost, computed on a weighted average basis, and estimated net realisable value. Finished goods and work-in-progress include costs of conversion and other costs in bringing the inventories to their present location and condition.

4) Fixed & Intangible Assets



- i) Fixed assets are stated at historical cost less provision for impairment losses, if any, depreciation and amortization.
- ii) Borrowing costs eligible for capitalization incurred, in respect of acquisition / construction of a qualifying asset, till the asset is substantially ready for use, are capitalized as part of the cost of that asset.
- iii) Intangible assets are recognised on the basis of recognition criteria as set out in Accounting Standard (AS) 26 "Intangible Assets".

5) Depreciation

Depreciation for the year has been accounted on the following basis:

- i) Depreciation on Fixed Assets is provided on straight-line method at the rates prescribed in Schedule XIV on single shift basis.
- ii) Leasehold Land and Leasehold Improvements are not being written off over the period of the lease.
- iii) Software costs are amortized at the rate applicable for computers specified in Schedule XIV to the Companies Act, 1956, which is a fair representation of the period of time over which the asset is expected to be used.
- iv) In the case of assets where an impairment loss is recognized, the revised carrying amount is depreciated over the remaining estimated useful life.

6) Impairment of assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

7) Leases

The company has no assets on lease under which significant risks and rewards of ownership are effectively retained by the lessor. Maintenance charges on lease assets are accounted as and when demanded or paid whichever is earlier.

8) Foreign Currency Transactions

Foreign exchange transactions during the year are recorded at the exchange rates prevailing on the dates of the transactions. Gains or losses out of fluctuations in rate between transaction date and settlement date are recognized in the Profit and Loss account.

Monetary Assets and Liabilities are translated into rupees at the exchange rates prevailing at year-end rate and overall net gain / loss is adjusted in the Profit and Loss Account.



9) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset in accordance with Accounting Standard 16 on "Borrowing Costs". Other borrowing costs are recognised as an expense in the period in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for its intended use are complete.

10) Employee Benefits

(a) Short Term Employee Benefits

Short term employee benefits are recognised in the year during which the services have been rendered.

(b) Long Term Employee Benefits

i) Defined Contribution plan

Provident Fund and employees' state insurance schemes

Employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes and employee's pension schemes, which are also defined contribution schemes recognized and administered by the Government of India

The Company's contributions to both these schemes are expensed in the Profit and Loss Account.

ii) Defined benefit plan

Leave Encashment - The Company has provided for the liability at year end on account of unavailed earned leave as per the Projected Unit Credit (PUC) actuarial method

Gratuity - The Company has provided for the liability at year end on account of gratuity as per the Projected Unit Credit (PUC) actuarial method

iii) Termination benefits are recognized as an expense immediately.

11) Tax on Income

Tax expense for the Year, comprising current tax and deferred tax is included in determining the net profit for the year. Current Tax is provided for in accordance with the provision of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for all timing differences between accounting income and taxable income and are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are carried forward to the extent there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized. Deferred Tax Assets in respect of unabsorbed depreciation or brought forward losses are recognized to the extent of virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

12) Earning per shares

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

13) Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of past event and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



SUMMARY AND COMPARISION OF SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE OF THE COMPANY

	(` in Lacs) Year Ended Year Ended Year Ended			
Particulars	31.03.2009	31.03.2010	31.03.2011	
A. Income				
Sales (Net)	21,266.37	23,668.52	35,387.30	
Inc/Dec (y-o-y) (%)		2,402.15	11,718.78	
%age of Total Income	97.81%	99.28%	99.38%	
Other Income	43.89	45.55	31.15	
Inc/Dec (y-o-y) (%)		1.66	-14.4	
%age of Total Income	0.20%	0.19%	0.09%	
Language (/Dannage) in Charles	400.50	10//	100 (7	
Increase/(Decrease) in Stock	432.52	126.6	188.67	
Inc/Dec (y-o-y) (%)		-305.92	62.07	
%age of Total Income	1.99%	0.53%	0.53%	
Total Income	21,742.78	23,840.67	35,607.12	
Inc/Dec (y-o-y) (%)	2.77.12.70	2097.89	11766.45	
1110, 200 (3 0 3) (70)		2077.07	11700.10	
B. Expenditure				
Raw Material Consumed/Purchases	19,207.26	21,583.52	32,054.63	
Inc/Dec (y-o-y) (%)		2376.26	10471.11	
%age of Total Income	88.34%	90.53%	90.02%	
Staff Cost	80	80.03	148.06	
Inc/Dec (y-o-y) (%)		0.03	68.03	
%age of Total Income	0.37%	0.34%	0.42%	
Other Manufacturing Expenses (including Depreciation)	1,536.82	1,280.08	2,058.43	
Inc/Dec (y-o-y) (%)		-256.74	778.35	
%age of Total Income	7.07%	5.37%	5.78%	
Administration Expenses	105.61	103.71	111.78	
Inc/Dec (y-o-y) (%)		-1.9	8.07	
%age of Total Income	0.49%	0.44%	0.31%	
Selling & Distribution Expenses	01.42	02.42	95.02	
	81.43	83.43		
Inc/Dec (y-o-y) (%)	0.070/	2	11.59	
%age of Total Income	0.37%	0.35%	0.27%	
Interest & Finance Charges	299.86	356.97	644.26	
Inc/Dec (y-o-y) (%)		57.11	287.29	
%age of Total Income	1.38%	1.50%	1.81%	



Total Expenditure	21,310.98	23487.74	35112.18
Inc/Dec (y-o-y) (%)		2176.76	11624.44
%age of Total Income	98.01%	98.52%	98.61%
Profits Before Tax	431.8	352.93	494.94
Inc/Dec (y-o-y) (%)		-78.87	142.01
%age of Total Income	1.99%	1.48%	1.39%
Profits After Tax	313.4	323.21	330.68
Inc/Dec (y-o-y) (%)		9.81	7.47
%age of Total Income	1.44%	1.36%	0.93%

Source: Restated Financial Statements

The company has no foreign customers.

Supreme Alloys Limited has not followed any unorthodox procedure for recording sales and revenues.

Details of the nature of other income.

The other income of the company constitutes interest income and rental income.

<u>Particulars</u>	31 st March 2009	31 st March 2010	31 st March 2011	Related/ Not Related to Business Activity	Nature
Royalty Received	6.55	39.30	0.00	Related	Recurring
Freight	0.00	0.00	19.93	Related	Recurring
Miscellaneous Receipt	24.75	0.00	0.00	Related	Non- Recurring
Interest Received on FDR	5.00	5.17	6.27	Related	Recurring
Interest Received on Security (UPPCL)	6.69	0.00	3.34	Related	Recurring
Short & Excess	0.00	0.00	0.53	Related	Recurring
Rental Income	0.90	1.08	1.08	Related	Recurring
Interest on Income Tax Refund	0.00	0.00	0.00	Related	Non- Recurring
Income Tax Refund	0.00	0.00	0.00	Related	Non- Recurring
Discount	0.00	0.00	0.00	Related	Non- Recurring
Profit on Sale of Assets	0.00	0.00	0.00	Related	Non- Recurring
Claim received (UPPCL)	0.00	0.00	0.00	Related	Non- Recurring



Total	43.89	45.55	31.15	-	-
Net Profit before tax, as per Summary statement of Profits and Losses, as restated	431.80	352.93	494.94	-	-
Percentage of Other Income	10.19	12.91	6.29	1	1

COMPARISON OF FIGURES OF THE MAJOR HEADS OF THE PROFIT AND LOSS STATEMENT, INCLUDING AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE

Comparison of Fiscal 2011 to Fiscal 2010

Total Income

Total Income increased by 49.35% in FY 2011 from `35,607.12 Lacs from `23,840.67 Lacs over the same period in the previous year.

Total Expenditure

Total Expenses during FY 2011 increased by 49.49% over FY 2010 i.e. grown from ` 23,487.74 Lacs in FY 2010 to ` 35,112.18 Lacs in FY 2011. Total expenses in FY 2011 stood at 98.61% of the total income as compared to 98.52% in FY 2010.

Total Sales

Sales as a percentage of total income, has increased from 99.28% in FY 2010 to 99.38% in FY 2011. In absolute terms it has increased by 49.51% from ` 23,668.52 Lacs in FY 2010 to ` 35,387.30 Lacs in FY 2011.

Sales from products manufactured

Sales from products manufactured increased by 38.86% in FY 2011 to ` 27,111.13 Lacs from ` 19,524.66 Lacs over FY 2010.

Sales from trading activities

Sales from trading activities increased by 99.72% in FY 2011 to `8,276.17 Lacs from `4,143.86 over FY 2010.

Other income

Other income as a percentage of total income, has decreased from 0.19% in FY 2010 to 0.09% in FY 2011. In absolute terms it has decreased by 31.61% from ` 45.55 Lacs in FY 2010 to ` 31.15 Lacs in FY 2011.

Raw Material Consumed/Purchases

Raw Material Consumed/Purchases as a percentage of total income, have decreased from 90.53% in FY 2010 to 90.02% in FY 2011. In absolute terms it has increased by 48.51% from ` 21,583.52 Lacs in FY 2010 to ` 32,054.63 Lacs in FY 2011.

Staff Cost

Staff Cost as a percentage of total income, have increased from 0.34% in FY 2010 to 0.42% in FY 2011. In absolute terms it has increased by 85.01% from `80.03 Lacs in FY 2010 to `148.06 Lacs in FY 2011.

Other Manufacturing Expenses

Other manufacturing expenses as a percentage of total income, have increased from 5.37% in FY 2010 to 5.78% in FY 2011. In absolute terms it has increased by 60.80% from ` 1,280.08 Lacs in FY 2010 to ` 2,058.43 Lacs in FY 2011.



Administration Expenses

Administration expenses as a percentage of total income, have decreased from 0.44% in FY 2010 to 0.31% in FY 2011. In absolute terms it has increased by 7.78% from ` 103.71 Lacs in FY 2010 to ` 111.78 Lacs in FY 2011.

Selling and Distribution Expenses

Selling and Distribution expenses as a percentage of total income, have decreased from 0.35% in FY 2010 to 0.27% in FY 2011. In absolute terms it has increased by 13.89% from `83.43 Lacs in FY 2010 to `95.02 Lacs in FY 2011.

Interest and Finance Charges

Interest and finance charges as a percentage of total income, have increased from 1.50% in FY 2010 to 1.81% in FY 2011. In absolute terms it has increased by 80.48% from ` 356.97 Lacs in FY 2010 to ` 644.26 Lacs in FY 2011.

Profits Before Tax

Profits before tax as a percentage of total income, have decreased from 1.48% in FY 2010 to 1.39% in FY 2011. In absolute terms it has increased by 40.24% from `352.93 Lacs in FY 2010 to `494.94 Lacs in FY 2011.

Profits After Tax

Profits after tax as a percentage of total income, have decreased from 1.36% in FY 2010 to 0.93% in FY 2011. In absolute terms it has increased by 2.31% from ` 323.21 Lacs in FY 2010 to ` 330.68 Lacs in FY 2011.

Comparison of Fiscal 2010 to Fiscal 2009

Total Income

Total Income increased by 9.65% in FY 2010 to 2 23,840.67 Lacs from 2 21,742.78 Lacs over the same period in the previous year.

Total Expenditure

Total Expenses during FY 2010 increased by 10.21% over FY 2009 i.e. grown from `21,312.14 Lacs in FY 2009 to `23,487.74 Lacs in FY 2010. Total expenses in FY 2010 stood at 98.52% of the total income as compared to 98.02% in FY 2009.

Sales

Sales as a percentage of total income, has increased from 97.81% in FY 2009 to 99.28% in FY 2010. In absolute terms it has increased by 11.30% from ` 21,266.37 Lacs in FY 2009 to ` 23,668.52 Lacs in FY 2010.

Sales from products manufactured

Sales from products manufactured decreased by 8.19% in FY 2010 to ` 19,524.66 Lacs from ` 21,266.37 Lacs over FY 2009.

Sales from trading activities

Sales from trading activities increased by 100% in FY 2010 to `4,143.86 Lacs from NIL over FY 2009.

Other income

Other income as a percentage of total income, has decreased from 0.20% in FY 2009 to 0.19% in FY 2010. In absolute terms it has increased by 3.78% from ` 43.89 Lacs in FY 2009 to ` 45.55 Lacs in FY 2010.



Raw Material Consumed/Purchases

Raw Material Consumed/Purchases as a percentage of total income, have increased from 88.34% in FY 2009 to 90.53% in FY 2010. In absolute terms it has increased by 12.37% from ` 19,207.26 Lacs in FY 2009 to ` 21,583.52 Lacs in FY 2010.

Staff Cost

Staff Cost as a percentage of total income, have decreased from 0.37% in FY 2009 to 0.34% in FY 2010. In absolute terms it has increased by 0.04% from `80.00 Lacs in FY 2009 to `80.03 Lacs in FY 2010.

Other Manufacturing Expenses

Other manufacturing expenses as a percentage of total income, have decreased from 7.07% in FY 2009 to 5.37% in FY 2010. In absolute terms it has decreased by 16.71% from ` 1,536.82 Lacs in FY 2009 to ` 1,280.08 Lacs in FY 2010.

Administration Expenses

Administration expenses as a percentage of total income, have decreased from 0.49% in FY 2009 to 0.44% in FY 2010. In absolute terms it has decreased by 1.80% from ` 105.61 Lacs in FY 2009 to ` 103.71 Lacs in FY 2010.

Selling and Distribution Expenses

Selling and Distribution expenses as a percentage of total income, have decreased from 0.37% in FY 2009 to 0.35% in FY 2010. In absolute terms it has increased by 2.46% from `81.43 Lacs in FY 2009 to `83.43 Lacs in FY 2010.

Interest and Finance Charges

Interest and finance charges as a percentage of total income, have increased from 1.38% in FY 2009 to 1.50% in FY 2010. In absolute terms it has increased by 19.05% from ` 299.86 Lacs in FY 2009 to ` 356.97 Lacs in FY 2010.

Profits Before Tax

Profits before tax as a percentage of total income, have decreased from 1.99% in FY 2009 to 1.48% in FY 2010. In absolute terms it has decreased by 18.27% from ` 431.80 Lacs in FY 2009 to ` 352.93 Lacs in FY 2010.

Profits After Tax

Profits after tax as a percentage of total income, have decreased from 1.44% in FY 2009 to 1.36% in FY 2010. In absolute terms it has increased by 3.13% from ` 313.40 Lacs in FY 2009 to ` 323.21 Lacs in FY 2010.



Discussion of other aspects as mandated by SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(a) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

There have been no unusual or infrequent events or transactions that have taken place.

(b) Significant economic changes that materially affected or are likely to affect income from continuing operations;

Apart from the risks as disclosed under Section titled "Risk Factors" beginning on page xii of this Draft Red Herring Prospectus, in our opinion there are no significant economic changes that materially affected or are likely to affect income from continuing operations

(c) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;

Apart from the risks as disclosed under Section titled "Risk Factors" beginning on page xii of this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

(d) Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known;

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by other manufactures.

(e) Details of the extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;

Increase in revenues are by and large linked to increases in volume of business.

 (f) Details of the total turnover of each major industry segment in which the issuer operated;

The Company is engaged in only one segment namely Steel.

(g) Details of status of any publicly announced new products or business segment;

The Company has not announced any new products or business segment.

(h) Details of the extent to which business is seasonal;

The Company's business is not seasonal in nature.

(i) Details of significant dependence on a single or few suppliers or customers;

The Company is dependent on single and few customers, as the top one and top ten customers constitutes around 46.51% and 54.28% of the total income for the year 2010-11. In addition, company is also dependent on few suppliers as top one and top ten suppliers constitutes 11.91% and 4.08% of the total purchases for the year 2010-11. The Company is trying to increase the customer and suppliers base to reduce the dependency of the Company on a particular customer/supplier or group of customers/suppliers

(j) Competitive conditions

The Company faces stiff competition from medium and larger well-established players The Company is smaller in size compared to the market leaders However with proposed capital expenditure company intends to make it good and face competition more confidently.



SECTION VI-LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this DRHP, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoters or companies promoted by our Promoters and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors. Further, except as stated in this DRHP, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by the Promoters by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Neither our Company nor its Promoters, members of the Promoter Group, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

The list of Outstanding Litigations involving the Issuer, the Promoter Group, its Directors and Group Companies is as under.

- (1) Outstanding litigations involving the Issuer
- (A) Litigations against the Issuer or against any other company whose outcome could have a materially adverse effect on the position of the Issuer.

Case No.	Name of Parties	Nature of alleged violation	Act/Regul ation /Code allegedly violated	Name of Court	Amount Involved (` in Lacs)	Latest Status of the case	Adverse Liability
C.S. (O.S.) No. 1166 of 2007	M/s Kamdhen u Ispat Limited Vs M/s Supreme Alloys Private Limited	A civil suit has been filed by M/s Kamdhenu Ispat Limited ("KIL") against Supreme Alloys Private Limited ("Company"). Company had entered into a License User Agreement with KIL for using the trade mark "KAMDHENU" by way of permitted use in respect of TMT bars on February 23, 2004 for a period of ten years On April 8, 2006 an addendum was made in the agreement. As per Clause 3 of this	Trade Marks Act, 1999	High Court of Delhi	36.97 as on April 2007 and interest till the realisatio n of the moneys.	Vide order dated January 13, 2011, the High Court had referred the matter to the Delhi High Court Mediation and Conciliation Centre. On the last date of hearing the matter has been sent back to the High Court and the matter has been fixed for November 09, 2011 before the	If the matter is decided against the Company, the Company will have to pay 36.97 lacs as on April 2007 and interest till the realisation of the moneys. The Company has also filed its counter affidavit on July 30,



						SOFREME
	 addendum KIL shall			High	Court	2007
	not revoke the			for	cross	wherein
	original agreement			examir	เสนเบท.	they have
	on any ground but					stated that
	the Company may					KIL has no
	revoke the same					right to
	after giving one					terminate
	month's notice to					the
	KIL. But in either					agreement
	case, it will be					on any
	subject to the					ground
	payment of all					and that
	royalty due on the					KIL has to
	said goods					pay to the
	manufactured and					Company
	traded under the					an amount
	trade mark					of `
	'KAMDHENU'.					524.41
						Lacs to the
	KIL terminated the					Company
	Agreement and the					on account
	addendum via their					of sale
	letter dated May 04,					considerati
	2007 on the grounds					on
	that the Company					collected
	has not furnished					by KIL
	any details of					from
	production and sale					dealers for
	for the last two years					sale of the
	and that the					steel bars
	Company has not					manufactu
	paid any money					red by the
	towards royalty since					Company.
	July 07, 2005 and					
	that the Company					
	and its senior officer					
	and the staff has					
	acted in a manner					
	which has damaged					
	the range of					
	products and					
	business of KIL and					
	also the trade mark					
	"KAMDHENU" and					
	has manufactured					
	and marketed					
	products of poor					
	quality.					
	. ,					
	KIL also directed the					
	Company to settle all					
	the accounts within a					
	period of 15 days.					
	The Company replied					
	to the said letter					
	vide their reply					
	dated May 19, 2007					
	denying the grounds					
	of termination.					
	S. torrimation.					
	KIL not being					
	satisfied with the					
	reply filed by the					
1		i .	•			



Company, filed a suit for permanent injunction in the High Court of Delhi on May 30, 2007. KIL has prayed for: (i) a decree of permanent injunction restraining the Company from manufacturing, selling, using, displaying, advertising, importing/exporting or by any other			
mode dealing with the trademark/label "Kamdhenu". (ii) a decree of permanent injunction restraining the Company from interfering in KIL's business and from interacting with KIL's other licensees, dealers, distributors etc.			
(iii) restraining the Company from disposing off or dealing with their assets and stocks including property			
(iv) an order for delivery of all the impugned finished and unfinished material of the Company bearing the trademark/label "Kamdhenu"			
(v) money decree of 36.97 Lacs on account of royalty upto April 2007			
(vi) an order for costs of the proceedings.			
Company filed its counter affidavit on July 30, 2007 wherein they have stated that KIL has no right to terminate the agreement on any ground and that			



Suit No.326/ 2009	M/s Paltech Cooling Towers and Equipme nt Limited Vs M/s Supreme Alloys Private Limited	KIL has to pay to the Company an amount of `524.41 Lacs to the Company on account of sale consideration collected by KIL from dealers for sale of the steel bars manufactured by the Company. Vide order dated January 13, 2011, the High Court of Delhi had referred the matter to the Delhi High Court Mediation and Conciliation Centre. A suit for recovery and mandatory injunction has been filed against the Company by M/s Paltech Cooling Towers and Equipment Limited ("Paltech") on July 22, 2009 in the Court of Civil Judge (Senior Division), Gurgaon. It has been alleged that during the course of business, the Company placed various orders for equipments such as FRP fan assembly etc. The cost of the equipment was `0.40 Lacs and the same was delivered by Paltech to the Company vide an invoice and delivery challan dated February 18, 2008. The Company failed to make the payment of `0.40 Lacs. Also the Company failed to pay taxes over Form C for the FY 2005-06 amounting to `0.16 Lacs and Form H for the FY 2007-08 amounting to `0.23. It has been claimed by Paltech that since the Company failed to pay the taxes,	Indian Contract Act, 1872	Civil Judge (Senior Division) Gurgaon	00.79 and interest @18% p.a. until realizatio n.	The next date of hearing is fixed on November 03, 2011.	If the matter is decided against the Company will have to pay `00.79 Lacs and interest @18% p.a from July 22, 2009 until realisation



S.A. No.	M/s	Paltech had to pay the dues on behalf of the Company. A legal notice was issued to the Company by Paltech to which the Company replied vide their letter dated January 02, 2009. Since the Company failed to pay its dues, Paltech filed the instant suit for recovery. Paltech has prayed for a decree for recovery of `0.79 Lacs and interest @ 18% p.a. until realisation alongwith mandatory injunction for payment of C & H Forms taxes. The Company has filed a miscellaneous application dated February 15, 2010 wherein they have prayed to the Hon'ble Court to direct Paltech to place on record the original purchase/demand order. Paltech filed its reply to the miscellaneous application wherein it has been stated that the goods were sent under invoice dated February 18, 2008 and that the purchase order was verbal. This is a case filed by	N.A.	Debt	The Presiding	Though
228 of 2009	Golden Rathi Star Industrie s Limited Vs Jammu & Kashmir	M/s Golden Rathi Star Industries Ltd. ("Applicants") against Jammu & Kashmir Bank before the Debt Recovery Tribunal-III, Delhi wherein the legal	N.A.	Recover y Tribunal -III, Delhi	 Officer vide order dated December 22, 2010 had directed the Applicant to serve copies of the	the Company has been made a party to theses proceeding s, the
	Bank	heirs of Late Shri Ombir Singh the erstwhile director of M/s Golden Rathi Star Industries Ltd, have disputed the valuation of the property sold to M/s			application to all the parties whereupon the said parties shall respond through the respective	prayer of the Applicant is that the property sold to the Company



	ı			Т	1		
Appeal No.	M/s Supreme	Supreme Alloys Limited and have also prayed for the discharge of their obligations in entirety to the Jammu & Kashmir Bank and also to release the immovable property of the Applicants situated at DLF Phase-I, Gurgaon as it being the lone residential property situated from the alleged mortgage. The Applicants have also prayed that in the alternative, the transfer of the Applicants' property in favour of M/s Supreme Alloys Limited to be cancelled for no proper notice was issued to the Applicants and permit the Applicants to bring a buyer for the property at market price within a reasonable time.	Delhi Value Added Tax	Appellat	3.27	affidavits, the copies of which shall be served to the Advocate of the Applicant at least 72 hours before the next date of hearing which was January 17, 2011 The next date of hearing has been fixed for October 04, 2011	was undervalue d and as a result of which the other property which is the only residential unit of the Applicant/ Borrower is not being released by the Bank. The only adverse consequen ce, if any, which may fall out of these proceeding s is that, if DRT is satisfied, it may cancel the sale made in favour of thee Company by the Assignee of the Company will also have its right to appeal against such adverse order, if any, passed by DRT. If after re considerati
No. 895/ATV AT/10- 11	Supreme Alloys Limited Vs Commiss ioner of Trade and Taxes	filed an appeal before the Appellate Tribunal against the assessment order dated July 14, 2008 issued by the Value Added Tax Officer ("VATO"). The said notice was a notice of default	Added Tax Act, 2004	e Tribunal , VAT, Delhi	(Demand of 2.80 Lacs towards tax and 0.47 Lacs towards interest (for late	dated June 10, 2011, the Appellate Tribunal has set aside the assessment order dated July 14, 2008 issued by VATO and	considerati on and hearing the Company, the VATO comes to the same conclusion, the



		1	1	CIII -	,	
	assessment of tax			filing of	has	maximum
	and interest under			return)	remanded	adverse
	Section 32 of DVAT			and `	the matter	liability
	Act, 2004 for the			1.40 Lacs	back to the	would be
	third quarter of			towards	VATO with	of `4.67
	2005-06. As per the				the direction	Lacs
	· · · · · · · · · · · · · · · · · · ·			penalty)		
	assessment order,				to grant an	(Demand
	on account of				opportunity	of ` 2.80
	scrutiny of the return				to the	Lacs
	of turnover filed by				Company to	towards
	the Company, it was				consider the	tax and `
	observed that the				revised	0.47 Lacs
	turnover of the				return and	towards
	Company was				substantiate	interest
	assessed at ` 185.84				figures given	
						(for late
	Lacs while the tax				in the revised	filing of
	deposited by the				return with	return)
	Company was on the				records	and ` 1.40
	amount of ` 150.84				maintained	Lacs
	Lacs.				by the	towards
					Company.	penalty)
	Therefore there					and
	being a shortfall, the				On the last	interest on
					date of	
						the further
	demand of 2.80				hearing i.e	period.
	Lacs towards tax and				September	
	` 0.47 Lacs towards				07, 2011	However
	interest (for late				relevant	an amount
	filing of return) and `				papers have	of ` 3.27
	1.40 Lacs towards				been	Lacs has
	penalty.				submitted by	already
	perianty.				the Company	been
	Simultaneously				and the case	
	Simultaneously an				was	deposited
	attachment order					by the
	was issued. Since				adjourned to	Company.
	the Company was				October 03,	
	not granted an				2011	
	opportunity of being					
	heard, the Company					
	filed the present					
	appeal wherein the					
	Company has prayed					
	for setting aside the					
	order of VATO and					
	for an opportunity to					
	present its case.				_	
•	•			•		

(B) Litigations against the Directors involving violation of statutory regulations.

Nil

(C) Litigations against the Directors alleging criminal offence.

Nil

(D) Any criminal prosecution against the Directors for any litigation towards tax liabilities.

Nil

(E) Any civil prosecution against the Directors for any litigation towards tax liabilities.

Nil

(F) Pending proceedings initiated for economic offences against the Issuer.



Nil

(G) Pending proceedings initiated for economic offences against the Directors.

Nil

(H) Adverse findings, if any, in respect of the Issuer as regards compliance with the securities laws

Nil

- (I) THE DETAILS OF THE PAST CASES IN WHICH PENALTIES WERE IMPOSED BY THE AUTHORITIES CONCERNED ON THE ISSUER.
- a Assessment Order under the Proviso to Rule 27(3) of the Haryana VAT Act, 2003 dated November 15, 2010.

The Company had filed quarterly returns in VAT-1 and annual return in VAT R-2. On examination, the returns were found to be incomplete. Hence a show cause notice was issued to the Company. In response to the notice, representative from the Company appeared before Faridabad ETO-cum-Assessing Authority, and furnished the requisite information/document. On being satisfied with the information furnished, the ETO-cum-Assessing Authority passed an Assessment Order dated November 15, 2010 to the effect that the returns are complete in all material aspects and a demand notice and challan for ` 0.39 Lacs (interest on delayed payment of tax) and amount of ` 0.69 Lacs (penalty for transferring goods from Faridabad to Delhi without Form C) was issued against the Company. The Company has paid ` 0.39 Lacs .00 on August 29, 2011 to Dy. Excise and Taxation Commissioner vide draft no. 644568 dated August 25, 2011.

(J) The details of the past cases in which penalties were imposed by the authorities concerned on the Directors.

Nil

(K) Outstanding litigations, defaults, etc. pertaining to matters likely to affect operations and finances of the Issuer, including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956 (1 of 1956) etc.

Case No.	Name of Parties	Nature of alleged violation	Act/ Regulatio n /Code allegedly violated	Name of Court	Amount Involved (`in Lacs)	Latest Status of the case	Adverse Liability
Second Appeal No. 262/10 for the AY 2004-05, 263/10 for the AY 2005-06, 264/10 for the AY 2006-07	Departmen t of Sales Tax Vs M/s Supreme Alloys	The second appeal has been filed by the Department of Sales Tax against the first appellate order dated June 05, 2010 by the Deputy Commissioner, Commercial Taxes, Ghaziabad whereby the refund amount of 8.07 Lacs (2004-05), 15.96 Lacs (2005-06) and 33.18 Lacs (2006-07) was allowed in favour of the Company.	Central Sales Tax Act	Appellate Tribunal, VAT	8.07 (2004- 05), 15.96 (2005- 06), 33.18 (2006- 07)	The next date of hearing has been fixed for October 15, 2011.	There will be no adverse liability as the refunds have been allowed in its favour and in case of an adverse decision in the appeal,



							_
Application U/s 30 d U.P.T.T. Ad And Show Cause Notice dated Jul 23, 2011	f Commercia t I Taxes Ghaziabad	On March 30, 2011, goods valued at 8.00 Lacs were being transported in a vehicle bearing no. HR 38 K0074. The said vehicle was checked by the team of Asst. Comm., Trade Tax and thereafter it was revealed by the said Authority that date on the invoice had been tampered with and that the goods were being transported without	U.P. Trade Tax Act.	Joint Commission er, Commercial Taxes, Ghaziabad	3.20	The Company has filed its reply to the said show cause notice on August 08, 2011. Orders of the Deputy Commissi oner	refunds will not be paid to the Company . If the matter relating to levy of penalty issued by way of show cause notice by the Commissi oner Commerci al Taxes, Ghaziaba d is decided
U.P.T.T. Ad And Show Cause Notice dated Jul	t I Taxes Ghaziabad	8.00 Lacs were being transported in a vehicle bearing no. HR 38 K0074. The said vehicle was checked by the team of Asst. Comm., Trade Tax and thereafter it was revealed by the said Authority that date on the invoice had been tampered with and that the	TAX ACL.	er, Commercial Taxes,		has filed its reply to the said show cause notice on August 08, 2011. Orders of the Deputy	relating to levy of penalty issued by way of show cause notice by the Commissi oner Commerci al Taxes, Ghaziaba d is
L		-ganier the company	1	l .	l	1	



						COL	
		by the Joint Commissioner, Commercial Taxes, Ghaziabad and the Company has filed its reply dated June 18, 2011. Subsequently, the Department issued another notice of penalty u/s 48(4) of UP VAT Act, 2008 dated July 23, 2011.					
Notice dated February 21, 2011	NA	Notice dated 21.02.2011 has been issued against the Company u/s 143 (2) of the Income Tax Act, 1961 by the Deputy Commissioner Income Tax, Circle-9(1), New Delhi ("DCIT") wherein the Company was directed to produce, in DCIT's office on March 03, 2011, documents, accounts and any other evidence in support of the return filed by the Company for the AY 2009-10. Since the Company was unable to provide the information sought by the Department, the Department issued a notice bearing reference no. DCIT/Circle-9(1)/2011-12/389 dated July 28, 2011 wherein the Company was asked to show cause why penalty proceedings u/s 271(1)(b) may not be initiated against the Company and was directed to appear on August 19, 2011 for a personal hearing. The representative of the Company had appeared before the Department on August 19, 2011 and filed certain documents.	Income Tax Act, 1961	Deputy Commission er Income Tax, Circle- 9(1), New Delhi ("DCIT")	Not yet crystalised.	The matter is under scrutiny.	Can not be determin ed at this stage.
Show	NA	Notice has been	Finance Act		1.58	No reply	If the
Cause		issued against the	and Service	Commission	along with	has been	case is



						COL	
Notice C.	Company by the	Tax Rules,	er, Central	interest a	and	filed by	decided
No.24/ DC/	Deputy Commissioner,	1994	Excise, Div-	penalty		the	against
DIV/ 2010-			IV,	'		Company	the
11 dt	Central Excise, Div-IV,		Ghaziabad			o o par y	Company
	Ghaziabad demanding		Gridziabad			•	
	appropriating reasons						, the
2011	as to why service tax						Company
	(including Educ. Cess)						shall
	_						have to
	amounting to ` 1.58						pay `
	should not be						1.58 Lacs
	demanded and						along
	recovered from the						with
							interest,
	Company under Sec						if any and
	73 of the Finance Act,						-
	1994 read with Sec						penalty,
	11A of the Central						as may
	Excise Act, 1994 along						be
	_						imposed
	with interest under						by the
	Sec 75 of the Finance						authoritie
	Act on the service tax						S.
	amount payable and						· .
	penalty should not be						
	imposed under Sec						
	77(1)(c) of the						
	Finance Act, 1994 and						
	Sec 78 of the Finance						
	Act, 1994 read with						
	Rule 6 of the Service						
	Tax Rules, 1994.						
	,						
	The Notice states that						
	The Notice states that						
	the Company has						
	contravened the						
	provisions of Sec 66,						
	67, 68(2) of the						
	Finance Act read with						
	Rule 6 of the Service						
	Tax Rules, 1994 in as						
	much as the Company						
	had received services						
	of goods transport						
	agency during the						
	period 2006-07 and						
	had not paid requisite						
	amount of service tax						
	leviable on such						
	services. During the						
	scrutiny of the service						
	tax record of the						
	Company, it appeared						
	that service tax on						
	75% of the gross						
	freight amounting to `						
	1.58 Lacs [` 1.55 Lacs						
	(service tax) + ` 0.03						
	Lacs (Educ. Cess.)]						
	had been short paid						
	by the Company.						
	Therefore the		<u> </u>	<u> </u>			



		differential service tax liability of ` 1.58 Lacs along with interest and penalty is recoverable from the Company.					
Show Cause Notice C. No. V(15) Adj/ M-ii/ SAPL/ 80/ 2008 dt. February 22, 2010	NA NA	Notice has been issued against the Company by the Addl. Commissioner, Customs, Central Excise & Service Tax Commissionerate, Meerut II demanding appropriate reasons as to why service tax (including Educ. Cess) of `22.86 Lacs should not be demanded and recovered from the Company under Sec 73 of the Finance Act, 1994 along with interest under Sec 75 of the Finance Act on the service tax amount payable and penalty should not be imposed under Sec 78 of the Finance Act, 1994. The Notice states that the during the period from January 2005 to September 2007, the Company had paid freight amounting to `236.71 Lacs and paid service tax amounting to `6.75 Lacs on goods transport agency services availing exemption provided under Notification no. 32/2004-ST dated December 03, 2004. As the Company failed to submit the declarations of non availment of CENVAT credit by the transporters, the Company was not entitled to the benefit of the exemption notification. During the period from January 2005 to March 2008, the amounts of service	Finance Act and Service Tax Rules, 1994	Addl. Commission er, Customs, Central Excise & Service Tax Commiss- ionerate, Meerut-II	22.86 along with interest and penalty	No reply has been filed by the Company .	If the case is decided against the Company, the Company shall have to pay 22.86 Lacs along with interest, if any and penalty, as may be imposed by the authoritie s.



		tax and educ. cess paid by the Company during the period are `10.58 Lacs. However on account of non-admissibility of the exemption under Notification No. 32/2004-ST, the tax liability of the Company comes to `33.44 Lacs Thus during the said period, the Company short paid the service tax amounting to `22.86. Therefore the differential service tax liability of `22.86 Lacs along with interest and penalty is recoverable from the Company.					
Show Cause Notice C. No. V(30) Dem/ CP/ SAL/HPR/ 708/2010 dated August 11, 2010	NA	The officers of antievasion wing of the Central Excise Commissionerate, Meerut had visited the factory of the Company situated at AN-28 to AN-33 & CN-112 to 122, UPSIDC Industrial Area, Tehsil Hapur, Ghaziabad on April 28, 2010 and conducted a physical verification of the stock of finished goods. On physical verification, shortage of 36.120 M.T. of MS HSD/TMT Bars, 15.350 Mt of MS misrolls and 3.950 MT of MS scrap total valued at 16.67 Lacs. The department vide its show cause notice dated August 11, 2010 levied a additional duty of 1.72 Lacs against shortage of 36.120 M.T. of MS HSD/TMT Bars, 15.350 Mt of MS misrolls and 3.950 MT of MS HSD/TMT Bars, 15.350 Mt of MS misrolls and 3.950 MT of MS scrap and also asked the Company that why the penalty should not be imposed upon them under Rule 25 of the Central Excise Rules, 2002	Central Excise Act, 1944 and Central Excise Rules, 2002	Assistant Commission er, Central Excise, Hapur Division	1.72 along with penalty	On the last date of hearing i.e. August 25, 2011, the Company filed its reply to the Show Cause Notice. No next date of hearing has been fixed.	If the case is decided against the Company, the Company shall have to pay 1.72 Lacs and penalty, as may be imposed by the authoritie s



							_
		read with section 11					
		AC of the Central					
		Excise Act, 1944 for					
		the alleged					
Chow	NIA	contravention.	Control	Commission	EOO OE alana	In	If the
Show Cause	NA	The officers from the Office of Accountant	Central Excise Act,	Commission er, Customs	580.95 along with interest	In response	If the case is
Notice No.		General of Uttar	1944 and	& Central	and penalty	to the	decided
V(15) Adj./		Pradesh, Allahabad	Central	Excise,	and penalty	show	against
M-II/ SAPL		("AGUP") sshad	Excise	Commission		cause	the
/66/2008		conducted an audit of	Rules,	-erate,		notice,	Company
dated April		the central excise	2002	Meerut-II		the	, the
09, 2009		records of the				Company	Company
		Company. Based on				filed its	shall
		the audit objections				reply on	have to
		raised in the audit report of AGUP, a				August 19, 2009	pay 580.95
		notice was issued by				and	Lacs
		the				thereafter	along
		Commissionerateperta				written	with
		ining to the period				submissio	interest,
		2004-05. 2005-06,				ns on	if any and
		2006-07, 2007-08,				Novembe	penalty,
		2008-09 (upto				r 10,	as may
		October 2008). The				2009.	be
		notice states that the				The	imposed
		Company cleared				Company has vide	by the
		goods involving				their	authoritie s
		central excise duty				written	3
		worth \ 580.96 Lacs				submissio	
		as the Company				ns dated	
		suppressed the extent				January	
		of actual production				08, 2010	
		with the intent to				intimated	
		evade duty and				the	
		cleared such goods in a clandestine manner.				Commissi oner,	
		a ciandestine manner.				Central	
		Show Cause Notice				Excise,	
		has been issued				that the	
		against the Company				audit	
		by the Commissioner,				objection	
		Customs & Central				s as	
		Excise,				raised by	
		Commissionerate:				the	
		Meerut-II demanding appropriate reasons				AGUP, Allahabad	
		as to why Central				have	
		Excise Duty of `				been	
		580.95 under section				dropped	
		11A of the Central				by the	
		Excise Act, 1944 and				AGUP and	
		interest under Section				that the	
		11AB of the Central				same has	
		Excise Act, 1944 and				been intimated	
		penalty under Rule 25 of the Central Excise				by the	
		Rules, 2002 read with				office of	
		11AC of the Central				AGUP to	
		Excise Act, 1944				the	
		should not be				Jurisdictio	
		recovered from the				nal Range	
		Company.				Superinte	



						ndent vide AGUP's letter dated Decembe r 04, 2009.	
						The Company has further submitted that since the audit objection s have been dropped, the grounds for the present notice cease to exist. The Company is awaiting for the reply from the Departme nt	
Show Cause Notice No. V (15) Adj./ M-II/ SAIL/ 104/ 09 dated November 20, 2009	NA	The officers from the Office of Accountant General of Uttar Pradesh, Allahabad ("AGUP") had conducted an audit of the central excise records of the Company for its unit located at An 28-33, CN 132, UPSDIC, MG Road, Ghaziabad Based on the audit objections raised in the audit report of AGUP, a notice was issued by the Commissionerate, pertaining to the period from November 2008 to July 2009. The notice states that the Company clandestinely cleared goods involving central excise duty worth 60.37 Lacs as the Company suppressed the extent	Central Excise Act, 1944 and Central Excise Rules, 2002	Commission er, Customs & Central Excise, Commission erate, Meerut-II	60.37 along with interest and penalty	The Company has filed its reply to the show cause notice on January 08, 2010.	against the Company , the



		of actual production with the intent to evade duty and cleared such goods in a clandestine manner. Notice has been issued against the Company by the Commissioner, Customs & Central Excise, Commissionerate: Meerut-II demanding appropriate reasons as to why Central Excise Duty of `60.37 under section 11A of the Central Excise Act, 1944 and interest and penalty under Section 11AB & 11AC of the Central Excise Act, 1944 respectively should not be recovered from the Company. The notice also states that Shri J.K. Arora, Director of the Company failed to discharge his duties and abetted in suppression of production and clandestine removal of the goods and thus he is liable for penalty under Rule 26 of the CENVAT credit rules 2005 read with section 9 of the					
Show Cause Notice No. V (15) Adj./ M-II/ Supreme Alloys/ 100 /2010 dated September 6, 2010	NA	Central Excise Act, 1944. The officers from the Office of Accountant General of Uttar Pradesh, Allahabad ("AGUP") had conducted an audit of the central excise records of the Company. Based on the audit objections raised in the audit report of AGUP, a notice was issued by the Commissionerate, pertaining to the period from August 2009 to June 2010. The notice states that the Company	Central Excise Act, 1944 and Central Excise Rules, 2002	Commission er, Customs &Central Excise, Commission erate: Meerut-II	52.49 along with interest and penalty.	No reply has been filed by the Company	If the case is decided against the Company, the Company will have to pay 52.49 Lacs and penalty, as may be imposed by the authoritie s.



							_
		clandestinely cleared goods involving central excise duty worth 52.49 Lacs as the Company suppressed the extent of actual production with the intent to evade duty. Notice has been issued against the					
		Company by the Commissioner, Customs & Central Excise, Commissionerate: Meerut-II demanding appropriate reasons as to why CENVAT of 52.49 Lacs under section 11A of the Central Excise Act, 1944 and interest and penalty under Section 11AB & 11AC of the Central Excise Act, 1944 respectively should not be					
		recovered from the Company. The notice also states that Shri J.K. Arora, Director of the Company failed to discharge his duties and abetted in suppression of production and clandestine removal of the goods and thus he is liable for penalty under Rule 26 of the CENVAT Credit Rules, 2005 read with Section 9 of the Central Excise Act, 1944.					
Show Cause Notice No. V (15) Adj/ M-II/ Supreme/ Hpr/33/ 2009/6719 dated May 13, 2009	NA	Notice has been issued against the Company demanding appropriate reasons as to why the amount of `50.32 Lacs should not be demanded from the Company in respect of clearances of goods effected by them without payment of duty to the SEZ Developers during the period from	Central Excise Act, 1944 and Central Excise Rules, 2002	Commission er, Customs & Central Excise, Commission erate: Meerut-II	50.32 along with interest and penalty.	The Company has filed its reply on August 19, 2009.	If the case is decided against the Company , the Company shall have to pay 50.32 Lacs along



		September 22, 2008 to December 13, 2008 in terms of Rule 6(3) (i) & Rule 14 of the CENVAT Credit rules, 2004 read with Section 11 A of the Central Excise Act, 1944 along with interest under Rule 14 of the CENVAT Credit Rules, 2004 read with Section 11AB of the Central Excise Act, 1944 and penalty in terms of Rule 15 of the CENVAT Credit Rules, 2004 read with Sec 11AC of the CENVAT Credit Rules, 2004 read with Sec 11AC of the Central Excise Act, 1944 respectively should not be recovered from the Company. The notice states that the Company cleared MS bars to various SEZ developers without payment of central excise duty and is therefore liable to pay 10% of the value of the goods supplied along with interest and penalty under the Central Excise Act, 1944 and the CENVAT Credit Rules, 2004.					with interest, if any and penalty, as may be imposed by the authoritie s.
Show Cause Notice No. V(15) Adj./ M-II/ Supreme/ 02/2009 dated February 19, 2009	NA	Notice has been issued against the Company stating that the Company effected clearance of excisable goods i.e. MS Bar valued at `237.96 Lacs to various SEZ Developers without payment of export duty to the amount of `35.70. The Company has been asked for appropriate reasons as to why export duty amounting to `35.70 Lacs should not be demanded from the Company as per Section 28 of the Customs Act, 1962, in	Customs Act, 1962	Commission er, Customs & Central Excise Commission erate, Meerut-II	35.70 along with interest and penalty.	In response, the Company filed its written submissio ns on January 11, 2010.	If the case is decided against the Company, the Company shall have to pay 35.70 Lacs along with interest, if any and penalty, as may be imposed by the authoritie





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		Central Excise Act, 1944 and interest at an appropriate rate should not be charged under Rule 14 of the CENVAT Credit Rules 2004 read with Section 11AB of the Central Excise Act, 1944 and penalty in terms of Rule 15 of the CENVAT Credit Rules 2004 read with Section 11AC of the Central Excise Act, 1944. The notice further states that Mr. J. K. Arora, Director of the Company failed to discharge his duties by way of proper accountal of the inputs and thus abetted in availment of inadmissible credit and utilisation of the same towards payment of duty on the finished goods and is therefore liable for penalty under Rule 26 of the Central Excise Rules, 2002.				cause notice.	
Order dated April 01, 2011	NA	On March 27, 2011, goods valued at 5.61 Lacs were being transported in a vehicle bearing no. HR-61-7979. The said vehicle was seized by the team of Asst. Comm., Trade Tax Office, Hissar and later released the said vehicle after the Company deposited 0.22 Lacs as tax and 0.67 Lacs as security deposit vide receipt no. 005081 dated April 01, 2011.	U.P. Trade tax Act	Asst. Comm., Trade Tax Office, Hissar	` 0.89 Lacs which has been deposited as security for release of the vehicle.	Both the tax and the security have been deposited by the Company	Can not be determin ed at this stage.
The Company has not yet received the notice of penalty.	NA	On June 28, 2011, goods valued at 3.43 Lacs were being transported in a vehicle bearing no. HR 38J 3866. The said vehicle was seized by the team of Asst. Comm., Mobile Squad, Noida and later released the said	U.P. Trade tax Act	Asst. Comm., Trade Tax Office, NOIDA	1.37 Lacs which has been deposited as security for release of the vehicle.	The security has been deposited by the Company	Can not be determin ed at this stage.



							EME
		vehicle after the					
		Company deposited `					
		1.37 Lacs as security					
		deposit on June 29,					
Legal	M/s Centre	2011.	Trade Mark	NA	NA	l m	Can not
Notice	De Nivs Centre	Company received a legal notice dated	Act	IVA	IVA	In	be Tiot
regarding	Recherches	December 29, 2005	7101			response to this	determin
alleged	Metallurgig	from United Overseas				legal	ed at this
breach of	ues	Trade Mark Company				notice,	stage.
IPR of a	Centrum	on behalf of M/s				the	
foreign	Voor	Centre De Recherches				Company	
Company	Research	Metallurgigues				had sent	
	In De	Centrum Voor				a detailed	
	Metallurgie	Research In De				reply on	
	("RMCV"),	Metallurgie ("RMCV"),				February	
	Belgium.	Belgium.				01, 2006.	
						It is	
	Against the	The Notice states that				stated	
	Company.	the RMCV is engaged				that word	
		in the business of				TEMPCOR	
		manufacture and				E cannot	
		trade of articles of				be a	
		steel and has been carrying on their				trademar	
		carrying on their business under the				k of any company	
		trademark				because	
		"TEMPCORE" and use				TEMPCOR	
		of the same by the				E is name	
		Company is in				of a	
		violation of trade				method	
		mark and is passing				or	
		off.				manner	
						of	
						manufact	
						ure of	
						high yield	
						strength bars and	
						indicates	
						a product	
						which is	
						manufact	
						ured by	
						particular	
						well	
						defined	
						process.	
						It is	
						further stated	
						that the	
						Company	
						has been	
						using	
						trade	
						mark	
						"TMTSAL"	
						for their	



			products	
			and that	
			no other	
			trade	
			mark	
			whatsoev	
			er is	
			being	
			used by	
			the	
			Company	
			However,	
			the	
			Company	
			has a	
			technolog	
			У	
			collaborat	
			ion with	
			SAL	
			TEMPCOR	
			E INC,	
			which is a	
			registere	
			d	
			company	
			in the	
			United	
			States of	
			America.	
			The	
			Company	
			has asked	
			RMCV to	
			withdraw	
			its notice	
			within 10	
			days of	
			receipt of	
			their	
			reply,	
			failing	
			which the	
			Company	
			will	
			initiate	
			legal	
			action.	
			There has	
			been no	
			further	
			developm	
			ent in the	
			said	
			matter.	
<u>l</u>			matter.	



(L) The information regarding pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board or stock exchanges against the Issuer.

Nil

(M) The information regarding pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board or stock exchanges against the Director.

Nil

(N) Other litigations against the Issuer

Nil

(O) The name(s) of the small scale undertaking(s) or any other creditors as on August 31, 2011 to whom the Issuer owes a sum exceeding `One Lac which is outstanding for more than thirty days.

Name of Creditors	Amount (` in Lacs)			
R.D. Steel	172.01			
Shree Balaji Concast Pvt. Ltd	113.94			
Swastik Metalloy Casting Pvt. Ltd	107.66			
Agarwal Ferro Metallic Pvt. Ltd	61.73			
Mahabir Steel Rolling Mills	56.99			
Shashi Enterprises	55.95			
Chetna Steels	52.06			
Jain Sons India	45.45			
Rukmani Ferro Pvt. Ltd.	37.05			
Prabhu Alloys Pvt. Ltd.	34.35			
JPS Steels (P) Ltd.	25.84			
Hasan Steel & Alloys Private Limited	22.80			
Singhal Enterprises Pvt. Ltd	19.80			
Sri Jai Balaji Ispat (P) Ltd.	17.71			
Sutech Industries Pvt. Ltd	15.91			
G.P. Global Industries Pvt. Ltd	13.33			
M.L.Agarwal Steel & Alloys Pvt Ltd.	13.23			
Bhushan Steel Limited	11.21			
Parmarth Iron Pvt. Ltd	10.45			
Shree Krishna Castings	9.79			
Shivam Petroleum & Fuels	9.20			
Mehak Metals Private Limited	8.97			
Gangeshwari Metals Pvt. Ltd.	8.94			
Indian Trailer Service	5.72			
Shri Kakshi Metals	5.20			
Paliwal Alloys (P) Ltd	5.14			
Supreme Ceramics Ltd	4.58			
Lakhotia Associates	3.87			
Sumiti Alloys (P) Ltd	3.64			
Shyam Forgings (P) Ltd	3.55			
Swastik Cement Products Pvt. Ltd	3.49			
Talukdar Enterprise	3.30			
Favourite Tools India	3.02			
Paras Nath Coal Trading Co.	2.85			
Goodwill Bearings	2.79			
Tirupati Balaji Riders Oil Co. Pvt. Ltd	2.28			
Ravi Iron Limited	1.96			
Sunil Coal Deepo	1.89			
Matharoo Industries	1.81			



Naman Automobiles	1.78
HI-Worth Industries	1.77
Graphit Depot	1.73
Gupta Refractories	1.73
Powertech Corporation	1.66
S.G. Enterprises	1.62
Raghu Prime Metal Ltd.	1.61
Broadway Machines Pvt.Ltd.	1.45
Vikas Electricals	1.37
Anant Machinery Corporation	1.27
Ganpat Rai Kewal Ram Trading Co. P Ltd	1.25
Shiv Shakti Traders	1.13
Graphite & Refractories India	1.12
Rawal Machinery Store	1.07
S.V. Traders	1.07
TOTAL	1001.09

(P) Outstanding litigations, defaults, etc pertaining to matters likely to affect operations and finances of the subsidiaries of the Issuer, including disputed tax liabilities, prosecution under any enactment

Nil

- (2) Outstanding litigations involving the promoter and group companies:
- (A) All pending litigations in which the Promoters are involved.

Case No.	Name of Parties	Nature of alleged violation	Act/Regul ation /Code allegedly violated	Name of Court	Amount Involved (in Lacs)	Latest Status of the case	Adverse Liability
CS (OS) No. 319/2011	Mr. Ashwani Kumar Bhatia Vs Mr. J. K. Arora	A suit for recovery dated December 24, 2010 has been filed against Mr. J. K. Arora by Mr. Ashwani Kumar Bhatia. It has been claimed in the suit that Mr. Arora had approached Mr. Bhatia with a proposal to set up a holding company and had proposed to dilute 5% of his subscription in Indian Exchange Metals Limited ("IEM") against consideration of 200.00 Lacs. Mr. Bhatia consented to the proposal and paid 200.00 Lacs to Mr. Arora. A Memorandum of Understanding ("MoU") dated June 28, 2008 was executed between the parties. Under the said MoU, Mr. Bhatia	Indian Contract Act, 1872	High Court of Delhi	290.00 and pendente lite interest and future interest from the date of institution of the suit till recovery of the amount not less than 18 % p.a.	The Hon'ble Court has issued summon s to Mr. J. K. Arora to appear before the Joint Registrar on October 17, 2011.	If the matter is decided against the Mr. J. K. Arora then he will have to pay 290.00 Lacs and interest as per the Court Orders.



was given the option		
to exit within 9		
months from the date		
of signing of the MoU		
in which case Mr.		
Arora will have to		
refund the total		
amount to Mr. Bhatia		
within 90 days from		
receipt of		
communication along		
with 18% p.a.		
interest thereof up to		
the date of complete		
pay off. Since Mr.		
* *		
Arora failed to set up		
the holding company,		
Mr. Bhatia opted for		
the exit option within	1	
9 months and claimed		
refund of 200.00		
Lacs. When Mr. Arora	1	
failed to refund the	1	
said amount, Mr.	1	
,		
Bhatia served him	1	
with a legal notice		
dated July 23, 2010.		
Mr. Arora replied to		
the said notice vide		
his letter dated		
August 19, 2010		
wherein the contents		
of the notice have		
been denied. The		
Company in its reply		
to the notice has		
stated that t the time		
of execution of MoU		
only 5000 equity		
shares were		
subscribed in IEM and		
that on July 31, 2008,	1	
7 lac shares were	1	
	1	
further issued by	1	
private placement out		
of which 5% shares		
i.e. 39474 equity	1	
shares were issued in	1	
the name of M/s		
Leading Estates		
Private Limited.	1	
	1	
11 M. 51. II. 69. I		
Hence Mr. Bhatia filed		
the instant suit	1	
praying for decree for	1	
	1	
recovery of ` 290.00		
Lacs and pendente		
	1	
lite interest and	1	
future interest from		
the date of institution		
	1	
of the suit till	1	
recovery of the	1	
amount not less than		
18 % p.a.		



(B) List of all defaults to the financial institutions or banks by Promote`

Nil

(C) List of all defaults to the financial institutions or banks by Group Companies

Nil

(D) List of all non-payment of statutory dues by Promoters

Nil

(E) List of all non-payment of statutory dues by Group Companies

Nil

(F) List of all dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares by Promoters.

Nil

(G) List of all dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares by Group Companies.

Nil

(H) List of proceedings initiated for economic offences or civil offences (including the past cases, if found quilty) by Promoters.

Nil

(I) List of proceedings initiated for economic offences or civil offences (including the past cases, if found guilty) by Group Companies.

Nil

(J) List of all disciplinary action taken by the Board or recognised stock exchanges against the Promoters and Group Companies.

Nil

(K) List of pending litigations, defaults etc. in respect of group companies with which the Promoters were associated in the past but are no longer associated, in case their name(s) continue to be associated with the particular litigation(s).

Nil

(L) List of past and present litigations/ defaults/ over dues or labour problems/ closure etc., faced by the Group Companies.

Nil

(M) All the litigations against the Promoter involving violation of statutory regulations.

Nil

(N) All the litigations against the Promoter alleging criminal offence.

Nil

(O) List of pending proceedings initiated for economic offences against the Promoters.

Nil



(P) List of pending proceedings initiated for economic offences against the Group Companies.

Nil

(Q) List of adverse findings, if any, in respect of the persons/entities connected with the Issuer/Promoter/Group Companies as regards compliance with the securities laws.

Nil

(R) Details of past cases in which penalties were imposed by the concerned authorities.

Nil

(3) Material developments since the last balance sheet date.

In our view, no circumstances since March 31, 2011 have arisen which materially and adversely affect or are likely to materially and adversely affect, the Company's business or the profitability of the Company or the value of the assets or the Company's ability to pay its liabilities within the next 12 months.



GOVERNMENT AND OTHER APPROVALS

Except for certain pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Further, except as mentioned herein below, our Company has not yet applied for any licenses, consents, permissions and approvals for the proposed activities as contained in the *Section titled "Objects of the Issue" beginning on page 41 of the DRHP.* It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this DRHP.

Approvals for the Issue

- 1. The Board of Directors have, pursuant to resolutions passed at its meeting held on April 05, 2011 authorised the Issue, subject to the approval by the shareholders of the Company under Section 81(1A) of the Companies Act.
- 2. The shareholders have, pursuant to a resolution dated April 30, 2011 under Section 81(1A) of the Companies Act, authorised the Issue.
- 3. In principle approval from the BSE dated [•].
- 4. In principle approval from the NSE dated [•].
- 5. All approvals required from the lenders in relation to the Issue have been obtained.

Incorporation Details

- Certificate of Incorporation No. 55-37969 dated October 09, 1989 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana in the name of Supreme Alloys Private Limited.
- 2. Fresh Certificate of Incorporation dated May 10, 2008 issued by the by the Registrar of Companies, National Capital Territory of Delhi and Haryana consequent to the conversion of the Company to public Company.
- 3. Corporate Identity number of the Company Issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana is U74899DL1989PLC037969.

Government and other approvals:

I General approvals:

- Permanent Account Number (PAN) AAACS0639L issued by Income Tax Department, Government of India.
- 2. Tax Deduction Account Number (TAN) DELS23737A issued by Income Tax Officer.
- 3. Importer-Exporter code (IEC) 0599009578 issued by Joint Director General of Foreign Trade, Ministry of Commerce and Industry.

II. Factory Units Related Approvals

- 1. Factory License GZB 3424 dated January 20, 2006 issued by Director of Factories, Uttar Pradesh Under The Factories Act, 1948 for the Company's unit located at C-232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad. The license was renewed on January 01, 2011 and is valid till December 31, 2011.
- 2. Factory License GZB 4269 dated May 19, 2004 issued by Director of Factories, Uttar Pradesh Under The Factories Act, 1948 for the Company's unit located at AN-28-33, CN 112-132,



- Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad. The license was renewed on January 01, 2011 and is valid till December 31, 2011.
- 3. Factory License No. NDA 2545 dated November 04, 2010 issued by Director of Factories, Uttar Pradesh Under The Factories Act, 1948 for the Company's unit located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh. The license was renewed on January 01, 2011 and is valid till December 31, 2011.
- 4. Registration Certificate SSI No. 20/56/07427/PMT/SSI/08 dated November 28, 1994 issued by General Manager District Industries Centre, Ghaziabad under Directorate of Industries, Small Scale Industrial Unit, Government of Uttar Pradesh for manufacturing/processing of C.I. Casting, C.L. Ingot moulds, machine parts & job works, subsequently added steel ingots, Steel Castings, MS Ingots at its unit located at C-232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad. Is valid till cancelled.
- Sealing Certificate dated July 21, 2010 issued by Electricity Urban Test Division, Ghaziabad to sanction load of 3800 KVA for our Company's unit at C-232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad.
- Sealing Certificate of L & H Consumers dated June 23, 2009 issued by Electricity Urban Test Division, Meerut to sanction load of 2000 KVA for our Company's unit located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad.
- 7. Sealing Certificate of Large Power Consumer dated October 07, 2010 issued by Electricity Urban Test Division, Noida to sanction load of 2000 KVA for our Company's unit located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh.
 - 8. The Company has been allotted Code No. U.P. 24838 dated April 05, 1999 by the Sub-Regional Office, Noida under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952, for its unit located at at C-232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad.
 - 9. The Company has been allotted Code No. U.P. 34002 dated June 28, 2004 by the Sub-Regional Office, Meerut under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952, for the unit located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad.
 - 10. The Company has been allotted Code No. UP/49402 dated January 13, 2011 issued by the Assistant Provident Fund Commissioner, Noida under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952, for the unit located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh.
 - 11. The Company has been allotted Employer's Code Number 21-34467-53 dated May 31, 2004 by Deputy Director, Ghaziabad the under the Employees' State Insurance Act, 1948, for the unit located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad.
 - 12. The Company has been allotted Employer's Code Number 67-00-014856-000-0506 dated December 31, 2010 issued by Assistant Director, Employee State Insurance Corporation, Noida under the Employees' State Insurance Act, 1948, for the unit located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh. The same is with effect from October 01, 2010 and is valid till cancelled.
 - 13. Approval No. A/P/HQ/UP/15/4410(P87760) dated March 04, 2004 for storage of petroleum Class C (Furnace Oil /LDO) upto 43 KL at our Company's unit located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad, received under Rule 140 of Petroleum Rules, 2002 from Deputy Chief Controller of Explosives for Chief Controller of Explosives of Ministry of Commerce & Industry, Government of India.
 - 14. Approval No. A/P/CC/UP/15/2938 (P274549) dated July 21, 2011, for storage of Furnace oil / L.D.O. (Petroleum Class 'C'), issued by the Deputy Chief Controller of Explosives of Ministry of Commerce & Industry, Petroleum and Explosives Safety Organisation (formerly known as Department of Explosives) under Rule 140 of Petroleum Rules, 2002 for storage of 40 KL of Furnace oil / L.D.O. at the factory premises of the company located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar. If storage of the Furnace oil/L.D.O exceeds 45 KL, our Company will have to apply for the license.
 - 15. Registration Certificate No. 0367830 dated April 30, 2011 issued by Inspector of Legal Metrology, Weights and Measurement Department under The Standards of Weights and Measures (Enforcement) Act, 1985 of 50,000 kg capacity electronic weigh bridge and 20 nos. of weights of 50 kgs each used at the factory premises of the Company located at C-232, Site



- No. 1, Buland Sahar Road Industrial Area, Ghaziabad. The next verification for the weigh bridge is due on April 30, 2012 and for the weights it is April 30, 2013.
- 16. Registration Certificate No. 897322 dated July 09, 2011 issued by Inspector of Legal Metrology, Weights and Measurement Department under The Standards of Weights and Measures (Enforcement) Act, 1985 of 80,000 kg capacity electronic weigh bridge and 20 nos. of weights of 50 kgs each used at the factory premises of the Company located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad. The next verification for both weigh bridge and the weights is due on July 09, 2012.
- 17. Registration Certificate No. 0585370 dated May 05, 2011 issued by Inspector of Legal Metrology, Weights and Measurement Department under The Standards of Weights and Measures (Enforcement) Act, 1985 of 60 ton weigh bridge and 20 nos. of weights of 50 kgs each used at the factory premises of the Company located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh. The next verification for the weigh bridge is due on May 05, 2012 and for the weights in May 05, 2013.
- 18. License No. CM/L-8661185 August 04, 2010 issued by Bureau of Indian Standards for the renewal of use of Standard Mark under the Bureau of Indian Standards Act, 1986 for its factory located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad. The License has been issued in respect of the high strength deformed steel bars and wires for concrete reinforcement. The License was renewed from August 01, 2010 and is valid till July 31, 2012.
- 19. License No. CM/L-3210430 dated May 20, 2011 issued by Director, Bureau of Indian Standards, Ghaziabad Branch for the use of Standard Mark under the Bureau of Indian Standards Act, 1986, in respect of the high strength deformed steel bars and wires for concrete reinforcement of size 8mm to 28 mm for Grade Fe 415 & Fe 500. for its factory located at Plot No. 575-576, Dujana Road, Tehsil Dadri, Gautam Budh Nagar, Uttar Pradesh. The License is valid till May 19, 2012. The Company vide its application dated May 20, 2011, have informed the authorities that the unit is manufacturing TMT bars in the name of "ESSAR STEEL TMT" in addition to "TMTSAL" brand TMT bars and that the License may accordingly be amended.
- 20. Certificate No. 9001_1029 dated October 02, 2008 certifying the Management System is in Compliance with ISO 9001:2000 of the issuer Company with respect to the unit located at C-232, Site No. 1, Buland Sahar Road Industrial Area, Ghaziabad for manufacturing and Supply of Ingot. The Certificate is valid till October 01, 2011.
- 21. Certificate No. 9001_1029 dated October 02, 2008 certifying the Management System is in Compliance with ISO 9001:2000 of the issuer Company with respect to the unit located at AN-28-33, CN 112-132, Masoori Gulaoti Road, UPSIDC Industrial Area, Ghaziabad for manufacturing and Supply of TMT Bars & Wire Rods. The Certificate is valid till October 01, 2011.

22. SALES TAX REGISTRATIONS

- Certificate of Registration as a dealer bearing No. 09288900420 is allotted as its Taxpayer's Identification Number (TIN) is valid until cancelled issued by Department of Commercial Taxes, Government of Uttar Pradesh under Uttar Pradesh Value Added Tax Act, 2007.
- Certificate of Registration as a dealer bearing No. 09288900420 issued by Department of Commercial Taxes, Government of Uttar Pradesh is valid until cancelled under section 7(1) & 7(2) of Central Sales Tax, 1956.
- ➤ Certificate of Registration as a Dealer having only one place of Business in Haryana bearing TIN No. 06451217979 dated April 21, 2005 under sections 7(1)/7(2) of the Central Sales Tax Act, 1956 and is valid until cancelled issued by Assessing Authority, Faridabad, Haryana.
- ➤ Certificate of Tax Identification Number (TIN) 06451217979 dated April 21, 2005 under section 11 of the Haryana Value Added Tax Act, 2003 is valid until cancelled issued by Assessing Authority, Faridabad, Haryana.
- Certificate of Registration as a Dealer having only one place of Business in Delhi bearing No. LC/084/07240282416/0205 dated February 24, 2005 under Rule 16 of The Delhi Sales Tax Rules, 1975 valid until cancelled issued by Sales Tax Officer, New



Delhi.

➤ Certificate of Registration as a Dealer having only one place of Business in Delhi bearing No. LC/084/07240282416/0205 dated February 24, 2005 under section 7 The Central Sales Tax Act, 1956 is valid until cancelled issued by Sales Tax Officer, New Delhi.

23. CENTRAL EXCISE

Location	Registration No. and	Issued By	Valid Till
	Date		
C-232, Buland Sahar	AAACS0639LXM001	Superintendent Central	Valid until cancelled or
Road Industrial Area,	Dated May 26, 2000	Excise Range – II,	revoked
Ghaziabad		Division III, Ghaziabad	
AN-28-33, CN-112-	AACSO639LXM002	Assistant	Valid until cancelled or
122, Masuri Gulawti	Dated March 11, 2004	Commissioner of	revoked
Road, UPSIDC	(amended on February	Central Excise Division,	
Industrial Area,	28, 2011)	Hapur	
Ghaziabad City,			
Ghaziabad			
Plot No. 575-576,	AAACS0639LEM004	Deputy Commissioner,	Valid until cancelled or
Dujana Road, Tehsil	Dated December 08,	Customs and Central	revoked
Dadri, Gautam Budh 2010		Excise Division - IV,	
Nagar, Uttar Pradesh		Ghaziabad	

24. SERVICE TAX

Location	Registration No. &	Issued By	Valid Till
	Date		
C-232, Buland Sahar	AAACS0639LST001	Superintendent	Valid until cancelled or
Road Industrial Area,	DATED March 10, 2005	(Service Tax) Central	revoked
Ghaziabad		Excise, DIV-IV,	
		Ghaziabad	
AN-28 to AN-33 & CN-	33/830404/T. of G. by	Superintendent	Valid until cancelled or
112 to CN-132,	Road/RHPR/2005	Customs and Central	revoked
Masoori Gulaoti Road	DATED January 31,	Excise Range Hapur	
Industrial Area,	2005		
Ghaziabad			
Plot No. 575-576,	AAACS0639LSD003	Superintendent Range	Valid until cancelled or
Dujana Road, Tehsil	DATED February 17,	Service Tax Central	revoked
Dadri, Gautam Budh	2011	Excise Div- IV,	
Nagar, Uttar Pradesh		Ghaziabad	

OTHER APPROVALS

1. Trademarks Registrations in the name of the Company

Following Certificate of Registration of Trade Marks registered in name of our Company, issued by Registrar of Trade Marks, Trade Marks Registry, Government of India under section 23(2), Rule 62(I) of Trade Marks Act, 1999:

S.No.	Trademarks	Registration No.	Class	Status	In respect of Goods and Services
1	JK TMT	454114	6	Trademark registered in name of our Company with effect from October 27, 2005	• •



					SUPRE
					Proof & Rustless), Steel Pipe & Steel Plates
2	JK TOR	513225	6	Trademark registered in name of our Company with effect from January 21, 2006	Angel, Joist Channel, CTD (Cold Twisted Deformed), Bar(Made of Steel), Ribar and other Steel, Strip, Steel Sheet, Steel Tools, Steel Alloys (Acid Proof & Rustless), Steel Pipe & Steel Plates
3	TORSAL	575220	6	Trademark registered in name of our Company with effect from October 28, 2006	Angel, Joist Channel, CTD (Cold Twisted Deformed), Bar(Made of Steel), Ribar and other Steel, Strip, Steel Sheet, Steel Tools, Steel Alloys (Acid Proof & Rustless), Steel Pipe & Steel Plates
4	REBAR	592168	6	Trademark registered in name of our Company with effect from January 18, 2007	Angel, Joist Channel, CTD (Cold Twisted Deformed), Bar(Made of Steel), Ribar and other Steel, Strip, Steel Sheet, Steel Tools, Steel Alloys (Acid Proof & Rustless), Steel Pipe & Steel Plates
5	TMTSAL	658968	6	Trademark registered in name of our Company with effect from December 14, 2007	Angel, Joist Channel, CTD (Cold Twisted Deformed), Bar(Made of Steel), Ribar and other Steel, Strip, Steel Sheet, Steel Tools, Steel Alloys (Acid Proof & Rustless), Steel Pipe & Steel Plates
6	SAL	824641	19	Trademark registered in name of our Company with effect from March 31, 2009	Building Materials(Non- Metallic Rigid Pipes for Building; Asphalt, Pitch and Bitumen; Non- Metallic Transportable Buildings; Monument, Not of Metal)
7	SAL	862786	8	Trademark registered in name of our	Hand Tools and Implements



	Company with effect from March 3o, 2010	
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Approvals for which applications are made and are pending

S.No	Nature of Registration/ License	Unit	Date of Application	Issuing Authority
1	To add-Manufacturing TMT bars in the name of "ESSAR STEEL TMT"	Plot No. 575- 576, Dujana Road	May 20, 2011	Director, Bureau of Indian Standards, Ghaziabad Branch
2	Applied for renewal of Consent to Operate till December 2012 under Section 25 & 26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 respectively	C-232, Buland Sahar Road Industrial Area, Ghaziabad	January 10, 2010	Uttar Pradesh Pollution Control Board
3	Applied for renewal of Consent to Operate till December 2012 under Section 25 & 26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of the Air (Prevention and Control of Pollution) Act, 1981 respectively	AN-28-33, CN 112-122, Masuri Gulawti Road, UPSIDC Industrial Area, Ghaziabad	January 10, 2010	Uttar Pradesh Pollution Control Board
4	Applied for registration Trademark "SAL" under class 6	-	August 07, 2006	Trademark Authority

APPROVALS/LICENSES/PERMISSIONS FOR THE OBJECTS OF THE ISSUE

The Government and other approvals/licenses/registrations requisite for attainments of the Objects of the Issue will be applied for in due course.

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SECTION VII- OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority For The Present Issue

The has been authorized by a resolution of the Board passed at their meeting held on April 05, 2011, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extra-Ordinary General Meeting of the Company held on April 30, 2011, at New Delhi.

Prohibition by SEBI

Our Company, our Directors, our Promoters, the group companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at any time by any of the Stock Exchanges in India. Our Company, our Promoters, their relatives, group companies and associate companies has, not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Eligibility For The Issue:

The Company is eligible for the Issue in accordance with Clause (1) of Regulation 26 of the ICDR Regulations, 2009. The Conditions prescribed under Clause (1) of Regulation 26 of the ICDR Regulations are as follows:

- The Company has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty percent are held in monetary assets.
- The Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, on both standalone as well as consolidated basis for at least three out of immediately preceding five years.
- The Company has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each).
- The aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year.
- If the company has changed its name within the last one year, at least fifty per cent of its revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

Further, in accordance with sub-regulation (4) of Regulation 26 of the ICDR Regulations, the Company shall ensure that the number of prospective allottees i.e., persons to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which, the entire application monies will be refunded forthwith. If such refund money is not repaid within eight (8) days after the Company becomes liable to repay it (i.e., from the date of refusal or within 10 Working Days from the Bid Closing Date, whichever is earlier), the Company and every officer in default will, on and from the expiry of eight (8) days, be liable to repay such application money with interest at the rate of 15% per annum, as prescribed under Section 73 of the Companies Act.

The net tangible assets, distributable profits, and pre-issue net worth in terms of section 205 of the Companies Act, of the Company for the last five (5) completed years are as under:



(Amount in `Lacs.)

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Net Tangible Assets	842.88	1125.72	1504.31	1848.07	2898.41
Monetary Assets	67.41	66.92	50.63	58.37	133.57
% of Monetary Assets to Net Tangible Assets	8%	5.95%	3.37%	3.16%	4.61%
Distributable Profits	436.64	506.38	818.80	1142.56	1472.49
Net worth	807.37	1005.22	1318.81	1642.57	2622.49

Source: Audited Annual Accounts of the Company for the respective financial years.

Notes:

- > The above data has been certified by M/s. VAPS & Co, vide its certificate dated Septembe 19, 2011 that the Company is fulfilling the criteria of eligibility norms for Public Issue by Unlisted company in accordance with sub-regulation (1) of Regulation 26 of ICDR Regulations and amendments thereof.
- Net tangible assets defined as sum of fixed assets (including capital work-in progress), Investment (including investment in subsidiary), Current Assets (excluding deferred tax asset) less current liabilities (excluding deferred tax liabilities), less secured loans and unsecured loans.
- Monetary Assets comprises of Cash and Bank Balance (excluding deposits pledged with bank & sales tax authorities).
- > Distributable Profits have been calculated in terms of section 205 of the Companies Act, 1956.
- > Net Worth is defined as the aggregate of paid-up share capital, security premium account and reserve & surplus (excluding revaluation reserve) as reduced by the miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of profit and loss account.

For complete explanation of the figures in the above table, see *"Financial Information"* on page no. 134 of this Draft Red Herring Prospectus.



Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBL.

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, D & A FINANCIAL SERVICES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, D & A FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2011, WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITIES IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE



- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- AS THE OFFER SIZE IS MORE THAN ` 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
- (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.



- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Delhi & Haryana in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Delhi & Haryana in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from the Company and the Book Running Lead Manager

The Company, the Directors and the BRLM accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's web site www.tmtsal.com, would be doing so at his or her own risk.

Caution

The BRLM accept no responsibility, save to the limited extent as provided in the MOU entered into between the BRLM and the Company and the Underwriting Agreement to be entered into between the Underwriter and the Company.

All information shall be made available by the Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriter 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 the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company. The Company and the BRLM and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

The BRLMs & their respective associates and affiliates may engage in transactions with & perform services for, the Company and associates of the Company in the ordinary course of



business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India) who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission) or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ` 250 million, pension funds with minimum corpus of ` 250 million and the National Investment Fund.

This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (as defined in Regulations under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE) (Designated Stock Exchange)

As required, a copy of this Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

DISCLAIMER CLAUSE OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

As required, a copy of this Draft Red Herring Prospectus had been submitted to NSE. The Disclaimer Clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filling.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Division of Issues & Listing of SEBI, SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi 110001, with the BSE Listing Department at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001



and with the NSE at Listing Department at Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the ROC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with ROC at the Office of the Registrar of Companies, Delhi & Haryana, IFCI Tower, 4th Floor, 61, Nehru Place, New Delhi 110019.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

In case the permission for listing of the Equity Shares is not granted by the above mentioned Stock Exchanges, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it (i.e. from the date of refusal or within ten working days from the Bid/Issue Closing Date, whichever is earlier) then our Company and every director of our Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest, at 15% per annum on the application monies as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Issue Closing Date.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Company; and (b) the Book Running Lead Manager and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the SEBI.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, M/s VAPS & Co., C-42, South Extention, Part-II, New Delhi – 110049, Chartered Accountants, have given their written consent to the inclusion of their financial report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the SEBI.

[•], the IPO grading agency engaged by the Company for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Registrar of Companies.

Expert Opinion

Except the report of $[\bullet]$ in respect of the IPO grading of this Issue annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, the Company has not obtained any expert opinions.



Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expense (in `Lacs)	Percentage of	Percentage of the
		Issue Expenses	Issue size
Lead Management, Underwriting	[•]	[•]	[•]
and Selling Commission			
SCSB Commission	[•]	[•]	[•]
Advertisement and Marketing	[•]	[•]	[•]
expenses			
Printing and Stationery	[•]	[•]	[•]
(including courier and			
transportation charges)			
Registrar to the Issue	[•]	[•]	[•]
Advisors to the Issue	[•]	[•]	[•]
Fees paid to rating agency	[•]	[•]	[•]
Others (Processing fees, listing	[•]	[•]	[•]
fee, Corporate Action charges			
etc)			
Total Estimated Issue expenses	[•]	[•]	

^{*} Will be incorporated after finalisation of the Issue Price.

The listing fee and all expenses with respect to the Issue will be borne by the Company.

Fees Payable to the Book Running Lead Manager, and Syndicate Members

The total fees payable to the BRLM and the Syndicate Member (including underwriting commission and selling commission) will be as stated in the Engagement Letter with the BRLMs, a copy of which is available for inspection at the registered office of the Company.

Fees Payable to the Book Running Lead Manager

The fees payable to the Book Running Lead Manager will be as per the respective Engagement Letters issued to them by the Company and the Agreement dated September 07, 2011 executed between the Company and the BRLMs, copy of which are available for inspection at the Registered Office of the Company.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement dated September 08, 2011 executed between the Company and the Registrar to the Issue, a copy of which is available for inspection at the Registered Office of the Company from 10:00 am to 05:00 pm on Working Days, from the date of this Draft Red Herring Prospectus until the Bid Closing Date.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, IPO Grading Agency, Advertising Agency, etc., will be as per the terms of their respective engagement lette`

Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and selling commission for this Issue is as set out in the Syndicate Agreement to be entered into between the Company, the Syndicate Members and the BRLMs. The underwriting commission shall be paid as set out in the Underwriting Agreement, to be entered into based on the Issue Price and amount underwritten in the manner mentioned in the Prospectus. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.



Particulars regarding Public or Rights Issues during the Last Five Years

The Company has not made any public or rights issues during the last five year.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section entitled "Capital Structure" on page 19 of this Draft Red Herring Prospectus and "History and Corporate Matters" on page 95 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed group companies, subsidiaries and associates of the Company

None of the group companies, associates and subsidiaries of the Company is listed on any stock exchange.

Promise vis-a-vis objects – Public/ Rights Issue of the Company and/ or listed group companies, subsidiaries and associates of the Company

The Company has not undertaken any previous public or rights issue.

None of the group companies, associates and subsidiaries of the Company is listed on any stock exchange.

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the section entitled "Capital Structure" beginning on page 19 in this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for nonreceipt of dividends etc. For further details on this committee, please refer Heading titled "Shareholders/Investors Grievance Committee" beginning on page118 under the Chapter titled "Our Management" beginning on page 108 of this Draft Red Herring Prospectus. To expedite the process of share transfer, our Company has appointed M/s Beetal Financial & Computer Services Private Limited as the Registrar and Share Transfer Agents of our Company.



All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to registrar with copy to relevant SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has constituted the Share Transfer and Investor Grievance Committee vide resolution passed at the Board Meeting held on April 30, 2011. The composition of the Share Transfer and Investor Grievance Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Chander Gupta	Chairman	Independent Director
Mr. Jagjiv Kumar Arora	Member	Managing Director
Mr. Sahil Arora	Member	Whole-time Director

The Company has appointed Mr. Gaurav Kapoor as the Company Secretary and Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Gaurav Kapoor

Supreme Alloys Limited

B-7, WHS, Kirti Nagar, New Delhi - 110015

Tel.: 011-41656555
Tel Fax: 011-41656555
Email: ipo@tmtsal.co.in
Website: www.tmtsal.co.in

Changes in Auditors

The following are the changes in the auditors in the last 3 years:

Name of the Auditor	Date of appointment	Date resignation	of	Reason
Mr. V Kohli	Since Inception	15.01.2011		Due to his pre- occupation in other assingments
Mr. Vipin Aggarwal	28.02.2011	-		Appointed

Capitalisation of Reserves or Profits

Except as disclosed in this Draft Red Herring Prospectus, the Company has not capitalized its reserves or profits at any time during the last five year

Revaluation of Assets

The Company has not revalued its assets in the last five year.



SECTION VIII- ISSUE RELATED INFORMATION

TERMS OF ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The entire price of the Equity Shares of `[•] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Face Value and Issue Price per Share

The Equity Shares having a face value of `10 each are being offered in terms of the Draft Red Herring Prospectus at a price of `[•] per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to Chapter titled "Main Provisions of Articles of Association" on page 273 of the Draft Red Herring Prospectus.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to Chapter titled "Main Provisions of Articles of Association" on page 273 of the Draft Red Herring Prospectus.



Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialized form for all investor.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [•] Equity Shares. For details of Allocation and Allotment, please refer to the paragraph titled "Basis of Allotment" beginning on page 264 under Chapter titled "Issue Procedure" beginning on page 238 of the Draft Red Herring Prospectus.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Bid/Issue Program

BID/ISSUE OPENS ON	[•]
BID/ISSUE CLOSES ON	[•]

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.



Arrangements for Disposal of Odd Lots

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation/splitting, please refer to under the Chapter titled "Main Provisions of Articles of Association" on page 273 of the Draft Red Herring Prospectus.

Compliance with SEBI (ICDR) Regulations, 2009

Our Company shall comply with all requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, notified on August 26, 2009 as amended from time to time. Our Company shall comply with all disclosure norms as specified by SEBI from time to time.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.



ISSUE STRUCTURE

The present Issue comprising of 7000000 Equity Shares of ` 10 each aggregating ` [●] Lacs is being made through the 100% Book Building process. The Issue shall constitute 48.27% of the fully diluted post issue capital of our Company. Details of the Issue structure are tabulated below:

<u>Particulars</u>	QIBs	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	Not more than 3500000 Equity Shares	Not less than 1050000 Equity Shares	Not less than 2450000 Equity Shares
Percentage of Issue Size available for allocation	Not more than 50% of the Issue However, 5% of the QIB Portion, excluding the Anchor Investor Portion, shall be available for allocation proportionately to Mutual Funds only. Mutual funds participating in the 5% reservation in the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund portion will be available to QIB Bidders.	Not less than 15% of the Net issue to the public or Net Issue size less allocation to QIBs and retail individual bidders *	Not less than 35% of the Net issue to the public or Net Issue size less allocation to QIBs and non institutional bidders *
Basis of Proportionate Allocation if respective category is oversubscribed		Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds `2,00,000 and in multiples of [•] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds 2,00,000 and in multiples of [•] Equity Shares.	Such number of Equity Shares whereby the Bid Amount does not Exceed ` 200,000
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding not exceeding the size of the issue, subject to regulations as applicable to the Bidder	Such number of Equity Shares per retail individual investor so as to ensure that the Bid amount does not exceed 2,00,000 which has to be in multiples of [•] Equity Shares.
Mode of Allotment	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode	Compulsorily in Dematerialized mode
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share



Who can apply**	a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; a foreign institutional investor and subaccount (other than a subaccount which is a foreign corporate or foreign individual), registered with the Board; a public financial institution as defined in section 4A of the Companies Act, 1956; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; provident fund with minimum corpus of 25 Crore; National Investment Fund set up by Government of India; National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; insurance funds set up and managed by army, navy or air force of the Union of India; insurance funds set up and managed by the Departments of Posts, India.	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), and NRIs (applying for an amount exceeding ` 2,00,000)	Individuals (including NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount per individual bidder does not exceed 2,00,000 in value.
Terms of payment	The entire Bid Amount on bidding, to be blocked by the SCSBs pursuant to Bid being Submitted by ASBA Bidder.	The entire Bid Amount on bidding, to be blocked by the SCSBs pursuant to Bid being submitted by ASBA Bidder.	The entire Bid Amount shall be payable at the time of submission of the Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.



#The QIB portion includes Anchor Investor Portion, as per the ICDR Regulations. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.

* Subject to valid Bids being received at or above the Issue Price. The Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to QIBs. Provided that the Company may allocate 30% of the QIB portion to the Anchor investors on a discretionary basis, out of which atleast one third will be available for allocation to domestic mutual funds only. 5% of the Issue in the QIB Portion (excluding anchor investor portion) shall be available for allocation on a proportionate basis to Mutual Funds. The remainder shall be available for allotment on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category would be met with spill-over from other categories in the sole discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. Please see the section titles "Issue Procedure" beginning on page 238 of this Draft Red Herring Prospectus.

** In case the Bid cum Application Form or the Application Supported by Blocked Amount is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form or the Application Supported by Blocked Amount.



ISSUE PROCEDURE

This section applies to all Bidde` All QIB Bidders (except Anchor Investors) and Non Institutional Bidders shall compulsorily apply through ASBA process. Retail Individual Bidders have the option to participate in this Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidde` Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders have to pay the full Bid Amount or instruct the relevant SCSBs to block the full Bid Amount along with the application.

Pursuant to SEBI Circular bearing no. CIR/CFD/DIL/2/2011 dated May 16, 2011 Retail Individual Bidders can Bid at a price net of the Retail Discount and will be required to indicate the Bid price before adjustments for such Retail Discount.

Book Building Procedure

The Issue is being made through the 100% Book Building Process. In terms of Rule 19(2)(b)(i) of the SCRR read with Regulation 41(1) of SEBI Regulations, this is an Issue for at least 25% of the post Issue share capital, wherein up to 50% of the Issue shall be allocated to QIBs on a proportionate basis. Further, not less than 15% and 35% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange.

All QIB Bidders (except Anchor Investors) and Non Institutional Bidders shall compulsorily apply through ASBA process. Retail Individual Bidders have the option to participate in this Issue through the ASBA process. Any Bidder participating in this Issue through the ASBA process should provide the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by SCSBs.

All Bidders other than ASBA Bidders are required to submit their Bids through the members of Syndicate. ASBA Bidders can submit their Bids either to (i) a member of the Syndicate or to (ii) SCSBs. We, in consultation with the BRLM, reserve the right to reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the bidders In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds. The primary responsibility of building the book shall be that of the lead book runner.

Bidders can Bid at any price within the Price Band. Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, each with wide circulation in the place where our Registered Office is situated. The advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI Regulations. Investors should note that Allotment to successful Bidders will be only in the dematerialised form. Bid cum.

Application Forms or ASBA Bid cum Application Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialized segment of the Stock Exchanges. Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form or the ASBA Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form or the ASBA Bid cum Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary accounts are held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form or the ASBA Bid cum Application Form.



Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of ` 20 to ` 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 shares at ` 24 per share while another has bid for 1,500 shares at ` 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of the Company at various prices and is collated from bids from various investo`

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

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

Bid-cum-Application Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allotment of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized us to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form including ASBA Bid cum Application Form
Resident Indians, Retail and Eligible NRIs applying on a non-repatriation basis	[•]
Non-Residents including Eligible Retail NRIs applying on a repatriation basis,	[•]
Resident ASBA Bidders bidding through a physical form	[•]
Non Resident ASBA Bidders bidding through a physical form	[•]

Please note that all categories of Investors can participate in the Issue by way of ASBA Process.

Who Can Bid?

- 1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- 2. Indian nationals resident in India who are not minors, in single or joint names (not more than three):
- 3. HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;



- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity shares;
- 5. Indian mutual funds registered with SEBI;
- 6. Eligible Non-residents including NRIs and FIIs on a repatriation/non- repatriation basis subject to applicable local laws; and
- Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI regulations and SEBI (ICDR) Regulations, 2009 and other Regulations, as applicable);
- 8. Venture capital funds registered with SEBI;
- 9. Foreign venture capital investors registered with SEBI;
- 10. State Industrial Development Corporations;
- 11. Insurance companies registered with the Insurance Regulatory and Development Authority;
- 12. Provident funds with minimum corpus of ` 25 Crores and who are authorized under their constitution to invest in Equity Shares;
- 13. Pension funds with minimum corpus of ` 25 Crores and who are authorized under their constitution to invest in Equity Shares;
- 14. Multilateral and bilateral development financial institutions;
- 15. Trusts/Societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/Societies and who are authorized under their constitution to hold and invest in Equity Shares;
- 16. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares.
- 17. National Investment Fund; and
- 18. Insurance funds set up and managed by the army, navy or air force of the Union of India.
- 19. Insurance funds set up and managed by the Department of Posts, India.
- 20. Foreign Corporates or individuals Bidding in the QIB Portion, in accordance with all applicable law;
- 21. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;
- 22. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;
- 23. Limited Liability Partnerships;
- 24. Any other persons eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

As per existing regulations promulgated under FEMA, Overseas Corporate Bodies (OCBs) cannot bid/participate in this issue.

Note: Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant laws, rules, regulations, guidelines and approvals.

The Equity Shares have not been and will not be registered under the Securities Act of 1933 as amended (the "Securities Act") or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Associates of the BRLM and Syndicate Members

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM, and Syndicate Members may subscribe for Equity Shares in the Issue, including in the QIB Portion and



Non-Institutional Portion where the allocation is on a proportionate basis. Such holding or subscription may be on their behalf or on behalf of their clients. However, the BRLM shall not be allowed to subscribe to the Anchor Investor Portion.

Bids by Mutual Funds

As per the ICDR Regulations, 5% of the QIB Portion (excluding the Anchor Investor Portion), has been specifically reserved for Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event demand in the Mutual Fund Portion is greater than [•] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by Mutual Funds shall be available for allocation proportionately, after excluding the allocation in the Mutual Fund Portion, in the QIB Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received at or above the price at which allocation is being done to Anchor Investo`

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own over 10% of any company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

Multiple applications

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the ICDR Regulations. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. In accordance with the ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

- (a) Anchor Investors Bid cum Application Forms will be made available for the Anchor Investor Portion at the Registered Office of the Company and with the members of the Syndicate.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount equals to or exceeds ` 100 mn. A Bid cannot be submitted for more than 30% of the QIB Portion.
- (c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.
- (d) The Bidding for Anchor Investors shall open one Working Day before the Bid Opening Date and shall be completed on the same day.
- (e) The Company, in consultation with the BRLMs, shall finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion shall not be less than:
- two, where the allocation under Anchor Investor Portion is up to ` 2500 mn.; and
- five, where the allocation under Anchor Investor Portion is over ` 2500 mn.
- (f) Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid Opening Date.
- (g) Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.
- (h) In the event the Issue Price is greater than the Anchor Investor Issue Price, the additional amount



being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price *i.e.* the Anchor Investor Issue Price.

- (i) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
- (j) None of the BRLMs shall participate in the Anchor Investor Portion. The parameters for selection of the Anchor Investors shall be clearly identified by the BRLMs and shall be made available as part of the records of the BRLMs for inspection by SEBI.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

Anchor Investors do not have the option of bidding through ASBA process.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be published by the Company in [•] national daily newspapers each with wide circulation at least two Working Days prior to the Bid Opening Date.

Bids by Non Residents including Eligible NRIs and FIIs on a repatriation basis

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bids by Eligible NRIs

- 1. Bid cum Application Forms for Eligible NRIs applying on a repatriation basis ([•] in colour) will be available at our Registered Office and with the Syndicate.
- 2. Only such applications as are accompanied by payment in freely convertible foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non Resident Ordinary ("NRO") accounts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts should use the application form meant for Resident Indians ([•] in color).

Bids by Eligible NRIs for a Bid Amount of up to `200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than `200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Bids by FIIs

As per current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (*i.e.* 10% of 1450000 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. Under the current foreign investment policy applicable to us foreign equity participation up to 100% is permissible under the automatic route. In accordance with the foreign investment limits applicable to our Company, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII



against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the ICDR Regulations. Associates and affiliates of the Underwriters, including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in, the Company.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of the venture capital fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in initial public offer.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form or the ASBA Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of `250 million, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, the Company reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of `250 million (subject to applicable law) and pension funds with a minimum corpus of `250 million a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a). With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form.



(c). With respect to Bids made by provident funds with minimum corpus of ` 250 million (subject to applicable law) and pension funds with a minimum corpus of ` 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidder. The Bidders are advised to make to their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

- a) For Retail Individual Bidders: The Bid must be for minimum [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to maximum bid amount of ` 2,00,000.In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ` 2, 00,000. In case the Bid Amount is over `2,00,000, due to revision in bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allotment under the Non-Institutional Bidders category provided such Bids are made through ASBA. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- b) For Other Bidders (Non-Institutional Bidders and QIBs): The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount payable by the Bidder exceeds ` 2,00,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI (ICDR) Regulations, 2009, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay Bid amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bids using the ASBA process.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than `2,00,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to `2,00,000 or less due to a revision in Bids or revision of Price Band, the same would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

c) For Bidders in the Anchor Investor Portion: The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least ` 100 Million and in multiples of [•] Equity Shares thereafter. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid.

Information for the Bidders

1. Our Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two daily national newspapers (one each in English and Hindi). This advertisement shall be in the prescribed format.



- 2. Our Company will file the Red Herring Prospectus with the Registrar of Companies, at least 3 (three) days prior to the Bid/Issue Opening Date.
- 3. Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, Syndicate (in the Specified Cities) and at the Registered Office of our Company. Electronic ASBA Bid cum Application Forms will be available on the websites of NSE and BSE and the Designated Branches.
- 4. Any eligible Bidder, including eligible NRIs, who would like to obtain the Red Herring Prospectus and / or the Bid cum Application Form, can obtain the same from the Registered Office of our Company.
- 5. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (only in the Specified Cities) to register their Bids.
- 6. QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA Bid cum Application Form or the Bid cum Application Form. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to (i) submit the ASBA Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate in the Specified Cities.
- 7. The Bids should be submitted on the prescribed Bid cum Application Form or the prescribed ASBA Bid cum Application Form only. Bids by ASBA Bidders shall be accepted by the Designated Branches of SCSBs or by the members of the Syndicate in accordance with the ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the members of the Syndicate or Designated Branch. Bid cum Application Forms or ASBA Bid cum Application Forms (except electronic ASBA Bid cum Application Forms), which do not bear the stamp of a member of the Syndicate or the Designated Branch, are liable to be rejected.
- 8. Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form or ASBA Bid cum Application Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidder.

The Bidders should note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and the Selling Shareholders, our Company and members of the Syndicate shall not be liable for losses, if any.

Information specific to ASBA Bidders

In terms of SEBI circular no: CIR/CFD/DIL/8/2010 dated October 12, 2010, with a view to enhance the role of ASBA in public issues, it has been decided that Syndicate/Sub-Syndicate members may also procure ASBA forms from the investors and submit it to SCSBs for processing. Accordingly ASBA Bidders may submit their physical ASBA forms to either the SCSBs directly or to the Syndicate/Sub-Syndicate member Syndicate/Sub-Syndicate members would then upload the physical ASBA bid and forward the same to the respective SCSBs for further processing viz. signature verification, blocking of funds etc.

Accordingly, the syndicate / sub syndicate members shall now be entitled for selling fees for ASBA forms procured by them in the same manner as for non-ASBA forms. SCSBs shall be entitled for per form processing fee (`[•] per ASBA form in this instant case) for ASBA



forms procured by syndicate / subsyndicate members and submitted with SCSBs. For ASBA forms procured directly by SCSBs, they would be entitled for selling fees only and no processing fee shall be paid to them.

- 1. ASBA Bidders who would like to obtain a copy of this Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches/Syndicate members/Sub-Syndicate members in physical form or in electronic form on the websites of the SEBI, BSE, NSE, BRLM and SCSBs.
- The Bids should be submitted to the SCSBs/Syndicate members/Sub-Syndicate members on the prescribed ASBA Form if applied in physical mode. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- 3. The SCSBs/Syndicate members/Sub-Syndicate members shall accept Bids only during the Bidding Period and only from the ASBA Bidder.
- 4. The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Form and that the same are made available on the websites of the SCSBs.

Method and Process of bidding

- 1. Our Company and the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national daily newspapers (one each in English and Hindi) and one regional language daily newspaper, each with wide circulation in the place where our Registered Office is situated. The advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI Regulations.
- 2. Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue.
- 3. The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.
- 4. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Bid/Issue period in accordance with the terms of the Syndicate Agreement. The Price Band and the minimum Bid lot will be decided by our Company in consultation with the BRLM and advertised at least two working days prior to the Bid/Issue Opening Date.
- 5. During the Bidding Period, Bidders should approach members of the Syndicate or their authorised agents to register their Bids. The members of the Syndicate shall accept Bids from the all Bidders and shall have the right to vet the Bids, during the Bid / Issue Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. QIB and Non Institutional Bidders must necessarily use the ASBA process and Bidders using the ASBA facility to submit their Bids should approach the Syndicate members at the ASBA Bidding Locations to register their Bids or Designated Branches of the SCSBs to register their Bids.



- 6. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and the requirement to specify the corresponding demand (i.e., the number of Equity Shares). The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
- 7. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate or a SCSB, respectively. Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the 'Electronic Bidding System', or at any point in time prior to finalisation of the 'Basis of Allocation'. However, the Bidder, can revise the Bid through the Revision Form, the procedure for which is detailed Under Heading titled, "Build up of the Book and revision of Bids" beginning on page 261 under chapter titled "Issue Procedure Build up of the Book and Revision of Bids" on page 261 of the Draft Red Herring Prospectus.
- 8. The members of the Syndicate will enter each Bid option into the 'Electronic Bidding System' as a separate Bid and generate a Transaction Registration Slip ("TRS") for each Bid price and demand option and give the same to the Bidder. Therefore, a Bidder can receive upto three TRSs for each Bid cum Application Form.
- 9. All Bidders will make payment of the entire amount along with the Bid cum Application Form, in the manner described in "Payment Instructions" on page 253 of the Draft Red Herring Prospectus.
- 10. For the Bidders who apply through the ASBA process, SCSBs shall block the Bid Amount in an ASBA Account. Upon submission of an ASBA Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block an amount equivalent to the Bid Amount and authorized the Designated Branch to block the Bid Amount in the ASBA Account.
- 11. With respect to ASBA Bidders who have their physical ASBA Bid cum Application Form submitted to the members of the Syndicate at the ASBA Bidding Locations, on receipt of the ASBA Bid cum Application Form from the relevant member of the Syndicate, the relevant Designated Branch of the SCSB will verify if sufficient funds equal to the Bid Amount are available in the ASBA Account. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB will reject the Bid. If sufficient funds are available in the ASBA Account, the SCSB will block an amount equal to the Bid Amount and will carry out other procedures including signature verification
- 12. The Bid Amount shall remain blocked in the ASBA Account until finalization of the 'Basis of Allocation' or withdrawal/failure of the Issue or withdrawal/rejection of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the Bid shall be rejected by the SCSB and no funds shall be blocked in that ASBA Account.
- 13. The ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.
- 14. On the Designated Date, the SCSBs shall initiate transfer of the blocked Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked. Not more than five ASBA Forms can be submitted when utilizing an ASBA Account.



- 1. The Bidder can Bid at any price within the Price Band, in multiples of Re. 1 (Rupee One).
- 2. In accordance with the SEBI Regulations, our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period. The Cap Price should not be more than 120% of the Floor Price. The Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid Opening Date. The revised Price Band and Bidding Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one regional daily language newspaper, each with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
- 3. Our Company shall finalise the Issue Price and Anchor Investor Issue Price within the Price Band in consultation with the BRLM, without the prior approval of or intimation to the Bidder.
- 4. Retail Individual Bidders bidding at a Bid Price, for an amount not exceeding ` 200,000 may Bid at the Cut-Off Price. However, bidding at Cut-Off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- 5. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block the amount based on the Cap Price.
- 6. Retail Individual Bidders who bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-Off Price shall deposit the Bid Amount in the applicable Escrow Accounts based on the Cap Price. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-Off Price, the Retail Individual Bidders who Bid at Cut-Off Price shall receive the refund of the excess amounts from the respective Escrow Accounts in the manner described under "— Payment of Refund" on page 267 of the Draft Red Herring Prospectus.
- 7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at the Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ` 200,000 if such Retail Individual Bidders want to continue to bid at the Cut-Off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ` 200,000 for Retail Individual Bidders, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Red Herring Prospectus provided the Bid is made through ASBA. In case the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision in the Price Band, the number of Equity Shares bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required and such Retail Individual Bidder is deemed to have approved such revised Bid at the Cut-Off Price.
- 8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.
- 9. In the event of any revision in the Price Band, whether upwards or downwards, our Company in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application is in the range of `5,000 to `7,000.
- 10. When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.



Option to Subscribe in the Issue

- Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.
- The Equity Shares on allotment shall be traded on Stock Exchanges in demat segment only.
- A single bid from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids and revisions of Bids must be:

- 1) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- 2) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- 3) Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible.
- 4) For Retail Individual Bidders (including Eligible NRIs), the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ` 200,000. In case the Bid Amount is over ` 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion provided the Bid is made through ASBA. The option to Bid at cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- 5) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ` 200,000. Bids cannot be made for over the Issue size.
- 6) Bids by Eligible NRIs, FVCIs and FIIs on a repatriation basis shall be in the names of individuals, or in the names of such FIIs, respectively, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- 7) In a single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- 8) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- 9) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee



cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches or Syndicate/Sub-Syndicate member.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. In case of ASBA Bids, an acknowledgement from the Designated Branch or concerned member of the Syndicate, as the case may be, for submission of the ASBA Bid cum Application Form may be provided.

GENERAL INSTRUCTIONS Dos:

- (a) Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus under applicable laws, rules and regulations;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form ([•] in colour), the Non-Resident Bid cum Application Form ([•] in colour), as the case may be;
- (d) Ensure that the details about Depository Participant and Beneficiary Account are correct, and the Beneficiary Account is activated, as Allotment of Equity Shares will be in the dematerialized form only;
- (e) Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate (including for ASBA Bids submitted to the members of the Syndicate at any of the ASBA Bidding Locations) or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms);
- (f) With respect to ASBA Bidders ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for Bidding has a bank account. Further, ensure that the ASBA Bid cum Application Form is signed by the account holder if the Bidder is not the account holder;
- (g) Ensure that the full Bid Amount is paid for Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;
- (h) Ensure that you have funds equal to the Bid Amount in your bank account of the respective Designated Branch of the SCSB;
- (i) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (j) Ensure that you request for and have received a TRS for all your Bid options;
- (k) Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS;
- (I) Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Bidders should mention their PAN allotted under the I.T. Act. Applications in which the PAN is not matching with one entered by the Syndicate or the SCSB in the Bidding terminal and PAN as available with depositories for a given DP ID and client ID is liable to be rejected;



- (m) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects; and
- (n) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. If the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not submit a Bid without payment of the entire Bid Amount;
- (c) Do not Bid/revise the Bid to less than the Floor Price or higher than the Cap Price;
- (d) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate or the Designated Branch;
- (e) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
- (f) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch, as applicable;
- (g) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (h) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceed the Issue size and/or investment limit or maximum number of Equity Shares that can be held under applicable laws or regulations or the maximum amount permissible under applicable regulations;
- (i) Do not submit more than five ASBA Bid cum Application Forms per bank account;
- (j) Do not Bid for amount exceeding ` 200,000 in case of a Bid by Retail Individual Bidders;
- (k) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- (I) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar.
- (m) Do not Bid under the non-ASBA route if you are a QIB or a Non Institutional Bidder
- (n) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872

Instructions specific to ASBA Bidders

Dos:

- a) Check if you are eligible to Bid under the ASBA process.
- b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of the ASBA process.
- c) Read all the instructions carefully and complete the ASBA Bid cum Application Form.



- d) Ensure that your ASBA Bid cum Application Form is submitted to a Syndicate Member (in Specified Cities) or at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the GCBRLMs or the BRLMs.
- e) Ensure that the ASBA Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.
- f) Ensure that you have mentioned the correct ASBA Account number in the ASBA Bid cum Application Form.
- g) Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Bid cum Application Form to the respective Designated Branch.
- h) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form.
- i) Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Bid cum Application Form.
- j) Ensure that the name(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

Don'ts:

- a) Do not Bid on another ASBA Bid cum Application Form or on a Bid cum Application Form after you have submitted a Bid to a Syndicate Member or at a Designated Branch.
- b) Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.
- c) Do not submit the ASBA Form with a member of the Syndicate at a location other than the Syndicate ASBA Centres.
- d) Do not send your physical ASBA Bid cum Application Form by post. Instead submit the same to a Syndicate Member or at a Designated Branch.
- e) Do not submit more than five ASBA Bid cum Application Forms per ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf ('Demographic Details'). These Demographic Details would be used for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidde' It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in the Bid cum Application Form. Please note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and



entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid cum Application Form is liable to be rejected.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID CUM 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 BID CUM APPLICATION FORM.

Bidders may note that in case the DP ID, BAN and PAN mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be and entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database, the application Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be is liable to be rejected and our Company and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, on request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders (where refunds are not being made electronically)/allotment advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allotment advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orde` Any such delay shall be at the Bidders sole risk and neither our Company nor Escrow Collection Banks nor the BRLM nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Draft Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidders PAN (in case of joint Bids, PAN of first applicant), the DP ID and the beneficiary's identity, such Bids are liable to be rejected.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidde` On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account.



Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and this Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidder.

Escrow Mechanism for ASBA Bidders

Our Company and the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account(s) until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidder On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidder.

Payment into Escrow Account(s) for Bidders other than ASBA Bidders

Each Bidder (other than ASBA) shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

- (a) All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
- (b) The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
- (c) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

i.	In case of Resident Retail Individual Bidders	[•]
ii.	In case of Non Resident Retail Individual Bidders	[•]
iii.	In case of Anchor Investors	[•]

- (d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- (e) In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on



application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

- (f) In case of Bids by FIIs or FVCIs the payment should be made out of funds held in Special Non Resident Rupee Account 'SPNR' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Non Resident Rupee Account 'SPNR'.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- (i) On the Designated Date and no later than 10 working days from the Bid/Issue Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidder.
- (j) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.
- (k) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
- (I) Except in case of ASBA Bids, Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form, failure of the Issue or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form / ASBA Bid cum Application Form or Revision Form, as the case may be. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.



Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same.

For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids on behalf of the Central or State government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the Bids are scrutinised for DP ID and Client ID. In case such Bids bear the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected. Bids by QIBs under the Anchor Investor portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non-ASBA Bid cum Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. Duplicate copies of ASBA Bid cum Application Forms available on the website of the Stock Exchanges bearing the same application number will be treated as multiple Bids and are liable to be rejected. However However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in "-Build up of the Book and Revision of Bids".

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Our Company, in consultation with BRLM, reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications.

'PAN' or 'GIR' Number

Except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Any Bid cum Application Form/ ASBA Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidder.

Withdrawal of ASBA Bids

QIBs cannot withdraw their ASBA Bids after the applicable Issue Closing Date.



ASBA Bidders can withdraw their Bids during the Issue Period by submitting a request for the same to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall do the requisite, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic Bidding system of the Stock Exchanges. Further the SCSBs shall unblock the funds in the ASBA Account either directly or at the instruction of the member of the Syndicate which had forwarded to it the ASBA Bid Cum Application Form. In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

Right to Reject Bids

In case of QIB Bidders Bidding in the QIB Portion, the Syndicate may reject Bids provided that such rejection shall be made at the time of acceptance of the Bid and the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has the right to reject Bids based only on technical grounds and/or as specified in the Draft Red Herring Prospectus. Consequent refunds shall be made through any of the modes described in the Draft Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk

With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds and/or as specified in this Draft Red Herring Prospectus. Bids submitted by QIBs or Non Institutional Bidders who do not utilise the ASBA facility shall be rejected

The Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, do not match with the DP ID, Beneficiary Account Number and PAN available in the depository database, the Bid is liable to be rejected.

Grounds for Technical Rejections

Bidders should note that incomplete Bid cum Application Forms/ ASBA Bid cum Application Forms and Bid cum Application Forms/ ASBA Bid cum Application Forms that are not legible will be rejected by the members of the Syndicate or SCSBs. Bidders are advised to note that Bids are liable to be rejected among other things, on the following technical grounds:

- 1. Bid submitted without payment of the entire Payment Amount or if the amount paid does not tally with the Payment Amount
- 2. Bids submitted by Retail Individual Bidders through the non-ASBA process, wherein the Payment Amount exceeds 200,000 upon revision of Bids
- 3. Bids by HUFs not mentioned correctly as given in 'Who can Bid'
- 4. Bids by QIBs and Non-Institutional Bidders not submitted through ASBA
- 5. Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority
- 6. Application on plain paper;
- 7. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- 8. A limited liability partnership firm can apply in its own name
- 9. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended,;
- 10. Bids by minors identified based on the Demographic Details provided by the Depositories;
- 11. PAN not mentioned in the Bid cum Application Form or ASBA Bid cum Application Form, except for bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and Client ID not mentioned in the Bid cum Application Form or ASBA Bid cum Application Form;
- 12. GIR number furnished instead of PAN
- 13. Bids for lower number of Equity Shares than specified for that category of investors;



- 14. Bids at a price less than the Floor Price;
- 15. Bids at a price over the Cap Price;
- 16. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
- 17. Bids with Payment Amount for a value of more than ` 200,000 by Bidders falling under the category of Retail Individual Bidders
- 18. Submission of more than five ASBA Bid cum Application Forms per ASBA Account;
- 19. Bids for number of Equity Shares which are not in multiples of 60;
- 20. Category not ticked;
- 21. Multiple Bids as described in the Red Herring Prospectus;
- 22. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;
- 23. Bids accompanied by cash, stockinvest, money order or postal order;
- 24. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- 25. Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act;
- 26. Bids not uploaded on the terminals of the Stock Exchanges; and
- 27. Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;
- 28. Bid cum Application Form does not have the stamp of the BRLM the Syndicate Members or Designated Branches (except for electronic ASBA Bids);
- 29. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;
- 30. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
- 31. In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the beneficiary's account number;
- 32. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account:
- 33. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;
- 34. Bids by OCBs;
- 35. Bids by persons in the United States;
- 36. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
- 37. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid/Issue Closing Date;
- 38. Bank account details for the refund not given;
- 39. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- 40. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, Regulations, guidelines and approvals; and
- 41. Bids that do not comply with the securities laws of their respective jurisdictions.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BIDS ARE LIABLE TO BE REJECTED AND OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.

Electronic Registration of Bids

(a) The members of the Syndicate and the SCSBs will register the Bids received, there will be at least one online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. The BRLM, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the members of the Syndicate and/or the SCSBs shall be



responsible for any errors in the Bid details uploaded by them. It shall be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

- (b) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.
- (c) On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days, i.e., Monday to Friday (excluding any public holiday).
- (d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period along with category wise details.
- (e) At the time of registering each Bid, the members of the Syndicate or the Designated Branches of the SCSBs in case of ASBA Bids shall enter the following details of the Bidder in the electronic system:
 - Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
 - Bid cum Application Form number;
 - Investor Category Individual, Corporate, non-institutional, qualified institutional buyer, Eligible NRI, FII, or Mutual Fund, financial institutions, insurance companies, etc.
 - PAN (of the First Bidder, in case of more than one).
 - Depository Participant Identity ("DP ID").
 - · Beneficiary account number of the Bidder
 - Numbers of Equity Shares Bid for.
 - Price option.
 - · Bid amount.
 - Cheque number.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the Designated Branches of the SCSBs and the Syndicate Members (in Specified Cities) shall enter the following information pertaining to the ASBA Bidders into the online system:

- Name of the ASBA Bidder(s);
- Application Number;
- PAN (of First ASBA Bidder, in case of more than one ASBA Bidder);
- Investor Category Individual, Corporate, FII, NRI, Mutual Funds, etc;
- Employee/shareholder (if reservation);
- DP ID and client identification number;
- Beneficiary account number of Equity Shares Bid for;
- · Quantity;
- · Price Option;



- Bid Amount; and
- · Bank account number

With respect to ASBA Bids submitted to the members of the Syndicate at the Syndicate ASBA Bidding Locations, at the time of registering each Bid, the members of Syndicate shall enter the following details on the electronic system:

- Bid cum Application Form number;
- PAN (of the first Bidder, in case of more than one Bidder);
- Investor Category and sub-category;
- DP ID:
- · BAN;
- Numbers of Equity Shares Bid for;
- · Price option and Bid Amount;
- Bank code for the SCSB where the ASBA Account is maintained;
- Location of Syndicate ASBA Bidding Location.
- (f) A system generated TRS, on demand, will be given to the Bidder as a proof of the registration of each of the Bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or Designated Branches. The registration of the Bid by the member of the Syndicate or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotted.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) In case of QIB Bidders, (i) SCSBs; and (ii) BRLM and their affiliate Syndicate Members (only in Specified Cities) have a right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non- Institutional Bidders and Retail Individual Bidders, Bids may be rejected except on technical grounds. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. Furthermore, the SCSBs shall have no right to reject Bids except on technical grounds.
- (i) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company our Promoters, our management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (j) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate shall be given one Working Day after the Bid/Issue Closing Date to verify the information uploaded on the online IPO system during the Bidding Period after which the Registrar to the Issue shall proceed with the Allotment of Equity Shares.
- (k) The Syndicate and / or the SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to the Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.



Build Up of the Book and Revision of Bids

- (a) Bids received from various Bidders through the members of the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM at the end of the Bidding Period.
- (c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the Designated Branch of the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. Retail Individual Bidders Bidding in such categories should note that the revised amount should not exceed `200,000. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Draft Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and will, on demand, receive a revised TRS from the members of the Syndicate or Designated Branches, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

- a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- b) Our Company, in consultation with the BRLM shall finalize the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidder.
- c) The allocation for QIBs for not more than 50% of the Net Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of



Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Net Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations, 2009, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

- d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [•] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.
- e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.
- f) The BRLM, in consultation with us, shall notify the Syndicate Members of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidde`
- g) Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.
- h) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.
- i) The allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- 1. Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidder.
- After signing the Underwriting Agreement, we will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Prospectus with the RoC

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to The Registrar of Companies, NCT of Delhi & Haryana, located at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110019, India. A copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC at NCT of Delhi & Haryana.

We will ensure that all the legal requirements applicable till the filing of the Prospectus with RoC are complied with.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after registering the Red Herring Prospectus with the Registrar of Companies, publish an advertisement, in the form prescribed by the SEBI (ICDR) Regulations, 2009 in an English national daily with wide circulation, one Hindi National newspaper, and a regional language newspaper.

Advertisement regarding Issue Price and Prospectus

We will issue a statutory advertisement at the time of/after filing of Prospectus with RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement,



shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Syndicate a list of the Bidders who have been allotted Equity Shares in the Issue.
- (b) The Registrar will then dispatch the CAN to the Bidders who have been Allotted Equity Shares in the Issue
- (c) The dispatch of CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Issuance of CAN with respect to ASBA Bidders

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:
 - The number of Equity Shares to be allotted against each successful ASBA;
 - The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA:
 - The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
 - The details of rejected ASBA Forms, if any, along with reasons for rejection and details of withdrawn (except in case of QIB bidding through an ASBA Form) or unsuccessful ASBA Forms, if any, to enable SCSBs to unblock the respective ASBA Accounts.

ASBA Bidders should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Designated Date and Transfer of Funds to Public Issue Account

- a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed *prior to the twelfth (12th) Working Day from* the Bid/Issue Closing Date.
- b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Equity Shares in Dematerialized Form with NSDL and CDSL



As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among our Company, the Depositories and the Registrar:

- 1) An Agreement dated [•] among NSDL, our Company and Registrar.
- 2) An Agreement dated [•] among CDSL, our Company and Registrar.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
- The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.
- 3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- 4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details available with the Depository.
- 5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.
- 6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis-à-vis those recorded with his or her Depository Participant.
- 7. Trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges. Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges, where our Equity Shares are proposed to be listed, have electronic connectivity with CDSL and NSDL.

Basis of Allotment

A. For Retail Individual Bidders

- (i) Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- (ii) The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 2450000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- (iii) If the aggregate demand in this category is greater than 2450000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, see below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to 1050000



Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

• If the aggregate demand in this category is greater than 1050000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment see below.

C. For QIBs in the QIB Portion

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event Mutual Fund Bids exceed 5% of the QIB Portion allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidder.
 - (iii) Under-subscription below 5% of the QIB Portion if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

D. For Anchor Investor Portion

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

- (i) not more than 30% of the QIB Portion will be allocated to Anchor Investors;
- (ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- (iii) allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to `2,500 mn. and a minimum number of five Anchor Investors for allocation more than `2,500 mn.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid Opening Date by intimating the Stock Exchanges. The method of proportionate basis of Allotment is stated below.



Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
 - i) The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above; and
 - ii) Each successful Bidder shall be allotted a minimum of [•] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a "100% Book Building Process" pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bid/Issue period. The Bid/Issue period will commence on [●] and expire on [●]. Following the expiration of the Bid/Issue period, our Company, in consultation with the BRLM, will determine the Issue Price, 'Basis of Allocation' and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid Bid amount for the Equity Shares within a prescribed time. The SEBI Regulations require our Company to complete the Allotment to successful bidders *prior to the twelfth (12th) Working Day from* the Bid/Issue period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.



Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form or ASBA Bid cum Application Form number, Bidders Depository account details, number of Equity Shares applied for, date of Bid-cum-Application Form, or ASBA Bid cum Application Form number name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Payment Amount was blocked.

Our Company has appointed Mr Gaurav Kapoor as the Compliance Officer for the purposes of this IPO and he may be contacted at the registered office of our Company at: B-7, WHS, Kirti Nagar, New Delhi110015, India. Investors may contact him in case of any Pre-Issue or Post-Issue related problems.

The Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders, etc.

Disposal of Applications and Application Money

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the bidders with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

Payment of Refund

Bidders other than ASBA Bidders must note that on the basis of the PAN of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders'bank account details, including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the members of the Syndicate shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

- (i) NECS Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.
- (ii) Direct Credit Applicants having bank accounts with the Refund Bank (s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- (iii) RTGS Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds ` 0.2 million have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian



Financial System Code (IFSC). Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

- (iv) NEFT Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available 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 applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
- (v) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Ordinary Post for value upto ` 1,500 and through Speed Post/ Registered Post for refund orders of ` 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidde`

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Day from the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 working days of Bid/ Issue Closing date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken prior to 12 Working Days from the Bid Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment shall be made only in dematerialised form prior to the twelfth (12th) Working Day from the Bid Closing Date; and
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system prior to the twelfth (12th) Working Day from the Bid Closing Date would



be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA.

• Our Company shall pay interest at 15% p.a. for any delay beyond 15 days or 12 working days, whichever is later from the Bid/Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

- (a) makes in a fictitious name, a Bid to a company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five year"

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants prior to the twelfth (12th) Working Day from the Bid Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company and the Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or first Bidder's sole risk prior to the twelfth (12th) Working Day from the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund prior to the twelfth (12th) Working Day from the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to the twelfth (12th) Working Day from the Bid Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar to the Issue

Our Company agrees that: (i) Allotment shall be completed prior to the twelfth (12th) Working Day from the Bid Closing Date; and (ii) credit to the successful Bidders' depositary accounts will be completed prior to the twelfth (12th) Working Day from the Bid Closing Date.

The Company agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner.

The Company will provide adequate funds required for dispatch of refund orders or CAN to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by the Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidder.



Undertakings by our Company

We undertake as follows:

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time;
- That no further issue of securities shall be made till the securities offered through the Draft Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc; and
- That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the Basis of Allotment.

Withdrawal of the Issue

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

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

In the event our Company, in consultation with the BRLM, withdraws the Issue after the Bid/Issue Closing Date, a fresh offer document will be filed with SEBI in the event we subsequently decide to proceed with the initial public offering.

Utilization of Issue proceeds

The Board of Directors of our Company certifies that:

- a. All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- b. Details of all monies utilized out of the issue referred above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies have been utilized; and
- c. Details of all unutilized monies out of the issue, 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;

The BRLM undertakes that the complaints or comments received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

Our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.



RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates is allowed upto 100% under the automatic route.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investor Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and



sold only (i) in the United States to 'qualified institutional buyers', as defined in Rule 144A of the Securities Act, and (ii) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.



SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning given to such terms in the Articles of Association of the Company.

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act. The marginal notes hereto shall not effect the construction hereto and in these presents, unless there be something in the subject or context inconsistent therewith.

"The Act" means the Companies Act, 1956.

"These Articles" means these Articles of Association as originally framed or as altered by Special Resolution, from time to time.

"The Company" means "SUPREME ALLOYS LIMITED*."

"The Directors" mean the Directors of the Company for the time being.

"Board" means the Board of Directors of the Company for the time being.

"The Office" means the Registered Office of the Company for the time being.

"The Register" means the Register of Members to be kept pursuant to Section 150 of the Act.

"Dividend" includes bonus.

"Month" means Calendar Month.

"Year" means a calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

"Proxy" includes Attorney duly constituted under a power of Attorney.

"Seal" means the common seal of the Company.

"In Writing" and "Written" shall include printing, lithography and other modes of representing or reproducing words in a visible form. Words imparting the singular number only include the plural number and vice-versa.

Words imparting the masculine gender only include the feminine gender.

Words imparting persons include corporations.

2. Save as provided herein, the Regulations contained in Table "A" in Schedule 1 of the Act shall apply to the Company.

SHARES

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of Memorandum of Association with power to subdivide consolidate and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the subdivision of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division. The minimum paid-up Share Capital of the Company shall be `5,00,000 (Rupees Five Lacs only).



- 4. The Company shall have power to issue Preference Shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 80 of the Act, exercise such power in such manner as it thinks fit.
- 5. Subject to the provisions of these Articles, the shares shall be under the control of the Directors who may allot or otherwise dispose off the same on such terms and condition, and at such time as the Directors think fit and with power to issue any shares as fully paid up in consideration, of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 81 of the Act will be complied with. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.
- 6. Subject to the provisions of the Act it shall be lawful for the company to issue at a discount, shares of a class already issued.
- 7. The Company may, subject to compliance with the provisions of Section 76 of the Act, exercise the powers of paying commission on the issue of shares debentures. The commission may be paid or satisfied in cash or shares, debentures or debenture stock of the Company.
- 8. The Company may pay a reasonable sum of brokerage, subject to the ceiling prescribed under the Act.
- 9. Subject to Section 187C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any trust, benami or equitable or other claim to or interest in such shares or any fractional part of a share whether or not it shall have express or other notice thereof.

SHARE CERTIFICATE

- 10. The certificate to title to shares shall be issued under the Seal of the Company.
- 11. Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if any member so wishes, to several certificates each for one or more of such shares. Unless the Conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, sub division, consolidation, renewal or exchange of any of its shares, as the case may be, complete, and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies (Issue of Share Certificate) Rules, 1960.
- 12 (1) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or where the cages on the reverse for recording transfer have been duly utilised, then upon surrender thereof to the Company, the Board, may order the same to be cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof; shall be given to party entitled to the shares to which such lost or destroyed certificate relates. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.



(2) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub-division of renounce able letters of rights; for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

12A. Dematerialisation of Securities

(i) Definitions

For the purpose of this Article

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Depository" means the Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means Depositories Act, 1996 or any other statutory modification or re-enactment thereof.

"Registered Owner" means a Depository whose name is entered as such in the records of the Company.

"Securities" means such securities as may be specified by the Securities and Exchange Board of India from time to time.

(ii) Dematerialisation of existing Securities and fresh issue thereon

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act.

(iii) Option for Investors

Every person subscribing to securities offered by the Company shall have the option to receive the security certificate(s) or to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate(s) of securities. If a person opts to hold his securities with a depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the Allottee as the beneficial owner of the security.

(iv) Securities in Depository to be in fungible form

All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in sections 153, 153A, 187B and 187C of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owner.

(v) Right of Depositories and Beneficial Owners



- (a) Notwithstanding to the contrary contained in the Companies Act, 1956 or in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of the security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting right or any other rights in respect of securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(vi) Service of Documents

Notwithstanding anything in the Companies Act, 1956 or in these Articles to the Contrary, where securities are held in a Depository, the notice of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(vii) Transfer of Securities

Nothing contained in Section 108 of the Companies Act, 1956 or in these Articles shall apply to transfer of securities effected by a transferor and a transferee, both of whom are entered as beneficial owners in the records of the Depository.

(viii) Allotment of Securities

Notwithstanding anything contained in the Companies Act, 1956 or in these Articles, after any issue where the securities are dealt with in a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(ix) Distinctive numbers of Securities

Nothing contained in the Companies Act, 1956 or in these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a Depository.

(x) Register and Index of Beneficial Owners

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1956 shall be deemed to be the Register and Index of Members and security holders for the purpose of these Articles.

JOINT-HOLDERS OF SHARES

- 13. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to provisions following and to the other provisions of these Articles relating to joint-holders:
- (a) The Company shall not be bound to register more than three persons as the joint-holder of any share.
- (b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payments, which ought to be made in respect of such shares.
- (c) On the death of any one of such joint-holders the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share but the Board may deem require such evidence of death as it may deem fit.
- (d) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share.



CALLS

- 14. The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directo` A call may be made payable by installments.
- 15. That the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.
- 16. Not less than 30 (Thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
- 17. If by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments at fixed times, every such amount of issue price or instalment thereof shall be payable as if it was a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installments accordingly.
- 18. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12 (Twelve) per cent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.
- 19. On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- 20. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of call then made, upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6 (Six) per cent per annum as the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing.

FORFEITURE AND LIEN

- 21. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reasons of such non-payment.
- 22. The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
- 23. If the requirement of any such notice as aforesaid be not complied with, any shares in respect which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a



resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.

- 24. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 25. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit.
- 26. The Directors may, at any time before any share so forfeited shall not be sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.
- 27. Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and the expenses, owing upon or in respect of such shares, at the time of all installments, interest and the forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12(Twelve) per cent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction or allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.
- 28. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.
- 29. A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof, shall constitute a written title to such shares.
- 30a. That fully paid shares shall be free from all lien, and that in the case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.
- 30b. That a common form of transfer shall be used.
- 31. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his committee, curator bonis or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residual (if any) be paid to such member, his executors, administrators or other representatives or persons so recognised as aforesaid.
- 32. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or



- disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- 33. Where any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holders of the said shares the Directors may issue new certificate in lieu of certificate not so delivered.

TRANSFER AND TRANSMISSION OF SHARES

- 34. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the shares, or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any shares shall be signed both by or on behalf of the transferor and by or on behalf of transferees and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
- 35. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Act, and, subject to the provisions of Articles hereof, the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- 36. Before registering any transfer tendered for registration, the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within two weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.
- 37. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particular of every transfer of any share.
- 38. Subject to the provisions of section 111 of the Act, the Board, without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and, in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve.

Provided that the registration of a transfer of share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account.

- 39. (1) No transfer shall be made to a person of unsound mind.
 - (2) No fee shall be charged for registration of transfer, probate, letter of administration, certificate of death or marriage, Power of Attorney or similar other instruments.
- 40. All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.
- 41. If the Directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer, notice of such refusal.
- 42. On giving seven days' notice by advertisement in a news paper circulating in the District in which the Office of the Company is situated, the Register of Members may be closed



- during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.
- 43. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall recognise as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shares the survivors shall be only persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.
- 44. Any person becoming entitled to or to transfer shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article, or of his title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as 'The transmission Article'. Subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall execute an instrument of transfer of shares. All the limitations, restrictions and provisions of these articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.
- 45. Subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.
- 46. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

SHARE WARRANTS

47. Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting, the Board may issue sharewarrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulations 40 to 43 of table "A" in Schedule 1 to the Act, shall apply.

STOCKS

48. The Company may exercise the power of conversion of its shares into stock and in that case regulations 37 to 39 of table "A" in Schedule I to the Act shall apply.

ALTERATION OF CAPITAL

- 49. The Company may, by ordinary resolution, from time to time, alter the condition of Memorandum of Association as follows:
- (a) Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
- (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.



- (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each reduced share shall be the same as it was in the share from which the reduced share is derived, and
- (d) Cancel any shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.
- 50. Subject to the provisions of Sections 100 to 104 of the Act, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.

MODIFICATION OF RIGHTS

51. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be carried with consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a Separate Meeting of the holders of the shares of that class. To every such separate meeting the provisions of these Articles, relating to general meeting shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. The company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

- 52. The Board may from time to time and at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, and Regulations made there under and Directions issued by the RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company.
- 53. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or part of the property of the Company (both present and future), including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.
- 54. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 55. Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.
- 56. If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

RESERVES

57 Subject to the provisions of the Act, the Board shall in accordance with Section 205 (2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly



applied and pending such application may at its discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company as the Board may from time to time think fit). The Board may also carry forward any profit, which it may think prudent not to divide without setting them aside as a reserve.

58. Any General Meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised amount be applied on behalf of such members in paying up in full any un issued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such member in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in paying up of un issued shares to be issued to members of the company as fully-paid bonus shares.

It is also provided that allotment of shares/debentures, debenture stock shall not be made to those shareholders who furnish to the Company an advance written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid-up pursuant to this Article and accordingly amount shall not be capitalized.

59. For the purpose of giving effect to any resolution under last two preceding Articles, the Directors may settle any difficulty, which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate.

GENERAL MEETINGS

- 60. The Directors may, whenever they think fit, call an Extra Ordinary General Meeting provided however if at any time there are not in India, Directors capable of acting who are sufficient in number to form a quorum any Director present in India may call an Extra ordinary General Meeting in the same manner as nearly as possible as that in which such a meeting may be called by the Board.
- 61. The Board of Directors of the Company shall on the requisition of such member or members of the company as is specified in subsection (4) of Section 169 of the Act forthwith proceed to call an Extra ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the provisions of section 169 of the Act and of any statutory modification thereof for the time being shall apply.
- 62. The quorum for a general meeting shall be minimum of five members present in person.
- 63. At every General Meeting, the Chair shall be taken by the Chairman of the Board of Directo` If at any meeting, the Chairman of the Board of Directors be not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be Chairman or if no Director shall be present or though present shall be unwilling to take the Chair then the members present shall choose one of their members, being a member entitled to vote, to be Chairman.
- 64. Any act or resolution which, under the provisions of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the articles specifically require such act to be done or resolution passed by a special resolution.
- 65. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon a requisition of share holders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed



for the meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.

- 66. In the case of an equality of votes the Chairman shall both on a show of hands and a poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.
- 67. The Chairman of a General Meeting may adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.
- 67A Passing of Resolutions by Postal Ballot

Pursuant to Section 192A of the Companies Act, 1956 the Company may, and in case of resolutions relating to such business as the Central Government has and may declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot.

68. If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

- 69. (1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorised representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote.
- (2) On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.
- (3) The voting rights of the holders of the Preference Shares including the Redeemable Cumulative Preference Shares shall be in accordance with the provisions of section 87 of the Act.
- (4) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.
- 70. A person becoming entitled to a share shall not before being registered as member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to the meeting of the Company.

If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided twenty four hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under this Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

- 71. Where there are joint holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executor or administrators of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.
- 72. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hands of its Attorney.



- 73. The instrument appointing a proxy and the Power-of-Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.
- 74. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given. Provided no intimation in writing of the death, insanity, revocation of transfer of the share shall have been received at the office or by the Chairman of the Meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
- 75. Every instrument appointing a proxy shall as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act.
- 76. No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.
- 76A. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 179 of the Act, for the time being in force.
- 77. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right or lien.

DIRECTORS GENERAL PROVISIONS

- 78. The number of Directors shall not be less than three and not more than twelve.
- 79. The following shall be the First Directors of the Company:
- 1. Mr. Mohinder Lal Arora
- 2. Mr. Jagjiv Kumar Arora
- 3. Mr. Sudhir Kumar Arora
- 80. The Directors shall have power, at any time and from time to time, to appoint any person as Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.
- 81. A Director shall not be required to hold any share qualification.
- 82. Subject to provisions of the Act, the Directors shall be entitled to receive in each year a Commission @1% (One per cent) of the net profits of the Company, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Act, and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Directors may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then, subject to Sections 198, 309, 310 and 314 of the Act, the Board may remunerate such Director either by a fixed



- sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.
- 82A. The sitting fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a general meeting shall be regulated as per the provisions of Section 310 of the Act and Schedule XIII thereof.
- 83. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number above fixed, the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.
- 84. Subject to the provisions of Sections 297, 299, 309 and 314 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or director interested be avoided, nor shall any Director or otherwise so contracting or being such members or so interested be liable to account to the company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTORS

- 85. The Company in General Meeting may, subject to the provision of these Articles and the Act, at any time elect any person to be a Director and may, from time to time, increase or reduce the number of director.
- 85A. Any member of the company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a company, for the office of director in the company and shall accordingly give a notice of at least 14 days in writing along with a deposit of ` 500/- (Rupees Five Hundred) or such sum as may for the time being be prescribed by the Act, which shall be refunded only after the person proposed to be appointed as director is elected.
- 86. If any Director appointed by the Company in general meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Act.
- 87. The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the company.
- 88. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), Unit Trust of India (UTI) and other Financial Institutions of Central or State Governments or to any other Corporation or Institution or to any other Financing Company or other Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIC, UTI, or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, and LIC, GIC, UTI or other Finance Corporation or Credit Corporation or any other financing Company or body is hereinafter in these Articles referred to as "the Corporation") continue to hold shares in the company as a result of underwriting or direct subscription, the Corporation shall have a right to appoint from time to time



any person or persons as a director or directors, whole time or non-whole time, (which director or directors is/are hereinafter referred to as nominee director/s") on the board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

- (b) The Board of directors of the company shall have no power to remove from office the nominee director/s. At the option of the Corporation, such nominee director/s shall not be liable to retirement by rotation of director Subject as aforesaid, the nominee director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company.
- (c) The nominee director/s so appointed shall hold the said office only so long as any moneys remain owing by the company to the Corporation or as a result of underwriting or direct subscription and the nominee director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately after the moneys owing by the company to the Corporation are paid off or the Corporation ceasing to hold shares in the Company.
- (d) The nominee director/s appointed under this Article shall be entitled to receive all notices of and attend all general meetings, board meetings and of the meetings of the committee of which the nominee director/s is/are member/s and also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (e) The Company shall pay to the nominee director/s sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such nominee director/s shall accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation. Any expenses that may be incurred by the Corporation or such nominee director/s in connection with their appointment or directorship shall also be paid or reimbursed by the company to the Corporation or as the case may be to such nominee director/s. Provided that if any such nominee director/s is an officer of the Corporation the sitting fees, in relation to such nominee director/s shall also accrue to Corporation and the same shall accordingly be paid by the company directly to the Corporation. Provided also that in the event of the nominee director/s being appointed as whole time director/s such nominee directors shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time director, in the management of the affairs of the Company. Such nominee director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.
- 89. Subject to the provisions of section 313 of the Act, the Board may appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director; shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and/when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

ROTATION OF DIRECTORS

- 90. (1) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.
- (2) At each Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
- (3) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.



- (4) If at any Annual General Meeting all the Directors appointed under Article 87 and 110 hereby are not exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said Section, the exemption shall extend to the Directors or Director appointed under Article 87. Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.
- 91. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
- 92. Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting.

PROCEEDINGS OF DIRECTORS

- 93. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Notice in writing of every meeting of the Directors shall ordinarily be given by a Director or such other officer of the company duly authorised in this behalf to every Director for the time being in India, and at his usual address in India to every other Director.
- 94. The quorum for a meeting of the Directors shall be determined, from time to time, in accordance with the provisions of section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time, as the Directors present shall appoint.
- 95. The Secretary may at any time, and upon request of any two Directors shall, summon a meeting of the Director
- 96. Subject to the provisions of Sections 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, each director having one vote and in case of an equality of votes, the Chairman shall have a second or casting vote.
- 97. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directo` Provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, the Directors present shall choose one of their members to be Chairman of such meeting.
- 98. A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the act for the time being vested in or exercisable by the Directors generally.
- 99. The Directors may, subject to compliance of the provisions of the Act, from time to time, delegate any of their powers to committee(s) consisting of such member or members of their body as they think fit, and may, from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time be imposed on it by the Directo` The meeting and proceedings of any such Committee, if consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Article.
- 100. All acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or person acting as aforesaid or that they or any of them were disgualified.



101. Except a resolution, which the Act, requires it specifically to be passed in a board meeting, a resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act.

Minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of next succeeding meeting shall be receivable as prima facie evidence of the matters in such minutes.

POWERS OF DIRECTORS

- 102. Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents, from time to time, made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
- 103. Without prejudice to the general powers conferred by the preceding article the Directors may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorized and discretions for the time being vested in the Director
- 104. The Directors may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- 105. All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall, from time to time, by resolution determine.
- 106. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by, such persons as the Directors shall, from time to time by writing under the common seal, appoint. The company may also exercise the powers of keeping Foreign Register. Such regulations not being in consistent with the provisions of Sections 157 and 158 of the Act, the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.
- 107. A Manager or secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit, and any Manager or Secretary appointed may be removed by the Director
 - A Director may be appointed as Manager or Secretary, subject to Sections 314, 197A, 383A, 387, and 388 of the Act.
- 108. A provision of the Act or these regulations requiring or authorizing a thing to be done by a director, manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of the manager or secretary.

MANAGING DIRECTORS

- 109. Subject to the provisions of Sections 197A, 269, 316 and 317 and Schedule XIII of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.
- 110. Subject to the provisions of Section 255 of the Act and Article 90 (4) change hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be counted for as certaining the number of Directors



to retire (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.

- 111. Subject to the provisions of Sections 198, 309, 310, 311 and Schedule XIII of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.
- 112. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Sections 292 and 293 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such power

COMMENCEMENT OF BUSINESS

113. The Company shall not at any time commence any business out of other objects of its Memorandum of Association unless the provisions of Section 149 of the Act have been duly complied with by it.

SEAL

114. The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the seal is affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

DIVIDENDS

- 115. Subject to Rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company, from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the Shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid. Provided always that Subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.
- 116. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 205 of the Act, fix the time for payment.
- 117. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.
- 118. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.
- 119. The declaration of the Directors as to the amount of the net profits in the audited annual accounts of the Company for any year shall be conclusive.
- 120. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.



- 121. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205 A of the Act.
- 122. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
- 123. Subject to Section 205A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.
- 124. Any one of the several persons who are registered as joint holders of any share may give effectual receipts of all dividend payments on account of dividends in respect of such shares.
- 125. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint-holders as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holders, as the case may be, may direct.
- 126. The payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.
- 126A. Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with Sections 205A and 205B of the Companies Act, 1956 and rules made there under.
- 126B.No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205A of the Companies Act, 1956 and rules made there under in respect of such dividend.

BOOKS AND DOCUMENTS

- 127. The Books of Account shall be kept at the registered office or at such other place as the Directors think fit, and shall be open to inspection by the Directors during business hour
- 128. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books or documents of the Company or any of them shall be open for inspection to members not being Directors, and no member (not being a Director) shall have any right of inspection to any books of account or documents of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.
- 129. Balance Sheet and Profit and Loss Account will be audited once in a year by a qualified auditor for correctness as per provisions of the Act.
- 130. The first auditors of the company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of first annual general meeting.
- 131. The directors may fill up any casual vacancy in the office of the auditor
- 132. The remuneration of the auditors shall be fixed by the company in the annual general meeting except as otherwise decided or that remuneration of the first or any auditors appointed by the directors may be fixed by the director



NOTICES

- 133. The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices.
- 134. Every person who, by operation of law, or by transfer or by other means whatsoever, shall become entitled to any shares shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.
- 135. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, if any, jointly interested with him or her in any such share.
- 136. The signature to any notice to be given by the Company may be written or printed.

RECONSTRUCTION

137. On any sale of the undertaking of the Company, the Directors or the Liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid-up shares; debentures or securities of any other Company whether incorporated in india or not other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of Company amongst the members without realisation, or vest the same in trustees for them, and any Special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under Section 494 of the Act as are incapable of being varied or excluded by these presents.

SECRECY

138. Subject to the provisions of law of land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors, or subject to article 126 to require discovery or any information respecting any detail of the Company's trading or any matter which is or may be in nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interest of the members of the Company to communicate.

WINDING UP

- 139. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
- 140. In the event of Company being wound up, whether voluntarily or otherwise, the liquidators, may with the sanction of Special Resolution divide among the contributories,



in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with like sanction shall think fit.

INDEMNITY

- 141. Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company all bona fide costs, losses and expenses (including traveling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or employee in defending any proceeding whether civil or criminal in which judgment is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
- 142. Subject to the provisions of the Act and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned by any error of judgement, omission, default, or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.



SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS & DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of the DRHP) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Draft Red Herring Prospectus will also be delivered to the Registrar of Companies, Delhi and Haryana at New Delhi for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company, from 10.00 a.m. to 2.00 p.m. on working days from the date of the Draft Red Herring Prospectus until the date of closure of the Issue.

A. Material Contracts

- 1. Memorandum of Understanding dated September 07, 2011 between our Company and the BRI M.
- 2. Agreement dated September 08, 2011 entered into with M/s. BEETAL Financial & Computer Services (P) Limited to act as Registrar to the Issue.
- 3. Syndicate Agreement dated [•] between our Company, the BRLM and the Syndicate Members.
- 4. Escrow Agreement dated [•] between our Company, the BRLM, the Syndicate Members, Escrow collection Banks and Registrar to the Issue.
- 5. Underwriting Agreement dated [•] between our Company, the BRLM and the Syndicate Member.
- 6. Agreement dated [●] among NSDL, our Company and the Registrar to the Issue.
- 7. Agreement dated [•] among CDSL, our Company and the Registrar to the Issue.
- 8. Supply Agreement dated April 01, 2011 between our Company and Essar Steel Limited.
- 9. Wet-Leasing Arrangement Agreement dated June 28, 2010 between our Company and Steel Authority of India Limited (SAIL).
- 10. Spot Gas Sales Agreement (SGSA) dated October 28, 2010 between our Company and GAIL (India) Limited (GAIL).

B. Documents for Inspection

- 1. Certificate of Incorporation dated October 09, 1989 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana to Supreme Alloys Private Limited.
- 2. Fresh Certificate of Incorporation dated May 10, 2008 issued by the by the Registrar of Companies, National Capital Territory of Delhi and Haryana pursuant to change of name of the Company to Supreme Alloys Limited.
- 3. Memorandum and Articles of the Company as amended from time to time.
- 4. Copy of the resolution passed by the Board of Directors at their meeting held on April 05, 2011 approving the Issue.
- 5. Copy of Shareholders' resolution dated April 30, 2011 pursuant to a special resolution under Section 81(1A) of the Companies Act, 1956 in relation to the issue and other related matter
- 6. Copy of resolution passed by the Board of Directors at their meeting held on September 28, 2011 approving the Draft Red Herring Prospectus.
- Resolution dated April 05, 2011 passed by our Board appointing the Company Secretary of our Company as Compliance Officer.
- 8. Consents of the Promoters, Directors, Auditors, Book Running Lead Manager, Legal Counsel, Registrar, Banker to the Company, Company Secretary & Compliance Officer to act in their respective capacities and for inclusion of their names in the Draft Red Herring Prospectus.
- 9. Consent of IPO Grading Agency, [•], for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they will appear in the Red Herring Prospectus.
- 10. Copies of Quotations obtained for purchase of equipments.



- 11. Copy of the Certificate dated September 26, 2011 from the M/s VAPS & Co., C-42, South Extention, Part-II, New Delhi 110049, Chartered Accountants regarding the sources and deployment of funds.
- 12. Certificate dated September 19, 2011 from M/s VAPS & Co., C-42, South Extension, Part-II, New Delhi 110049, Chartered Accountants, regarding the Statement of Tax Benefits.
- 13. Report of the Auditors M/s VAPS & Co., C-42, South Extension, Part-II, New Delhi 110049, Chartered Accountants, dated September 19, 2011 on restated financial statements for the last five financial year
- 14. Annual Reports of the Company for the last five year ended March 31, 2007, 2008, 2009, 2010 and 2011.
- 15. Due Diligence Certificate dated September 28, 2011 to SEBI from D and A Financial Services Private Limited.
- 16. In-principle listing approval for this Issue dated [•] from BSE.
- 17. In-principle listing approval for this Issue dated [●] from NSE.
- 18. IPO Grading Report of [●]
- 19. SEBI Observation Letter [●] dated [●].

Any of the contracts or documents mentioned in the DRHP may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



DECLARATION

We certify that all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the Regulations issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines/regulations issued, as the case may be. And that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY

JAGJIV KUMAR ARORA

Managing Director

MOHINDER LAL ARORA

Chairman ans Whole Time Director

SAHIL ARORA

Whole Time Director

CHANDER GUPTA

Director

BRIJ MOHAN SACHDEVA

Director

JOGINDER PAL UPPAL

Director

GAURAV KAPOOR

Company Secretary and Compliance Officer

Place: New Delhi

Date: September 28, 2011