



**LA TIM METAL & INDUSTRIES LIMITED**

Our Company was originally incorporated as “Drillco Metal Carbides Private Limited” under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on November 28, 1974, by the Registrar of Companies, Mumbai, Maharashtra, (the “RoC”). Thereafter, the name of our Company was changed from “Drillco Metal Carbides Private Limited” to “Drillco Metal Carbides Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai, Maharashtra on August 22, 1975. The name of our Company was changed to its present name “La Tim Metal & Industries Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai on October 10, 2013. For details of changes in the name and registered office of our Company, see “**General Information**” on page 41.

**Corporate Identification Number:** L99999MH1974PLC017951

**Registered Office:** 201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai City MH 400056 IN

**Contact Details:** 26203399, 26203434; **Contact Person:** Ms. Shruti Shukla, Company Secretary and Compliance Officer;

**Email-ID** cs.latimmetal@gmail.com; **Website:** www.latimmetal.com

**PROMOTERS OF OUR COMPANY:** JALPA KARNA TIMBADIA, KARNA KARTIK TIMBADIA, PARTH RAHUL TIMBADIA, ALMITRA BALLAL CHANDRACHUD, RAHUL MAGANLAL TIMBADIA, SUCHITA KARTIK TIMBADIA, AMITA RAHUL TIMBADIA, RADHIKA RAHUL TIMBADIA, KARTIK MAGANLAL TIMBADIA, LA TIM LIFESTYLE & RESORTS LTD

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF LA TIM METAL & INDUSTRIES LIMITED (OUR "COMPANY" OR THE "ISSUER" ONLY)**

**RIGHTS ISSUE OF 4,41,57,150 PARTLY PAID EQUITY SHARES OF FACE VALUE OF ₹ 1/- (EQUITY SHARES) EACH AT A PRICE OF ₹ 8.50/- (EIGHT RUPEES FIFTY PAISA ONLY) PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹ 7.50 /- (SEVEN RUPEES FIFTY PAISA ONLY) PER RIGHT SHARE) ('ISSUE PRICE') ('RIGHT SHARES') FOR AN AMOUNT UP TO ₹ 3753.36 LAKHS (ASSUMING FULL SUBSCRIPTION AND ALLOTMENT AND RECEIPT OF ALL CALL MONIES) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF LA TIM METAL & INDUSTRIES LIMITED ('OUR COMPANY' OR 'ISSUER') IN THE RATIO OF 1 (ONE) RIGHT SHARES FOR EVERY 2 (TWO) EQUITY SHARES HELD BY SUCH ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, [•], ('THE ISSUE'). THE ISSUE PRICE IS 8.5 TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 172**

**PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES**

Amount Payable per Rights Equity Shares	Face Value (₹)	Premium (₹)	Total (₹)
On Application	0.50	3.75	4.25
One or more subsequent Call(s) as determined by our Board and, or, the Rights Issue Committee at its sole discretion, from time to time	0.50	3.75	4.25
<b>Total (₹)</b>	1	7.5	8.50

\*For further details on Payment Schedule, see 'Terms of the Issue' on page 172.

**WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS**

Neither our Company nor our Promoter or any of our Directors have been categorized as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the RBI.

**GENERAL RISK**

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Right Shares 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 Draft Letter of Offer. Investors are advised to refer ‘**Risk Factors**’ beginning on page 22 of this Draft Letter of Offer before investing in the Issue.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The existing Equity Shares are listed on the BSE Limited (“BSE”) (the “Stock Exchanges”). Our Company has received ‘in-principle’ approvals from the BSE for listing the Rights Equity Shares to be issued pursuant to this Issue vide their letters dated [•] and [•] respectively. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

**ADVISOR TO THE ISSUE**

**NNM NEXTGEN ADVISORY PRIVATE LIMITED**  
Address: B-6/7, Shri Siddhivinayak Plaza, 2nd Floor, Plot No. B- 31, Oshiwara, Opp. Citi Mall, Behind Maruti Showroom, Andheri Link Road, Andheri (West), Mumbai - 400053  
Tel No: +91-22-4079 0011/ 0036  
Contact Person: Mr. Nikunj Anilkumar Mittal  
Email Id: contact@cokaco.com  
Website: [www.cokaco.com](http://www.cokaco.com)  
CIN:- U74999MH2017PTC293255



**REGISTRAR TO THE ISSUE**

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi- 110020  
Contact Number: +91-11-40450193-197  
Email Address: ipo@skylinerta.com  
Investor Grievance Email Address: grievances@skylinerta.com  
Contact Person: Mr. Anuj Kumar  
Website: [www.skylinerta.com](http://www.skylinerta.com)  
SEBI Registration No.: INR000003241  
CIN: U74899DL1995PTC071324



ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
[•]	[•]	[•]

\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

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

***(THIS PAGE IS INTENTIONALLY LEFT BLANK)***

## TABLE OF CONTENTS

<b>SECTION I – GENERAL</b> .....	<b>4</b>
DEFINITIONS AND ABBREVIATIONS .....	4
NOTICE TO INVESTORS .....	11
CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION.....	15
FORWARD LOOKING STATEMENTS.....	17
<b>SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER</b> .....	<b>18</b>
<b>SECTION III – RISK FACTORS</b> .....	<b>22</b>
<b>SECTION IV – INTRODUCTION</b> .....	<b>39</b>
THE ISSUE.....	39
GENERAL INFORMATION .....	41
CAPITAL STRUCTURE.....	47
<b>SECTION V – PARTICULARS OF THE ISSUE</b> .....	<b>50</b>
OBJECTS OF THE ISSUE .....	50
STATEMENT OF TAX BENEFITS .....	55
<b>SECTION VI – ABOUT THE COMPANY</b> .....	<b>61</b>
INDUSTRY OVERVIEW .....	61
BUSINESS OVERVIEW.....	78
REGULATIONS AND POLICIES .....	90
OUR MANAGEMENT .....	98
OUR PROMOTERS .....	109
DIVIDEND POLICY .....	112
<b>SECTION VII – FINANCIAL INFORMATION</b> .....	<b>113</b>
AUDITED FINANCIAL STATEMENT .....	113
CAPITALISATION STATEMENT .....	144
ACCOUNTING RATIOS .....	146
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	148
MARKET PRICE INFORMATION .....	155
<b>SECTION VIII – LEGAL AND OTHER INFORMATION</b> .....	<b>156</b>
OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS .....	156
GOVERNMENT AND OTHER APPROVALS .....	161
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	164
<b>SECTION IX – ISSUE INFORMATION</b> .....	<b>172</b>
TERMS OF THE ISSUE.....	172
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	202
<b>SECTION X – OTHER INFORMATION</b> .....	<b>204</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	204
DECLARATION .....	206

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the Company’, ‘we’, ‘our’, ‘us’ or similar terms are to La Tim Metal & Industries Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.*

*The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘Industry Overview’, ‘Statement of Tax Benefits’, ‘Financial Information’, ‘Outstanding Litigations, Defaults, and Material Developments’ and ‘Terms of the Issue’ on page 61, 55, 113, 156 and 172 respectively, shall have the meaning given to such terms in such sections.*

#### GENERAL TERMS

TERM	DESCRIPTION
La Tim Metal & Industries Limited / the Company / our Company	La Tim Metal & Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time having its Registered Office situated at 201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai 400056. La Tim Sourcing (India) Private Limited which is wholly owned subsidiary of our company, is merged wide NCLT order dated August 4, 2023, Hence La Tim Sourcing (India) Private Limited.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Latim Metal & Industries Limited

#### COMPANY RELATED TERMS

TERM	DESCRIPTION
AoA/ Articles of Association	The Articles of Association of La Tim Metal & Industries Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations;
Audited Financial Statements	The audited financial statements of our Company prepared under IND AS for the Financial Years ending 2023, 2022, and 2021;
Auditors/ Statutory Auditors/ Peer Review Auditor	The statutory auditors of our Company Dhirubhai Shah & Co LLP, Chartered Accountants having FRN: 102511W/W100298;
Board of Directors/ Board	The Board of Directors of La Tim Metal & Industries Limited, including all duly constituted Committees thereof;

Managing Director	Mr. Rahul Timbadia
Chairman	Mr. Kartik Timbadia
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended;
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Ms. Shruti Shukla
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Sandip Timbadia;
Directors	The director(s) on the Board of our Company, unless otherwise specified;
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of La Tim Metal & Industries Limited as on the Record Date;
Equity Shares	Equity Share of the Company having face value of ₹ 1/- (Rupee one Only), unless otherwise specified;
Financial Information	Collectively, the Audited Financial Statements and Reviewed / Unaudited Financial Information;
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled <b>'Our Management'</b> beginning on page 98;
ISIN	International Securities Identification Number being <b>INE501N01020</b> ;
	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2 (51) of the Companies Act, 2013. For details, please refer to section titled <b>'Our Management'</b> beginning on page 98;
MoA/ Memorandum of Association	The Memorandum of Association of La Tim Metal & Industries Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (LODR) Regulations;
Promoters & Promoter Group	Jalpa Karna Timbadia, Karna Kartik Timbadia, Parth Rahul Timbadia, Almitra Ballal Chandrachud, Rahul Maganlal Timbadia, Suchita Kartik Timbadia, Amita Rahul Timbadia, Radhika Rahul Timbadia, Kartik Maganlal Timbadia, La Tim Lifestyle & Resorts Ltd are the Promoters of our Company and individually referred to as "Promoter",
Registered Office	The registered office of our Company located at 201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai 400056.
Registrar of Companies/ RoC	Registrar of Companies, Mumbai, Maharashtra, situated at 100, Everest, Marine Drive, Mumbai- 400002.
Shareholders	The equity shareholders of our Company, from time to time, unless otherwise specified in the context thereof;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013;

## ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Right Shares	The Right Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Right Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40(3) of the

	Companies Act;
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Right Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottee(s)	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price;
Application Form/ Common Application	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of the Rights Equity Shares in the Issue.
Form (CAF)	SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price;
Application Supported by Blocked amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	A bank account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be;
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouces) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [•];
Bankers to the Issue Agreement	Agreement dated [•] entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from applicants/Investors, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 172;
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Advisor to issue, the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> updated from time to time or at such other website(s) as may be prescribed by the

	SEBI from time to time;
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intml d=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intml d=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated StockExchange	BSE Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated August 30, 2023, filed with BSE Limited ("BSE") in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [•]
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., [•]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders;
Issue/ Rights Issue	Rights issue of up to 4,41,57,150 partly paid equity shares of face value of ₹ 1/- (equity shares') each at a price of ₹ 8.50/- (eight rupees fifty paise only) per right share (including a premium of ₹ 7.50 /- (seven rupees fifty paise only) per right share) ('issue price') ('right shares') for an amount up to ₹ 3753.36 lakhs (assuming full subscription and allotment and receipt of all call monies) on a rights basis to the eligible equity shareholders of la tim metal & industries limited ('our company' or 'issuer') in the ratio of 1 (one) right shares for every 2 (two) equity shares held by such eligible equity shareholders as on the record date, [•].
Rights Issue	Issue agreement dated 11 <sup>th</sup> August, 2023 between our Company and the Advisor to issue, pursuant to which certain arrangements are agreed to in relation to the Issue;
Issue Closing Date	[•]
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter;
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	8.5/- (Eight rupees fifty paise Only) Per Rights Equity Share (including a premium of ₹ 7.5 per Rights Equity Share).
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹ 3753.36 LAKHS *; *Assuming full subscription
Letter of Offer/ LoF	The final letter of offer dated [•], filed with the BSE after incorporating the observations received from the BSE on the Draft Letter of Offer;
Multiple ApplicationForms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;

Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 50;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Documents	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [•];
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being [•] Day, [•] Date;
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Registrar to the Issue	Skyline Financial Services Private Limited
Registrar Agreement	Agreement dated August 25, 2023, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renounees	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlements from the Equity Shareholders through renunciation in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [•]. Such period shall close on [•] in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e. [•];
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations;
Rights Entitlement (s)/REs	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [•] ([•]) Equity Shares for every 1 (2 Equity Shares held by an Eligible Equity Shareholder; The Rights Entitlements with a separate ISIN '[•]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders;
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis on Allotment;



SEBI Rights IssueCirculars	Collectively, SEBI circulars bearing reference number ‘SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020’, ‘SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020’, ‘SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020’, ‘SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020’ and ‘SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021’;
Self-Certified SyndicateBanks/SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time;
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange (BSE Limited);
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, Working day means all days on which commercial banks in Maharashtra are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

## BUSINESS AND INDUSTRY RELATED TERMS

TERM	DESCRIPTION
BGM	Bare Galvalume
FRP	Fiber Reinforced Plastic
GI	Galvanized Iron
PP	Pre Painted
PPAL	Pre Painted Aluminium
PPGI	Pre Painted Galvanized Iron
PPGL	Pre Painted Galvalume
PVC	Poly Vinyl Chloride
SDT	Self Drilling cum Tapping Screws
TCT	Total Coated Thickness
U.V.	Ultra Violet
BGM	Bare Galvalume

TERM	DESCRIPTION
One Million	Ten Lakhs;
One Billion	Ten Thousand Lakhs;
One Trillion	One Crore Lakhs;
Sq. ft.	Square Foot;
USA	United States of America;
USD	United States Dollar;
WEO	World Economic Outlook;

## NOTICE TO INVESTORS

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

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the advisor to issue, SEBI, and the Stock Exchange.

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

Any person who makes an application to acquire Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that she/he is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of Letter of Offer, Abridged Letter of Offer and CAFs nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Letter of Offer.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER, LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS.**

**ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE ADVISOR ISSUE IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

## NO OFFER IN THE UNITED STATES

The Rights Entitlement and the Right Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. State Securities Laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making the Right Shares to Eligible Shareholders of our Company on the Record Date and issue materials will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires rights and the Right Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States,
3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
4. Our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and
5. Our Company shall not be bound to allot or issue any Rights Shares or Rights Entitlement in respect of any such Application Form.

**Our Company reserves the right to treat as invalid any Application form which:**

1. Appears to our Company or its agents to have been executed in or dispatched from the United States;
2. Where a registered Indian address is not provided; or
3. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

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

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

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

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

## CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND USE OF CURRENCY OF PRESENTATION

### CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this Draft Letter of Offer are to the Republic of India and the “Government” or “GOI” or the “Central Government” or the “State Government” are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references here into the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, all references in this Draft Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our ‘Company’, ‘we’, ‘our’, ‘us’ or similar terms are to La Tim Metal & Industries Limited or, as the context requires, and references to ‘you’ are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 of our Company prepared in accordance with Ind AS, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled ‘**Financial Information**’ beginning on page 113. The financial year of our Company commences on April 1 and ends on March 31.

The GoI has adopted the Indian Accounting Standards (“Ind AS”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“IFRS”) and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “Ind AS Rules”). The Financial Statements of our Company for the Financial Years ended March 2022 and March 2023 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and Audited in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospect uses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see ‘**Financial Information**’ on page 113.

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

### CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to ‘Rupees’, ‘Rs.’, ‘₹’, ‘Indian Rupees’ and ‘INR’ are to Rupees,

the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

***Please Note:***

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in '***Risk Factors***' on page 22. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.



## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions 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, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- General economic and business conditions globally, in India, and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to:
  - ✓ Manage our operating costs and impact on the financial results;
  - ✓ Successfully implement our business strategies and expansion plans;
- Any cyclic change in the demand and supply of direct or indirect raw material supplies.
- Failure of our R&D efforts to yield returns or benefits, inability to successfully offer our customers new solutions and products and maintain our competitiveness; and
- Failure to effectively implement our production schedules, or prevent unanticipated or prolonged interruptions at our manufacturing operations.
- Changes in general, political, social and economic conditions in India and elsewhere;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled ‘**Risk Factors**’ beginning on page 22. By their nature, certain market risk disclosures are only estimates and could materially be 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 and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI, BSE requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE.

## SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled ‘*Risk Factors*’, ‘*Objects of the Issue*’, ‘*Business Overview*’ and ‘*Outstanding Litigations, Defaults and Material Developments*’ beginning on page 22, 50, 78 and 156 respectively.

### SUMMARY OF INDUSTRY

The Indian steel and iron industry is on a trajectory of growth, with the market size projected to reach USD 160 billion by 2023, showcasing a 7.9% CAGR from 2022. The industry's production capacity has surged from 142.236 MTLPA in F.Y. 2018 to 157.585 MTLPA in F.Y. 2022, achieving a 2.595% CAGR, and maintaining an industry-wide capacity utilization of 76.2%. Government initiatives like the National Steel Policy 2017, PM GatiShakti National Master Plan, PLI Scheme, and digitization have propelled this growth. The sector's dynamic shift post de-regulation and thriving economy elevated India to the second-largest global crude steel producer, demonstrating immense progress.

In the realm of color coated steel, a burgeoning market, valued at \$3.5 billion in 2022, is projected to reach \$6 billion by 2026. This growth is attributed to rising demand for durable, corrosion-resistant roofing materials, driven by infrastructure investments, urbanization, advancements in manufacturing, energy efficiency focus, and evolving consumer preferences.

For further details, please refer, one of them to the chapter titled ‘**Industry Overview**’ at page 61.

### SUMMARY OF OUR BUSINESS

La Tim Metal and Industries Limited is a versatile player in pre-painted steel products and metal trading. Our product range includes pre-painted galvanized iron steel, galvalume steel, and pre-painted cold roll sheets. This diverse offering finds applications in construction, automotive, and furniture sectors. A recent merger with La Tim Sourcing (India) Private Limited highlights their commitment to efficiency and growth. With an installed capacity of 90,000 MT in Gujarat, La Tim is poised to meet demands effectively. The introduction of stone-coated steel roofing and self-drilling screws further enriches their portfolio, while the upcoming Industrial Park adds a strategic dimension for industrial development.

For further details, please refer to the section titled ‘**Business Overview**’ on page 78.

### OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Jalpa Karna Timbadia , Karna Kartik Timbadia, Parth Rahul Timbadia, Almitra Ballal Chandrachud, Rahul Maganlal Timbadia, Suchita Kartik Timbadia, Amita Rahul Timbadia, Radhika Rahul Timbadia, Kartik Maganlal Timbadia, La Tim Lifestyle & Resorts Ltd are the Promoters of our Company and are individually referred to as “**Promoters**”.

For further details, please refer to the section titled ‘**Our Promoters**’ on page 109.

### INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS & PROMOTER GROUP IN ISSUE

The Promoters and Promoter Group of our Company through its letters dated August 25, 2023, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue. The Promoter and Promoter Group may renounce their Rights Entitlement their Rights Entitlement within the Promoter and Promoter Group and/or to the third party (ies) in the open market.

Any such subscription for Right Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding in the Company. The allotment of Equity Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. The Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

## OBJECTS OF THE ISSUE

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

Particulars	Amount (₹ in lakhs)
Gross Proceeds from the Issue#	3753.36
Less: Estimated Issue related Expenses	[•]
<b>Net Proceeds from the Issue</b>	<b>[•]</b>

#Assuming full subscription

\*The issue size will not exceed ₹ 3753.36 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

For further details, please refer to the section titled '**Objects of the Issue**' beginning on page 50.

## FINANCIAL INFORMATION

Following are the details as per Consolidated Financial Information as at and for the Financial Years ended on March 31, 2023 and March 31, 2022:

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Revenue from Operations	27,161.85	56,827.19
EBITDA	103.36	2,934.94
Profit/(Loss) for the year	(749.93)	1,798.37
Share Capital	883.14	883.14
Reserves and Surplus	1,887.56	2,635.22
Net Worth	2,770.70	3,518.36
Basic & Diluted Earnings Per Share	(0.85)	2.04
Net Asset Value per Equity Share (On actual No. of Shares)	3.14	39.84
Return on Net Worth (%)	(27.07)	51.11
Total Borrowings	4,653.90	4,032.10

For further details, please refer to the chapter titled '**Financial Information**' beginning on page 113.

## AUDITOR QUALIFICATIONS

There is no such auditor qualifications or adverse remark by the statutory auditor, please refer to section titled '**Financial Information**' beginning on page 113.

## OUTSTANDING LITIGATIONS

Name	By / Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Regulatory Authority	Amount Involved* (₹ in Lakhs)
<b>Company</b>	By	-	1	-	-	21.93
	Against	-	-	1	-	914.01
<b>Promoter</b>	By	-	-	-	-	-
	Against	-	-	-	-	-
<b>Group Companies/Entities</b>	By	1*	-	-	-	15.4
	Against	1*	-	-	-	
<b>Directors other than Promoters</b>	By	-	-	-	-	-
	Against	-	-	-	-	-

\*To the extent quantifiable.

For further details, please refer to section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page 156.

## RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to this section titled '**Risk Factors**' beginning on page 22.

## CONTINGENT LIABILITIES

Following are the details as per the Audited Consolidated Financial Information as at and for the Financial Years ended on March 31, 2023 and 2022:

Particulars	March 31, 2023	March 31, 2022
Claims against the company not acknowledged as Debt*	926.81	926.81
Guarantees given (Net)	-	-
Capital Commitments	-	-

Notes:

(i) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings

(ii) INR 914.01 Lakhs: Amount of contingent liability relates to one matter related to Custom Duty wherein the subsidiary company has won the appeal proceedings and against that, the Customs department has preferred an appeal in the Hon'able Supreme Court of India for which outcome is pending as on the balance sheet date. Even though, the Company expects favourable outcome of this appeal, the said amount has continued to be disclosed as a contingent liability until the decision of the Apex Court.

(iii) The Holding company is one the sureties for the credit facilities taken by the subsidiary i.e., La Tim Sourcing India Private Limited related to Term Loan. The amount of the above contingent liability is not separately identifiable.

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '**Financial Information**' beginning on page 113.

## RELATED PARTY TRANSACTIONS

Following are the details as per the Audited Consolidated Financial Information as at and for the Financial Years ended on March 31, 2023 and 2022:

Nature of Transaction	Key Management Personnel and their relatives		Enterprise over which KMPs have significant influence		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Remuneration and Salary	116.63	114.60	-	-	116.63	114.60
Interest Charged	-	3.83	-	-	-	3.83
Advances Taken	537.59	522.23	100.00	13.05	637.59	535.28
Advances Repaid	728.05	317.65	100.00	13.05	828.05	330.70
Sale of Goods	-	-	202.93	876.98	202.93	876.98
Purchase of Goods	-	-	477.19	-	477.19	-
Director Sitting Fees	0.70	0.60	-	-	0.70	0.60
Advance Given	-	1,845.50	-	-	-	1,845.50
Advance Recovered / Adjusted	-	1,845.50	-	-	-	1,845.50
Purchase of Land	-	1,142.00	-	-	-	1,142.00
Sale of Land	-	-	760.00	-	760.00	-

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled '**Financial Information**' beginning on page 113.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby the Promoters, Members of the Promoter Group, our directors and their relatives have financed the purchase of Equity Shares by any other person other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft Letter of Offer.

## ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

## SECTION III – RISK FACTORS

---

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in ‘**Business Overview**’, ‘**Industry Overview**’, and ‘**Financial Information**’ beginning on page 78, 61 and 113 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively,
2. Some events may have material impact qualitatively instead of quantitatively, and
3. Some events may not be material at present but may have a material impact in future.

### INTERNAL RISK FACTORS

1. **Our Company, our Promoter and one of our Promoter Group Entities are involved in certain legal proceedings, which if determined, against the above entities could have adverse impact on the business and financial results of our Company.**

Our Company, our Promoter and one of our Promoter Group Entities are involved in certain legal proceedings, which if determined, against the above entities could have adverse impact on the business and financial results of our Company. These proceedings are pending at different levels before various courts, tribunals, affiliate tribunals, enquiry officers, etc. For details kindly refer chapter titled —**Outstanding Litigation and Material Developments**” at page no. 156.

A classification of the legal proceedings instituted against and by our Promoter, one of our Directors and certain Group Companies, the monetary amount involved, wherever quantifiable, in these cases is mentioned in brief below.

Name	By / Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Regulatory Authority	Amount Involved (₹ in Lakhs)
<b>Company</b>	By	-	1	-	-	21.93
	Against	-	-	1	-	914.01
<b>Promoter</b>	By	-	-	-	-	-
	Against	-	-	-	-	-
<b>Group Companies/Entities</b>	By	1	-	-	-	15.4
	Against	1	-	-	-	
<b>Directors other than Promoters</b>	By	-	-	-	-	-
	Against	-	-	-	-	-

*Note: All amounts mentioned above are approximate.*

We cannot provide any assurance that these matters will be decided in favour of the above mentioned entities or persons. Further, there is no assurance that similar proceedings will not be initiated against the above mentioned entities or persons in the future.

- We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.**

The details of Cash flows of the Company are as follows:

Particulars	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
Net Cash (used in)/generated from operating activities	(321.13)	(195.70)
Net Cash (used in)/generated from investing activities	340.61	(201.89)
Net Cash (used in)/generated from financing activities	(97.34)	(19.36)
Cash and cash equivalents at the beginning of the period	178.73	595.69
Cash and cash equivalents at the end of the period	100.86	178.73

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows, please refer 'Financial Information' beginning on page 113 of this Draft letter of offer.

- Merger of La Tim Sourcing (India) Private Limited ("La Tim Sourcing") with La Tim Metal and Industries Ltd ("La Tim Metal"), by the National Company Law Tribunal (NCLT) order dated August 4, 2023.**

La Tim Sourcing (India) Private Limited which is wholly owned subsidiary company has merger for integration benefit of Economies of Scale, Access to Talent and Diversification of Risk and such other benefits. Further Mumbai bench NCLT same approved the merger order wide dated August 4, 2023.

La Tim Sourcing holds various agreements, licenses, and contracts that are vital to its operations. Those agreement transfer and continuation of these agreements post-merger are La Tim Metal as the new entity, as on the date of the draft letter of offer all agreements, licenses, and contracts are the name of the La Tim Sourcing (India) Private Limited ("La Tim Sourcing").

4. **There have been instances of non-compliances, and/ or delayed filings in the past with various regulatory authorities, and also certain of our corporate records are not traceable or have discrepancies. We cannot assure you that any regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.**

A. *There have been instances of delayed filings in the past with various regulatory authorities, the instances of which are stated hereinafter:*

Sr. No.	Particulars	Fine amount
1.	Delayed Submission Of Financial Results For The Quarter Ended 30-Sep-2022	Imposed Fine Rs.17,700

B. *There are Few of the Form and challans as per companies act 1956 with respect to the e-forms that are not traceable by the Company;*

Further, we may not have maintained all the statutory records in the proper manner or at all, in the past. While we have included these details in the by way of other corporate records, such as the relevant board resolutions, Minutes of our Company. While there has been no impact on our financial information, we cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future, and that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

C. Certificate of Commencement of Business issued under the Companies Act, 1956, appears to be untraceable within the company's records.

5. **Our Company has availed unsecured loan from parties other than bankers & financial institutions which is repayable on demand. Any demand from the lender for repayment of such unsecured loan may affect our cash flow and financial condition.**

Our Company has availed certain unsecured loan and are repayable on demand. Though our Company intends to repay the loan amount in near future, sudden recall may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. For further details, please refer to the section “Unsecured Loans” under “*Financial Information*” beginning on page **Error! Bookmark not defined.** of this Draft letter of offer. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

Further, we have provided loans to our related parties to fulfil their business objectives, and we have provided guarantees to banks on behalf of our related parties to meet their funding requirements. We have not been provided any collateral in relation to loans provided by us to our related parties. As of August 29, 2023, we expect all outstanding loans and guarantees provided to our related parties and guarantees provided to banks on behalf of our related parties to be recoverable. However, we cannot assure you that there will not be any material impairment in the recoverability of the loans provided to our related parties or guarantees provided on behalf of our related parties in the future.

6. **The objects of the Issue include funding working capital requirements of our Company, which is based on certain assumptions and estimates.**

The objects of the Offer include funding working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see “**Objects of the Issue**” on page 50 of this Draft Letter of Offer. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions.



Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

**7. Our failure to perform in accordance with demand of our client could result in loss of business or payment of liquidated damages.**

Our failure to perform in accordance with demand of our client, which may increase our compliance costs. In the event we are unable to effectively fulfil our obligations or address the quality requirement set by our clients and as a result of which our clients may experience service shortfalls. We may also be required to pay compensation or liquidated damages to our clients.

Any disruptions to our businesses, including as a result of actions outside of our control, could significantly impact our ability to meet the quality or performance standards which may in-turn harm our reputation. Such quality lapses could strain our relationship with our clients and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our clients may lose faith in the quality of our services and could in turn refuse to further deal with us, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and service liability claims being brought against us by our customers for defective services provided. We may need to allocate additional resources and funds from our revenue towards litigation costs, which could materially impact our business operations. We cannot assure you that we will not experience any material liability losses in the future or that we will not incur significant costs to defend any such claims. Liability claim may adversely affect our reputation and brand image, as well as entail significant costs thereby impacting our business, results of operations and financial condition.

**8. We are dependent on our senior management team and the loss of key members or failure to attract skilled personnel may adversely affect our business. We believe we have a team of professionals to oversee the operations and growth of our business.**

Our performance is substantially dependent on the expertise and services of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by the Company. We cannot assure that we will be able to retain any or all of the key members of our management team or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with the Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such key members of our management team could have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operation and financial condition. For further details of our senior management team, please see the section titled '*Our Management*' on Page 98.

**9. Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may adversely affect our competitive edge and better bargaining power had these transactions have been entered with non-related parties resulting into relatively more favorable terms and conditions and better margins.**

Our Company, had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. These transactions, inter-alia includes sale/purchase of goods, payment for services received/rendered, remuneration, etc. Our Company entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favorable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such that event there would be no

adverse effect on results of our operations. For details please refer *Related Party Transactions* of the Auditor's Report under Section titled —*Financial Information of the Company* beginning on page 113 of this Draft Letter of Offer.

**10. Our Company has not entered into any long-term contracts with its customers and we typically operate on the basis of orders. Inability to maintain regular order flow would adversely impact our revenues and profitability.**

Our Company has had long standing business relationships with various customers and have been supplying our products to several customers including repeat orders received from them. However, we have not entered into any fixed contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on personal interaction by the top management with the customers, in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

**11. We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.**

We operate in a capital intensified industry therefore our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

**12. The land parcels on which the Registered Office of our Company is located, is being shared between our Company and its Subsidiaries. The said premise is not owned by us and are held by us on a leasehold/ rental basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected.**

As of the date of this Draft letter of offer, the registered office of our Company and our Subsidiaries is held on a leasehold basis on same the premises of 201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai 400056, Maharashtra, India, the details of which are specified as below:-

Particulars of Use	Address
Commercial purpose	201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai 400056, Maharashtra,
Commercial purpose	Industrial Plot No 270, 271, GIDC, Umbergaon, Valsad, Gujarat, 396171 India
Commercial purpose	1st Floor, 11 / 49, Seaport Airport Road, Ernakulam, Ernakulam, Kerala, 682309 India

**13. We have not entered into any long term supply agreement for the major raw materials required for manufacturing of our products. Also volatility in the prices and non-availability of these raw materials may have an adverse impact in our business.**

We depend highly on galvalume steel, galvanized steel, cold-rolled coils, aluminum-zinc alloy-coated steel sheets, and galvanized steel, which are the prime raw materials for our products. We generally procure these

raw materials from indigenous and international suppliers as and when required. Any fluctuation in the international prices of these metals affects the price and supply of these raw materials. Therefore, any significant increase in the prices of these raw materials due to any reason, and our inability to pass on increased costs of raw material to our customers or reduction in demand from our customers, may adversely affect our sales and profitability. In the absence of any long-term arrangement with suppliers and event of any disruption in the supply of raw materials supply in terms of requisite quantities and qualities, our production schedule may also be adversely affected.

**14. Our business is exposed to the changes in the technical and other requirements of our clients, which may require us to make major capital investments or may be beyond our capabilities.**

Our business is exposed to changes in the technical and other requirements of our clients. Better and newer technologies being developed worldwide help optimize performance, reduce operational costs. Further, our customers may choose to include specific conditions with respect to age and condition of the machinery in the contracts we enter into which may require us to make further investments to meet such requirements.

**15. The pricing in the steel industry is subject to market demand, volatility and economic conditions.**

Fluctuations in steel prices may have a material adverse impact on our business, results of operations, prospects and financial conditions. Steel prices fluctuate based on a number of factors, such as, the availability and cost of raw material inputs, fluctuations in domestic and international demand and supply of steel and steel products, international production and capacity, fluctuation in the volume of steel imports, transportation costs, protective trade measures and various social and political factors, in the economies in which the steel producers sell their products and are sensitive to the trends of particular industries, such as, the construction and machinery industries. When downturns occur in these economies or sectors, it may lead to a decrease in steel and steel product prices. Low steel prices adversely affect the businesses and results of operations of steel product producers generally, including ours, resulting in lower revenue and margins and write-downs of products and raw material inventories. Further, substantial decreases in steel and steel product prices during periods of economic weakness have not always been balanced by commensurate price increases during periods of economic strength. Any sustained price recovery shall require a broad economic recovery, in order to underpin an increase in real demand for steel and steel products by end users. In addition, the volatility, length and nature of business cycles affecting the steel and steel products industry may become increasingly unpredictable, and the recurrence of another major downturn in the industry may have a material adverse impact on our business, results of operations, financial condition and prospects.

**16. The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Issue.**

Our Company intends to primarily use the Net Proceeds from the Issue towards working capital as described in '*Objects of the Issue*' on page 50. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹ 50 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section '*Risk Factors*', may limit or delay our Company's efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from

agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest.

Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer. If we are unable to obtain the necessary funds for our growth plans, our business and results of operations may be adversely affected.

There can be no assurance that debt or equity financing or our internal accruals shall be available or sufficient to fund our growth plans. Financing limitations may restrict our ability to obtain required capital on acceptable terms in addition to other uncertainty. Due to our inability to raise sufficient capital to finance our growth plans, the business of our Company and results of operations may be adversely affected.

#### **17. The price of the Equity Shares may be highly volatile after the Issue.**

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors including volatility in the Indian and global securities market, our operations and performance, performance of our competitors and perception in the market about investments in the our industry, adverse media reports on us or the industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

#### **18. Restrictions on import of raw materials may impact our business and results of operations**

We currently import some portion of our raw materials. Raw material imports are regulated by certain specific laws and regulations that permit concerned authorities to stop any import if it is deemed that the goods proposed to be imported may be hazardous. While the raw materials we import may not be hazardous in nature, we cannot assure you that such regulations will not be made applicable to us or that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. While we have not in the recent past experienced any challenges in importing such materials, we cannot assure you that we will not experience any such challenges in the future. In light of the COVID-19 pandemic and the current war scenario in Eastern Europe, the import of raw materials could be affected in the future. In the event we are unable to import these materials, there can be no assurance that we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner or at all. Any change in law or applicable governmental policies relating to imports, change in international geo-political situations, restrictions on import of raw materials could have an adverse effect on our ability to deliver products to our distributors, business and results of operations.

#### **19. As the Equity Shares of our Company are listed on the BSE, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.**

The Equity Shares of our Company are listed on BSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under

and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

**20. We require to obtain, maintain and/or renew certain registrations, approvals, licenses and permission in ordinary course of our business, and failure to do so, in a timely manner or at all, we may be unable to fully or partially operate our businesses and our results of operations may be adversely affected.**

We require certain approvals, licenses, registrations and permissions for our operations. For further details, please refer to section titled '*Government and Other Approvals*' beginning on page 161. While, we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

**21. Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.**

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

**22. Any failure in our quality control processes may adversely affect our business, results of operations and financial condition.**

We may face product liability claims and legal proceedings if the quality of our products does not meet our customers' expectations. While we ensure that our products are put through the best quality control checks, they might have certain quality issues or undetected errors, due to defects in manufacture of parts which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards and policies. However, we cannot assure you that our quality control processes will not fail, or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials used in the products or any shortcoming in the production of our products due to failure of our quality control procedures, negligence and human error or otherwise, may result in deficient products. In the event the quality of our products is sub-standard or our products suffer from defects and are returned by our customers due to quality complaints, we may be compelled to take back the sub-standard products and reimburse the cost paid by our customers. Such quality lapses may strain our longstanding relationship with our customers and our reputation and brand image may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which may have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by our customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. A product liability claim may adversely affect our reputation and brand image, as well as entail significant costs.

**23. Accidents at our facilities may lead to public liability consequences.**

Though we take all possible steps to ensure adoption and compliance with high standards of safety and fire control at our facilities, we cannot assure you that these mechanisms will be adequate to contain safety risks that may arise in the future. Though we maintain public liability insurance cover for our facilities, in the event of an accident, we may be exposed to civil, tort and criminal liabilities.

Operating and managing a business involves many risks that may adversely affect our Company's operations, and the availability of insurance is therefore important to our operations. Our Company believes that our insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover it for any risks, we could be exposed to substantial costs and losses that would adversely affect financial condition. In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations.

**24. We are required to comply with environmental laws and regulations that could cause us to incur significant costs.**

Our operations are subject to various international, national, state and local laws and regulations, which are subject to laws specific to the industry in which we operate, as well as laws generally governing business in India, including those relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our business operations. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of or liabilities under environmental or health and safety laws or non-compliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

**25. Our business is substantially affected by prevailing economic conditions in India.**

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal Stock Exchanges;
- changes in India's tax, trade, fiscal or monetary policies; • political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its forging industry.
- any adverse fluctuations in currency points. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business and financial performance and the price of the Equity Shares.

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the

disclosures which need to be made in the section titled '*Industry Overview*' beginning on page 61. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

**27. We operate in a highly competitive and fragmented industry with low barriers to entry and may be unable to compete successfully against existing or new competitors, the organized and unorganized**

We operate in an industry which is highly competitive and fragmented and we compete with a range of organized and unorganized players, both at the national and regional level. Further, while we have an expanding portfolio of products, our competitors may have the advantage of focusing on concentrated products. Further, we compete against established players also, which may have greater access to financial, technical and marketing resources and expertise available to them than us in the products and services in which we compete against them.

Further, industry consolidation may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors may further affect our business by entering into exclusive arrangements with our existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key core employees, associates or clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, pricing pressures in the staffing industry and the extent of our competitors' responsiveness to their client's needs. Our business may also be affected should our present or prospective clients choose to utilize their internal workforce or rely on independent contractors or local recruitment agencies in the organized segment for meeting their manpower requirements. Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential entry of new competitors, given the low entry barriers in the industry where we operate, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various product and service segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, which could have a material adverse effect on our business, results of operations and financial condition.

**28. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter '*Objects of the Issue*' on page 50. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**29. Fluctuations in the average selling prices of steel could adversely affect our business, financial condition, results of operations and cash flows.**

The average selling prices of our products may be subject to fluctuations depending on the market conditions. The average selling prices of our products are affected by the general market conditions, such as pricing by competition and raw material costs, which could have an impact on the businesses of our customers and, in turn, their demand for our products. While, we have not experienced any material fluctuation in our average selling prices, we cannot assure you that we will not experience declining average selling prices for our

products or that our average selling prices can remain at the same level in the future. A decline in the average selling prices for our products could adversely affect our business and financial condition, operating results and cash flows.

**30. The continuing impact of the COVID-19 pandemic on our business and operations is uncertain and it may be significant and continue to have an adverse effect on our business, operations and our future financial performance.**

The World Health Organization declared the novel coronavirus disease (“COVID-19”) outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn continue to have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity and growth. Additionally, we cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers and other business partners, and each of their financial conditions; however, any material effect on any of these parties could in turn have an adverse impact on us. As a result of these uncertainties, the impact may vary significantly from that estimated by our management from time to time, and any action to contain or mitigate such impact, whether government- mandated or opted by us, may not have the anticipated effect or may fail to achieve its intended purpose altogether. Our existing insurance coverage may not provide protection or coverage for any costs that may arise from all such possible events. The COVID-19 pandemic may cause us to continue to experience the foregoing challenges in our business in the future and could have other effects on our business, including disrupting our ability to develop new offerings enhance existing offerings, market, and sell our products and conduct business activities generally. The extent to which the COVID-19 pandemic may impact our business and results of operations will also depend on future developments that are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the disease, the duration and spread of the outbreak, the scope of travel restrictions imposed in geographic areas in which we operate, mandatory or voluntary business closures, the impact on businesses and financial and capital markets and the extent and effectiveness of the development and distribution of vaccines and other actions taken throughout the world to contain the virus or treat its impact. An extended period of global supply chain and economic disruption as a result of the COVID-19 pandemic could have a material negative impact on our business, financial condition, and results of operations.

## EXTERNAL RISK FACTORS

**31. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on



the sale of equity shares.

**33. Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.**

Our Company currently prepares its annual financial statements under Ind AS. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (Ind AS) and the timelines for their implementation. In accordance with such notification, our Company is required to prepare its financial statements in accordance with Ind AS. Ind AS is different in many aspects from Ind AS under which our financial statements are currently prepared. Accordingly, the degree to which the Audited financial statements included in the Draft letter of offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft letter of offer should accordingly be limited.

**34. 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:

- Custom duties on imports of raw materials and components;
- Goods and Service

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability, and financial condition.

**35. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic, or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition, and results of operations, in particular.

**36. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Draft Letter of Offer.**

While facts and other statistics in the relating to India, the Indian economy, and the industry in which we operate has been based on various web site data and IBEF that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the section titled **"Industry Overview"** beginning on page **Error! Bookmark not defined.** of this Draft Letter of Offer. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**37. Global economic, political, and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms or at all.

**39. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.**

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

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

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.

**41. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.**

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition, and results of operations as well as the price of the Equity Shares.

**42. Terrorist attacks, civil unrest and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition, and the price of our Equity Shares.**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are

beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, and other countries and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade the global equity markets as well generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**43. Global economic, political, and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.**

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

## ISSUE SPECIFIC RISKS

**44. Any future issuance of Equity Shares may dilute your shareholdings and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future issuances of equity or convertible instruments by the Company may lead to the dilution of investors' shareholdings in the Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of the Company or the availability of these Equity Shares for futuresale will have on the market price of our Equity Shares.

**45. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.**

Our Company will dispatch this Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Issue Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 172.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

**47. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

**48. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.**

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

**49. Investors will not have the option of getting the allotment of Rights Equity Shares in physical form.**

In accordance with the SEBI ICDR Regulations, the Rights Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Rights Equity Shares in physical form. The Rights Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see ‘*Terms of the Issue*’ on page 172. This may impact the ability of our shareholders to receive the Rights Equity Shares in the Issue.

**50. Any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.**

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

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

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

**52. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.**

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

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

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

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

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

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

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

Sales prices and volumes in the manganese and iron ore mining industry depend mainly on the prevailing and expected level of demand for manganese and iron ore in the steel industry. During periods of sluggish or declining regional or world economic growth, demand for steel products generally decreases, which usually leads to corresponding reductions in demand for manganese and iron ore. Historically, international prices for manganese and iron ore has been volatile and subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainties, the overall performance of the global or regional economies, the related cyclicity in the steel industry and various other factors beyond our control. The price of manganese and iron ore is directly affected by the steel industry, which is cyclical in nature. The prices of steel products are influenced by many factors, including demand, worldwide production capacity, capacity-utilization rates, raw-material costs, exchange rates, trade barriers and improvements in steel-making processes.

Any significant decrease in demand for steel products or decline in the price of these products could result in reduced manganese and iron ore demand and manganese and iron ore prices which could significantly reduce our revenues, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

## SECTION IV – INTRODUCTION

### THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on August 07, 2023 in pursuance of Section 62(1)(a) of the Companies Act, 2013 and other applicable law.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in section titled '**Terms of the Issue**' on page 172.

<b>Equity Shares Outstanding Prior To The Issue</b>	8,83,14,300 Equity Shares;
<b>Right Shares Offered In The Issue</b>	Up to 4,41,57,150 Right Shares*;
<b>Equity Shares Outstanding After the Issue (Assuming Full Subscription for And Allotment of the Rights Entitlement)</b>	13,24,71,450 Equity Shares;
<b>Rights Entitlement</b>	1 Rights Equity Shares for every 2 Equity shares held by the Eligible Equity Shareholders as on the Record Date i.e., April 14, 2022. Record Date [•];
<b>Record Date</b>	[•];
<b>Face Value Per Equity Share</b>	₹ 1/- (Rupee One Only) each;
<b>Issue Price Per Equity Share</b>	₹ 8.50/- (Eight Rupees Fifty Paise Only) including a premium of ₹ 7.50/- (Seven Rupees Fifty Paise Only) Per Rights Share. On Application, the Investors will have to pay ₹ 4.25 per Rights Equity Share which constitutes 50% of the Issue Price and the balance ₹ 4.25 per Rights Equity Share which constitutes 50 % of the Issue Price, will be required to be paid on one or more subsequent Call(s), as determined by our Board and, or, the Rights Issue Committee, at its sole discretion, from time to time, in compliance with SEBI ICDR Regulations.
<b>Issue Size</b>	Upto 4,41,57,150 Partly Paid Equity Shares of face value of ₹ 1/- each for cash at a price of ₹ 8.50/- (Eight Rupees Fifty Paise Only) (Including a premium of ₹ 7.50/- (Seven Rupees Fifty Paise Only) per Rights Equity Share not exceeding an amount of ₹3753.36
<b>Terms Of the Issue</b>	Please refer to the section titled ' <b>Terms of the Issue</b> ' beginning on page 172;
<b>Use Of Issue Proceeds</b>	Please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 50;
<b>Security Code/ Scrip Details</b>	<b>ISIN: INE501N01020</b> <b>BSE Scrip Code: 505693</b> <b>ISIN for Rights Application : [•]</b> <b>ISIN for Rights Entitlements: [•]</b>

*\*For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than 2 Equity Shares or is not in multiples of 2, the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements.*

However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN. The trading in ISIN representing the Rights Equity Shares will be suspended after the Call Record Date. On payment of the Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares. For details in relation fractional entitlements, see '**Terms of the Issue**' - Fractional Entitlements' on page 172.

*\*\* Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable law.*

## TERMS OF PAYMENT

Amount Payable Per Right Equity Share	Face Value	Premium	Total
On Application	0.50	3.75	4.25
One or more subsequent Call(s) as determined by our Board and, or, the Rights Issue Committee at its sole discretion, from time to time	0.50	3.75	4.25
<b>Total (₹)</b>	<b>1</b>	<b>7.50</b>	<b>8.50</b>

## ISSUE SCHEDULE

Issue Opening Date	[•]
Last date for On Market Renunciation of Rights*	[•]
Issue Closing Date**	[•]

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off- market transfer is completed in such manner that the Rights Entitlement are credited to the demat account of the Renounees on or prior to the Issue Closing Date*

*\*\*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*



## GENERAL INFORMATION

Our Company was originally incorporated as “Drillco Metal Carbides Private Limited” under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on November 28, 1974, by the Registrar of Companies, Mumbai, Maharashtra, (the “RoC”). Thereafter, the name of our Company was changed from “Drillco Metal Carbides Private Limited” to “Drillco Metal Carbides Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai, Maharashtra on August 22, 1975. The name of our Company was changed to its present name “La Tim Metal & Industries Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai on October 10, 2013. Our Company was listed on BSE, bearing Scrip ID ‘505693’, and ISIN ‘INE501N01020’. The Corporate Identification Number of our Company is L99999MH1974PLC017951.

### REGISTERED OFFICE AND COMPLIANCE OFFICE OF OUR COMPANY

#### LA TIM METAL & INDUSTRIES LIMITED

**Registered Office Address** 201, Navkar Plaza, Bajaj Road, Vile Parle (West), Mumbai, Maharashtra, 400056

**Tel:** 022- 26203399, 26203434

**Email:** [cs.latimmetal@gmail.com](mailto:cs.latimmetal@gmail.com)

**Website:** [www.latimmetal.com](http://www.latimmetal.com)

**CIN:** L99999MH1974PLC017951

### ADDRESS OF THE REGISTRAR OF COMPANIES

#### THE REGISTRAR OF COMPANIES, MUMBAI

**Address:** Registrar of Companies, 100, Everest, Marine Drive, Mumbai - 400002, Maharashtra.

**Contact No.:** 022-22812627/22020295/22846954

**Email id:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

### BOARD OF DIRECTORS

NAME	DESIGNATION	DIN	ADDRESS
Kartik Maganlal Timbadia	Chairman	00473057	901/902, Kalpana, 69-A, 11th Road, Opp. Ramkrishna Mission, Khar (West), Mumbai Maharashtra -400052
Rahul Maganlal Timbadia	Managing Director	00691457	601, Crystal Apartment, Plot No.31, Vallabh Nagar Society, N.S. Road No.3, Juhu Scheme, Vileparle (West), Mumbai, Maharashtra-400056
Ramesh Khanna	Non-executive Director	00692373	Flat No.2, Shree Trimurti Co-Op Hsg. Soc, 17th Road, Khar (W), Mumbai, Maharashtra -400052
Ragini Chokshi	Non-executive Independent Director	06743306	101, B Wing, Bafna Apt., Mogul lane, Near Magnet Mall, Near Magnet ,Mall, Maharashtra, 400016
Sandeep Naresh Ohri	Non-executive Independent Director	06559345	A-74 Tirupati Towers, Thakur Complex, Above Hotel Ambience, Kandivali East, Mumbai, Maharashtra-400101
Ravi Kumar Kishan Chand seth	Non-executive Independent Director	02427404	25, Mooncraft Apts, 278 Off Carter Road, Bandra West, Mumbai, Maharashtra – 400050

For further details of our Board of Directors, please refer to the section ‘Our Management’ beginning on page 98.

## COMPANY SECRETARY AND COMPLIANCE OFFICER

### Ms. Shruti Shukla

Address: 201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai City 400056 Tel: 022- 26203399, 26203434

Email: cs.latimmetal@gmail.com

Tel No: 022- 26203399, 26203414

Website: www.latimmetal.com

## CHIEF FINANCIAL OFFICER

### Sandip Khushalchand Timbadia

Address: 201, Navkar Plaza, Bajaj Road, Vile Parle (West) Mumbai City 400056

Tel No: 022- 26203399, 26203434

Email: cs.latimmetal@gmail.com

Website: www.latimmetal.com

## STATUTORY AUDITOR OF OUR COMPANY

### M/s. Dhirubhai Shah & Doshi CHARTERED ACCOUNTANTS

Address: 401/408, "Aditya", Opp. Sardar Patel Seva Samaj Hall, Nr. Mithakhali Six Roads, Ellisbridge, Ahmedabad – 380006.

Email: anik.shah@dbsgroup.in

Contact Person: Mr. Anik S Shah

Membership No.: 140594

Firm Registration No.: 102511W/W100298

Peer Review No.: 014773

## ADVISOR TO THE ISSUE

### NNM NEXTGEN ADVISORY PRIVATE LIMITED

Address: B-6/7, Shri Siddhivinayak Plaza, 2nd Floor, Plot No. B- 31,

Oshiwara, Opp. Citi Mall, Behind Maruti Showroom,

Andheri Link Road, Andheri (West), Mumbai - 400053

Tel No: +91-22-4079 0011/ 0036

Contact Person: Mr. Nikunj Anilkumar Mittal

Email Id: contact@cokaco.com

Website: [www.cokaco.com](http://www.cokaco.com)

CIN: U74999MH2017PTC293255

## REGISTRAR TO THE ISSUE

### SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi- 110020

Contact Number: +91-11-40450193-197

Email Address: ipo@skylinerta.com

Investor Grievance Email Address: grievances@skylinerta.com

Contact Person: Mr. Anuj Kumar

Website: www.skylinerta.com

SEBI Registration No.: INR000003241

CIN: U74899DL1995PTC071324

## BANKER TO THE ISSUE/ REFUND BANK

[•]

Address: [•]

Tel: [•]

Email: [•]

Website:[•]

**Contact Person:[•]**

## **BANKER TO OUR COMPANY**

### **ICICI Bank Ltd.**

Address: 1st Floor, Sagar Avenue, Opposite Shoppers Stop, S.V. Road, Andheri west Mumbai, Maharashtra, 400058

Tel: 9527904191

Email: Rupesh.vadinkar@icicibank.com

Website:www.icicibank.com

Contact Person: Mr. Rupesh Vadinkar

## **ADVISOR TO THE ISSUE**

### **NNM NEXTGEN ADVISORY PRIVATE LIMITED**

**Address:** B-6/7, Shri Siddhivinayak Plaza, 2nd Floor, Plot No. B- 31,

Oshiwara, Opp. Citi Mall, Behind Maruti Showroom,

Andheri Link Road, Andheri (West), Mumbai - 400053

**Tel No:** +91-22-4079 0011/ 0036

**Contact Person:** Mr. Nikunj Anilkumar Mittal

**Email Id:** contact@cokaco.com

**Website:** [www.cokaco.com](http://www.cokaco.com)

**CIN:** U74999MH2017PTC293255

<b>Sr.no</b>	<b>Responsibility of advisor to issue</b>
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instrument, number of instruments to be issued etc.
2.	Coordination for drafting and design of the Letter of Offer as per the ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.
3.	Assist in drafting, design of the Draft Letter of Offer, Abridged Letter of Offer, Application Form, Rights Entitlement Letter etc
4.	Selection of various agencies connected with Issue, such as Registrar to the Issue, printers, advertising agencies, Monitoring Agency, etc., as may be applicable and finalisation of the respective agreements.
5.	Liaisoning with the Stock Exchanges for obtaining in-principle approval and completion of prescribed formalities with the Stock Exchanges and SEBI.
6.	Assist in drafting and approval of all statutory advertisements.
7.	Drafting and approval of all publicity material including corporate advertisements, brochure, corporate films etc.
8.	Co-ordination with Stock Exchange and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit.
9.	Formulation and coordination of marketing strategy, including, <i>inter alia</i> , distribution of publicity and Issue-related materials including application form, brochure and Draft Letter of Offer and coordination for queries related to retail Investors.
10.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, Self-Certified Syndicate Banks, etc.

## CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to the section titled ‘*Terms of the Issue*’ beginning on page 172.

## EXPERT

Except as stated below, our Company has not obtained any expert opinion:

Our Company has received a written consent dated August 25, 2023 from our Statutory Auditors, M/s. Dhirubhai Shah & Doshi Chartered Accountants, to include their name in this Draft Letter of Offer and as an ‘expert’, as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements dated August 25, 2023 included in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

## SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Shares Allotted.

## ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]
Last Date for On Market Renunciation of Rights Entitlements <sup>#</sup>	[•]
Issue Closing Date*	[•]
Finalization of Basis of Allotment (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

<sup>#</sup>Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date;

\*Our Board or a duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, nowithdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date or who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they

are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [•], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., [•].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled '*Terms of the Issue*' beginning on page 172.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled '*Terms of the Issue*' beginning on page 172.

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

#### **CREDIT RATING**

As this proposed Issue is of Equity Shares, the appointment of a credit rating agency is not required.

#### **DEBENTURE TRUSTEE**

As this proposed Issue is of Right Equity Shares, the appointment of debenture trustee is not required.

#### **MONITORING AGENCY**

Since the Issue size does not exceed ₹ 10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue in terms of SEBI (ICDR) Regulation.

#### **APPRAISING ENTITY**

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

#### **UNDERWRITING**

This Issue is not underwritten, and our Company has not entered into any underwriting arrangement.

#### **FILING**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. September 28, 2020, has amended Regulation 3 (b) of the SEBI (ICDR) Regulations as per which the threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹10,00,00,000.00/- (Rupees Ten Crores Only) to ₹50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls under the said threshold, the Draft Letter of Offer had been filed with the BSE and will not be filed with SEBI.

## **MINIMUM SUBSCRIPTION**

As the object of the Issue does not involve financing of capital expenditure, and as our Promoter, through its letter dated August 25, 2023 has confirmed its intention to subscribe to their Rights Entitlement in the Issue and not renounce its Rights Entitlements, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue.

## CAPITAL STRUCTURE

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

(Amount in ₹ Lakhs, except data relating to shares)

PARTICULAR	Aggregate Nominal Value	Aggregate Value At Issue Price
<b>Authorized Equity Share capital</b>		
20,00,00,000 Equity Shares of face value of ₹ 1 each	2,000.00	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
8,83,14,300 Equity Shares of face value of ₹ 1 each	883.14	-
<b>Present Issue in terms of this Draft Letter of Offer*</b>		
4,41,57,150 Equity Shares of face value of ₹ 1 each	441.57	3,753.36
<b>Issued, subscribed and paid-up Equity Share capital after the Issue</b>		
13,24,71,450 Equity Shares of face value of ₹ 1 each**	132.47	-
<b>Securities premium account</b>		
Before the Issue		[•]
After the Issue		[•]

**Notes:**

\*The Issue has been authorized by way of a resolution passed by our Board at their meeting held on June 29, 2023 pursuant to Section 62 of the Companies Act, 2013 and other applicable law.

On Application, Eligible Equity Shareholders will be required to pay ₹4.25 per Rights Equity Share which constitutes 50% of the Issue Price and balance ₹ 4.25 per Rights Equity Share which constitutes 50% of the Issue Price, will be required to be paid on one or more subsequent Call(s), as determined by our Board and, or, the Rights Issue Committee, at its sole discretion, from time to time, in compliance with SEBI ICDR Regulations.

\*\* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio and receipt of all Call Monies.

### NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer;
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
3. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10(4)(b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ [•]/- (Rupees [•] Only);
5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**

As on the date of this Draft Letter of Offer, our Company has not allotted any convertible warrants.

#### 6. Details of stock option scheme of our Company

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme.

#### 7. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares:

Name	Type	No Of Shares Held	Status
Jalpa Karna Timbadia	Promoter	67,22,010	Free to Trade
Karna Kartik Timbadia	Promoter	66,40,000	Free to Trade
Parth Rahul Timbadia	Promoter	82,28,750	Free to Trade
Almitra Ballal Chandrachud	Promoter	84,57,140	Free to Trade
Rahul Maganlal Timbadia	Promoter	75,22,500	Free to Trade
Suchita Kartik Timbadia	Promoter	40,06,200	Free to Trade
Amita Rahul Timbadia	Promoter	40,00,000	Free to Trade
Radhika Rahul Timbadia	Promoter	40,00,000	Free to Trade
Kartik Maganlal Timbadia	Promoter	54,02,100	Free to Trade
La Tim Lifestyle & Resorts Ltd	Promoter	1,57,853	Free to Trade

#### 8. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer

Name	No. Of Shares Purchased	Date Of Purchase	Balance
Jalpa Karna Timbadia	0	Na	67,22,010
Karna Kartik Timbadia	0	Na	66,40,000
Parth Rahul Timbadia	0	Na	82,28,750
Almitra Ballal Chandrachud	0	Na	84,57,140
Rahul Maganlal Timbadia	0	Na	75,22,500
Suchita Kartik Timbadia	6,200	29.03.2023	40,06,200
Amita Rahul Timbadia	0	Na	40,00,000
Radhika Rahul Timbadia	0	Na	40,00,000
Kartik Maganlal Timbadia	0	Na	54,02,100
La Tim Lifestyle & Resorts Ltd	1,57,853	31.03.2023	1,75,750



## 9. Intention and extent of participation by our promoter and promoter group

The Promoters and Promoter Group of our Company through its letters dated August 25, 2023, have confirmed that they intend to subscribe in part or to the full extent of its Rights Entitlement in this Issue and to the extent of unsubscribed portion (if any) of this Issue. The Promoter and Promoter Group may renounce their Rights Entitlement their Rights Entitlement within the Promoter and Promoter Group and/or to the third party (ies) in the open market.

Further, the Promoters may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation subject to compliance with the minimum publicshareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In case this Issue remains unsubscribed, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue;

## 10. Shareholding Pattern of our company

The shareholding pattern of our Company as on date is as follows:

- a) The details of the shareholding pattern of our Company as on March 31, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/la-tim-metal--industries-ltd/latimmetal/505693/shareholding-pattern/>
- b) The details of the shareholding pattern of our Company as on June 30, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/la-tim-metal--industries-ltd/latimmetal/505693/shareholding-pattern/>
- c) The details of shareholders of our Company holding 1% or more of the paid-up capital as on June 30, 2023 can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=505693&qtrid=118.00&QtrName=June%202023>

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds towards the following objects:

1. Working Capital Requirements; and
2. Funding inorganic growth initiatives and other general corporate purposes. (Collectively, referred to herein as the “Objects”).

The main object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

### ISSUE PROCEEDS

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

Particulars	(₹ in lakhs) Amount
Gross Proceeds from the Issue*	3,753.36#
Less: Estimated Issue related Expenses	[•]
<b>Net Proceeds from the Issue</b>	<b>[•]</b>

#Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

\*The Issue size will not exceed ₹ 3,753.36 Lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

### REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount To Be Deployed From Net Proceeds	Estimated Deployment of Net Proceeds For The Financial Year Ending March 31, 2024
1.	Working Capital Requirements	[•]	[•]
2.	Funding Expenditure for General Corporate Purposes#	[•]	[•]
	<b>Total Net Proceeds**</b>	<b>[•]</b>	<b>[•]</b>

#The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

\*\*Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

The above stated fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or independent agency. Our Company’s funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. In case the Net Proceeds are not completely utilised in a scheduled financial year due to any reason, the same would be utilised (in part or full) in the next financial year / subsequent financial year as may be determined by our Company, in accordance with applicable law. For further details, see ‘Risk factors - The deployment of the Net Proceeds from the Issue is based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company’s management will have flexibility in utilizing the Net Proceeds from the Issue’ on page 22.

In the event of any shortfall of funds for any of the Object proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the Object where such shortfall has arisen, subject to availability of funds and compliance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

## MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 62(1)(c) of SEBI ICDR Regulations through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to rise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

## DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to objects of the Issue are set forth herein below:

### 1. Working Capital Requirements:

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change. The details of estimation of Working Capital Requirement are as under:

(₹ in Lakhs)				
Sr. No.	Particular	For the Financial Year		
		March 31, 2023 (Audited)	March 31, 2024 (Projected)	March 31, 2025 (Projected)
<b>I.</b>	<b>Current Assets</b>			
	Inventories	6,160.51	6,302.91	7,248.34
	Investment	46.43	46.43	46.43
	Trade Receivable	1,542.93	6,111.42	7,379.54
	Cash & Cash Equivalents	97.45	1,688.76	454.85
	Other Balances with Bank	217.20	-	-
	Others	22.17	18.76	18.76
	Other Current Asset	750.12	150.12	150.12
	<b>Total Current Assets</b>	<b>8,836.81</b>	<b>14,318.39</b>	<b>15,298.04</b>
<b>II.</b>	<b>Current Liabilities</b>			
	Borrowings	1,224.46	-	-
	Lease Liabilities	104.57	104.57	104.57
	Trade Payables	2,878.85	3,707.59	3,837.36
	Other Financial Liabilities	94.89	700.53	581.66
	Short Term Provisions	1.59	1.59	1.59

	Other Current Liabilities	66.64	66.64	66.64
	<b>Total Current Liabilities</b>	<b>4,371.00</b>	<b>4,580.92</b>	<b>4,591.81</b>
<b>III.</b>	<b>Working Capital Requirements [I - II]</b>	<b>4,465.81</b>	<b>9,737.47</b>	<b>10,706.23</b>
	<b>Sources of funds</b>			
	Internal Accruals / Equity	4,465.81	7,536.97	9,153.73
	Amount proposed to be utilized from Net Proceeds of Right issue	-	2,200.50	1,552.50
	<b>Total means of finance</b>	<b>4,465.81</b>	<b>9,737.47</b>	<b>10,706.23</b>

Assumptions for our estimated working capital requirements:

(in Days)

Particulars	As at				
	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
<b>Current assets</b>					
Inventories	41	55	45	56	56
Trade receivables	41	40	40	55	57
<b>Current liabilities</b>					
Trade payables	63	45	45	37	33

<b>Inventories</b>	The holding level of inventories was 41 days, 55 days and 45 days for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. In the FY 2023-24 and FY 2024-25, the inventory levels are expected to come in line with FY 2021-22.
<b>Trade receivables days</b>	The holding level for trade receivable days was 41 days, 40 days and 40 days for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. In FY 2023-24 and FY 2024-25, the Trade Receivable holding days are expected to rise as we are planning to extend the credit to debtors for increasing sales and better realisation terms in line with continued business growth.
<b>Trade payables days</b>	The holding level for trade payable days was 63 days, 45 days and 45 days for FY 2020-21, FY 2021-22 and FY 2022-23 respectively. Our Company expects that suppliers will be paid on a shorter cycle in order to get better pricing as compared to the present cycle, hence Trade Payables days is expected to reduce relatively to 37 days for FY 2023-24 and 33 days for FY 2024-25

## 2. General Corporate Purpose:

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

## 3. Expenses for the Issue:

The total Issue related expenses are estimated to be approximately ₹ [•] Lakhs. The Issue related expenses include fees payable to the Advisor to issue and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below.

Activity	Estimated Expense (Amt in ₹ lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Advisor to issue	[•]	[•]	[•]
Fees of Registrar to the Issue and other intermediaries	[•]	[•]	[•]
Statutory Fees payable including depositories, regulators and Stock Exchange	[•]	[•]	[•]
Statutory Advertising, Printing and Distribution	[•]	[•]	[•]
Other expenses (including miscellaneous expenses and stamp duty)	[•]	[•]	[•]
<b>Total estimated Issue expenses*</b>	[•]	[•]	[•]

\* Subject to finalization of Basis of Allotment and actual Allotment. Above mentioned fees are excluding Taxes.

*In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

## APPRAISAL OF THE OBJECTS

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

## STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

## BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue as on the date of this Draft Letter of Offer.

## INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks (as included in the second schedule of the Reserve Bank of India Act, 1934) or make any such investment as may be allowed by SEBI from time to time.

## MONITORING OF UTILIZATION OF FUNDS

Our Company shall appoint a monitoring agency prior to the filing of the Draft Letter of Offer in accordance with Regulation 16 of the SEBI ICDR Regulations. Our Board and the monitoring agency for the Issue will monitor the utilization of Net Proceeds and submit its report to our Company in terms of Regulation 16(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) along with relevant details for all the amounts that have not been utilised and will indicate instances, if any, of unutilised Net Proceeds in our balance sheet for the relevant Financial Years post receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Additionally, the Audit Committee shall review the report submitted by the monitoring agency for the Issue and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds from the Objects of the Issue as stated above.

#### **KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE**

The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

#### **VARIATION IN OBJECTS**

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

#### **INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE**

The Promoters of our Company through its letters dated August 25, 2023, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

#### **OTHER CONFIRMATIONS**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Directors or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

## STATEMENT OF TAX BENEFITS

**To,**  
**The Board of Directors**  
La Tim Metal and Industries Limited  
201, Navkar Plaza, Bajaj Road,  
Vile Parle (West), Mumbai- 400056  
Maharashtra, India

### **Certificate from the Chartered Accountant**

1. This certificate is issued in accordance with the terms of our engagement.
2. M/s La Tim Metal and Industries Limited a Company registered under the Companies Act, 1956 is required to submit Chartered Accountant's certificate for certifying tax benefits available to the company in connection with the Rights Issue under the Regulations as amended.

### **Management's Responsibility**

3. The management of the Company is responsible for ensuring the compliances with the applicable policies, notifications, other rules and regulations of the applicable governmental and other statutory laws, and also for the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the extracting of the required information for this certificate.

### **Our Responsibility**

4. Pursuant to this requirement, our responsibility is to provide reasonable assurance in the form of an opinion based on our examination of the books of account and other relevant records produced by the company and in accordance with the information given to us in respect of tax benefits available to the company.
5. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India ("the Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on our examination as above and in accordance with the information and explanations provided to us, we hereby certify that the details mentioned as per the statement of possible tax benefits are true and correct.

**STATEMENT OF POSSIBLE TAX BENEFITS**  
**Statement of possible special tax benefits available to the Company and its Shareholders**

**Subject: Statement of Special tax benefits (“the Statement”) available to La Tim Metal and Industries Limited (“the Company”) and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2018, as amended (“Regulations”)**

Dear Sirs,

1. We, Dhirubhai Shah & Co LLP, hereby confirm the enclosed statement in the Annexure prepared by the Company and initialled by us and the Company for identification purpose (the “**Statement**”), which provides the possible special tax benefits available to the Company, to its shareholders, under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, as amended by the Finance Act 2023, i.e. applicable for the Financial Year 2023- 24 relevant to the Assessment Year 2024-25, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (“**GST Act**”) read with Rules, Circulars, and Notifications, Customs Act, 1962 and the Customs Tariff Act, 1975 and Foreign Trade Policy 2015-2020 (“**FTP**”) as amended by the Finance Act, 2023 and the Finance (No. 2) Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India (collectively the “**Taxation Laws**”) read with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company, its Shareholders; identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, under the tax laws of respective country of tax residence which in our case is India, for inclusion in the Draft Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the “**Issue**”). Several of these benefits are dependent on the Company, its Shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its Shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its Shareholders face in the future, the Company, its Shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (“**SEBI ICDR Regulations**”). While the term ‘special tax benefits’ has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, and the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders do not cover any general tax benefits available to them.



5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. The benefits stated in the enclosed statement (i.e., Annexure – I for possible special tax benefits available to La Tim Metal & Industries Limited and its Shareholders incorporated in India) are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that 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 distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.
7. We do not express any opinion or provide any assurance as to whether:
  - The Company, or the company's shareholders will continue to obtain these benefits in the future; or
  - The conditions prescribed for availing of the benefits have been/would be met with.
  - The revenue authorities/courts will concur with the views expressed herein.
8. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

We hereby consent to the extracts of this certificate being used in the Draft Letter of Offer (“**DLOF**”) to be filed with the Securities and Exchange Board of India (“**SEBI**”), the BSE Limited (“**BSE**”) and together with the and submitted to the SEBI, and the Stock Exchanges with respect to the Offer, and in any other material used in connection with the Offer and on the website of the Company in connection with the Offer.

This certificate is for information and for inclusion, in part or in full, in the offer documents or any other offer-related material, and may be relied upon by the Company. We hereby consent to the submission and disclosure of this certificate as may be necessary to the SEBI, the ROC, the Stock Exchanges and any other regulatory or judicial authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the company, in accordance with applicable law.

#### **Restriction on use**

8. The certificate has been prepared at the request of the Company accordingly we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For, Dhirubhai Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 102511W/W100298

**Anik S Shah**

Partner

Membership No.: 140594

Place: Ahmedabad

Date: 28/08/2023

UDIN:

## Annexure – I

### STATEMENT OF SPECIAL TAX BENEFITS

The information provided below sets out the possible direct and indirect tax benefits (indirect tax benefits solely in relation to the Issue) in the hands of La Tim Metal and Industries Limited (“the Company”) and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon their fulfilling the conditions prescribed under the relevant direct and indirect tax laws. Hence, the ability of the Company and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and the shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. The tax benefits stated below are as per the Income-tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25 and special indirect tax benefits solely in relation to the Issue as per the provisions of the Goods and Services Tax Act, 2017 as amended from time to time and applicable for financial year 2023-24.

#### **A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF COMPANY AND THE SHAREHOLDERS OF THE COMPANY**

##### **1. Direct Tax**

##### **Special tax benefits available to the Company under IT Act**

1. A new section 80M is inserted in the Finance Act, 2020 w.e.f. 1st April 2021, which provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

##### **Special tax benefits available to the shareholders.**

- I. The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.
- II. The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is the resident.
- III. There are no other special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company arising out of the proposed rights issue.
- IV. There are no possible special tax benefits available to the Company under Income-tax Act, 1961 read with the relevant Income Tax Rules, 1962

## **2. Indirect Tax**

### **Special tax benefits available to the Company and its shareholders under GST Act**

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

#### **Note:**

For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST and neither any special tax benefits available to the Company or shareholders under the GST Act other than for the Issue.

#### **Notes:**

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.

- We do not assume responsibility to update the views consequent to such changes.

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

The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

#### **For, Dhirubhai Shah & Co LLP**

Chartered Accountants

Firm Registration No.: 102511W/W100298

#### **Anik S Shah**

Partner

Membership No.: 140594

Place: Ahmedabad

Date: 28/08/2023

UDIN:

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information contained in ‘Industry Overview’ in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Draft Letter of Offer, including the information in the sections **"Risk Factors"** and **"Financial Information"** beginning on pages 22 and 113, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section **'Risk Factors'** beginning on page 22 of this Draft Letter of Offer.*

#### Global Economic Overview

The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia’s invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is projected to fall from an estimated 3.5 % in 2022 to 3.0 % in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 % in 2022 to 6.8 % in 2023 and 5.2 % in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China’s recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthen financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

#### Global Growth Outlook Projection (In %)

	Estimate	Projections	
	2022	2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
United States	2.1	1.8	1.0
Euro Area	3.5	0.9	1.5
Germany	1.8	(0.3)	1.3

France	2.5	0.8	1.3
Italy	3.7	1.1	0.9
Spain	5.5	2.5	2.0
Japan	1.0	1.4	1.0
United Kingdom	4.1	0.4	1.0
Canada	3.4	1.7	1.4
Other Advanced Economies	2.7	2.0	2.3
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.5	5.3	5.0
China	3.0	5.2	4.5
India	7.2	6.1	6.3
Emerging and Developing Europe	0.8	1.8	2.2
Russia	(2.1)	1.5	1.3
Latin America and the Caribbean	3.9	1.9	2.2
Brazil	2.9	2.1	1.2
Mexico	3.0	2.6	1.5
Middle East and Central Asia	5.4	2.5	3.2
Saudi Arabia	8.7	1.9	2.8
Sub-Saharan Africa	3.9	3.5	4.1
Nigeria	3.3	3.2	3.0
South Africa	1.9	0.3	1.7
Memorandum			
Emerging Market and Middle-Income Economies	3.9	3.9	3.9
Low-Income Developing Economies	5.0	4.5	5.2

Source: International Monetary Fund, *World Economic Outlook, July 2023 Update*

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/2023 (starting in April 2022) shown in the 2022 column. India's growth projections are 6.6 percent in 2023 and 5.8 percent in 2024 based on calendar year.

### Forces Shaping the Outlook

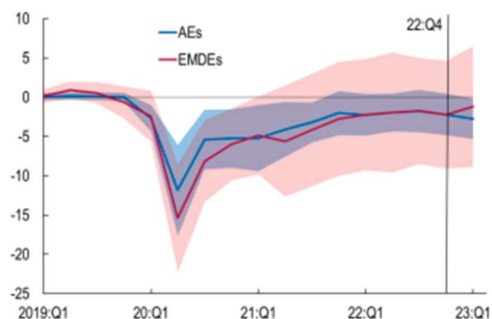
The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine is slowing amid widening divergences among economic sectors and regions.

The World Health Organization (WHO) announced in May that it no longer considers COVID-19 to be a "global health emergency." Supply chains have largely recovered, and shipping costs and suppliers' delivery times are back to pre-pandemic levels. But forces that hindered growth in 2022 persist. Inflation remains high and continues to erode household purchasing power. Policy tightening by central banks in response to inflation has raised the cost of borrowing, constraining economic activity. Immediate concerns about the health of the banking sector have subsided, but high interest rates are filtering through the financial system, and banks in advanced economies have significantly tightened lending standards, curtailing the supply of credit. The impact of higher interest rates extends to public finances, especially in poorer countries grappling with elevated debt costs, constraining room for priority investments. As a result, output losses compared with pre-pandemic forecasts remain large, especially for the world's poorest nations.

Despite these headwinds, global economic activity was resilient in the first quarter of 2023, with that resilience driven mainly by the services sector. The post-pandemic rotation of consumption back toward services is approaching completion in advanced economies (including in tourism dependent economies of southern Europe), and it accelerated in a number of emerging market and developing economies in the first quarter (Figure 1). However, as mobility returns to pre-pandemic levels, the scope for further acceleration appears more limited.

At the same time, non-services sectors, including manufacturing, have shown weakness, and high-frequency indicators for the second quarter point to a broader slowdown in activity. Amid softening consumption of goods, heightened uncertainties regarding the future geo-economic landscape, weak productivity growth, and a more challenging financial environment, firms have scaled back investment in productive capacity. Gross fixed capital formation and industrial production have slowed sharply or contracted in major advanced economies, dragging international trade and manufacturing in emerging markets with them. International trade and indicators of demand and production in manufacturing all point to further weakness. Excess savings built up during the pandemic are declining in advanced economies, especially in the United States, implying a slimmer buffer to protect against shocks, including those to the cost of living and those from more restricted credit availability.

**Figure 1. Value Added in the Services Sector: Distance to Pre-Pandemic Trends**  
(Percent)



Sources: Haver Analytics; and IMF staff calculations.  
Note: The lines denote means and the bands represent one standard deviation around the means. For 18 AEs, the sample comprises AUS, CAN, CHE, CZE, DEU, DNK, ESP, FRA, GBR, ISR, ITA, KOR, NOR, NZL, SGP, SWE, TWN, and USA. For 16 EMDEs, the sample comprises ARG, BRA, CHL, CHN, COL, HUN, IDN, IND, MEX, MYS, PER, PHL, RUS, THA, TUR, and ZAF. Economy list uses International Organization for Standardization (ISO) country codes. AEs = advanced economies; EMDEs = emerging market and developing economies.

**The fight against inflation continues.** Inflation is easing in most countries but remains high, with divergences across economies and inflation measures. Following the build-up of gas inventories in Europe and weaker-than-expected demand in China, energy and food prices have dropped substantially from their 2022 peaks, although food prices remain elevated. Together with the normalization of supply chains, these developments have contributed to a rapid decline in headline inflation in most countries. Core inflation, however, has on average declined more gradually and remains well above most central banks' targets. Its persistence reflects, depending on the particular economy considered, pass-through of past shocks to headline inflation into core inflation, corporate profits remaining high, and tight labor markets with strong wage growth, especially in the context of weak productivity growth that lifts unit labor costs. However, to date, wage-price spirals—wherein prices and wages accelerate together for a sustained period—do not appear to have taken hold in the average advanced economy, and longer-term inflation expectations remain anchored. In response to the persistence of core inflation, major central banks have communicated that they will need to tighten monetary policy further. The Federal Reserve paused rate hikes at its June meeting but signaled further ones ahead, and the Reserve Bank of Australia, Bank of Canada, Bank of England, and European Central Bank have continued to raise rates. At the same time, in some other economies, particularly in East Asia, where mobility curbs during the pandemic restricted demand for services longer than elsewhere, core inflation has remained low. In China, where inflation is well below target, the central bank recently cut policy interest rates. The Bank of Japan has kept interest rates near zero under the quantitative and qualitative monetary easing with yield curve control policy.

**Acute stress in the banking sector has receded, but credit availability is tight.** Thanks to the authorities' swift reaction, the March 2023 banking scare remained contained and limited to problematic regional banks in the United States and Credit Suisse in Switzerland. Accordingly, since the April 2023 WEO, global financial conditions have eased (Box 1), a sign that financial markets may have become less concerned about risks to financial stability coming from the banking sector. But tight monetary policy continues to put some banks under pressure, both directly (through higher costs of funding) and indirectly (by increasing credit risk). Bank lending surveys in the United States and Europe suggest that banks restricted access to credit considerably in the first quarter of 2023, and they are expected to continue to do so in coming months. Corporate loans have been declining lately, as has commercial real estate lending.

**Following a reopening boost, China's recovery is losing steam.** Manufacturing activity and consumption of services in China rebounded at the beginning of the year when Chinese authorities abandoned their strict lockdown policies; net exports contributed strongly to sequential growth in February and March as supply chains normalized and firms swiftly put backlogs of orders into production. Nonetheless, continued weakness in the real estate sector is weighing on investment, foreign demand remains weak, and rising and elevated youth unemployment (at 20.8 percent in May 2023) indicates labor market weakness. High-frequency data through June confirm a softening in momentum into the second quarter of 2023.

### **Growth Slowing, with Shifting Composition**

**Global growth** is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis (Table 1). Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation—which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.

These forecasts are based on a number of assumptions, including those regarding fuel and nonfuel commodity prices and interest rates. Oil prices rose by 39 percent in 2022 and are projected to fall by about 21 percent in 2023, reflecting the slowdown in global economic activity. Assumptions regarding global interest rates have been revised upward, reflecting actual and signaled policy tightening by major central banks since April. The Federal Reserve and Bank of England are now expected to raise rates by more than assumed in the April 2023 WEO—to a peak of about 5.6 percent in the case of the Federal Reserve—before reducing them in 2024. The European Central Bank is assumed to raise its policy rate to a peak of 3¾ percent in 2023 and to ease gradually in 2024. Moreover, with near-term inflation expectations falling, real interest rates are likely to stay up even after nominal rates start to fall.

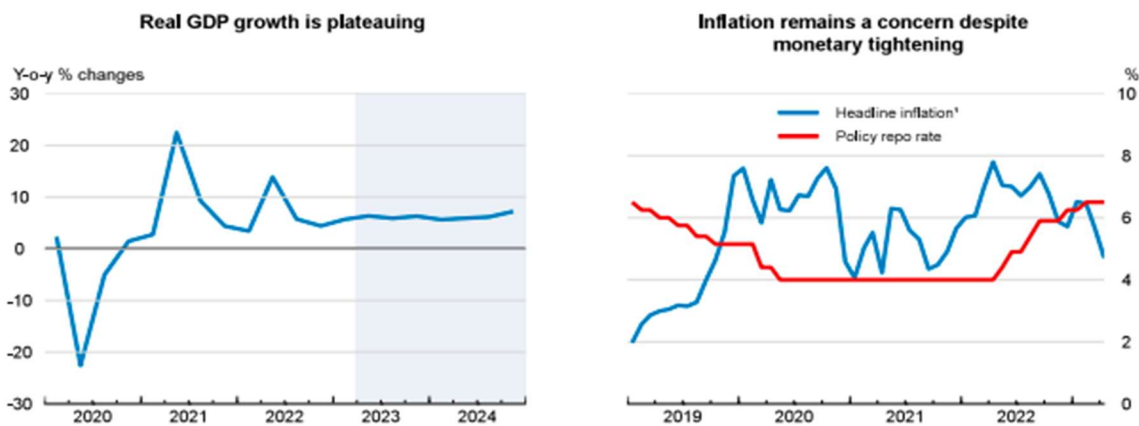
*Source: World Economic Outlook, July 2023 - IMF*



## Indian Economy Overview

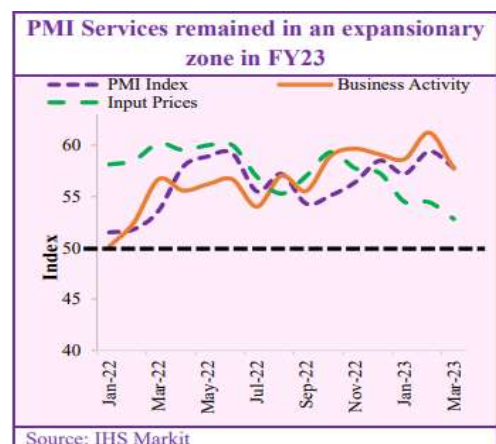
After reaching 7.2% in FY 2022-23, real GDP growth is expected to slow to 6% in FY 2023-24, before rising to 7% in FY 2024-25. While indicators suggest that India’s growth is stable for now, headwinds from the impact of rapid monetary policy tightening in the advanced economies, heightened global uncertainty and the lagged impact of domestic policy tightening will progressively take effect. With slower growth, inflation expectations, housing prices and wages will progressively moderate, helping headline inflation converge towards 4.5%. This will allow interest rates to be lowered from mid-2024. The trade restrictions (including export bans on various rice varieties) imposed in 2022 to fight inflation are assumed to be withdrawn. The current account deficit will narrow, reflecting abating import price pressures.

FY 2022-23 ended on a positive note, due to higher-than-expected agriculture output and strong government spending. However, high inflation, in particular for energy and food, and the ensuing monetary tightening to anchor expectations are weighing on purchasing power and household consumption, particularly in urban areas. Tighter financial market conditions are reflected in weakening credit-supported demand for capital goods, a good proxy for business investment. Although services export growth remains brisk and the sectoral surplus rose by 35%, it is insufficient to offset the imbalance in goods’ trade. Low labour productivity is affecting the competitiveness of “Made in India” goods and participation in global value chains. The current account deficit narrowed in the October-December quarter to 2.2% of GDP, from 2.7% in the same period in FY 2021-22. Headline inflation has fallen below 6% (the central bank’s upper bound of the tolerance band) since March 2023, due to lower food prices, as well as base effects. Employment and wage estimates suggest improving labour market conditions in rural areas, while export-oriented service firms report increasing difficulties filling vacancies.



1. Headline inflation refers to the change in price of all goods in the basket. OECD seasonal adjustment based on monthly consumer price index (index 2012 = 100) from the Ministry of Statistics and Programme Implementation (MOSPI).  
Source: OECD Economic Outlook 113 database; CEIC; and RBI.

Domestic growth prospects are strongly influenced by global developments. India has seized the opportunity of discounted Urals oil, which has increased Russia’s share in its energy imports. The sourcing of fertilisers from Russia has also increased considerably, more than doubling in volume in case of urea. Overall, Indian imports from Russia rose from USD 9.9 billion (1.6% of total imports) in FY 2021-22 to USD 46.2 billion (6.5%) in FY 2022-23. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India’s trade partners witness an economic slowdown. India’s current account deficit (CAD) decreased to US\$ 1.3 billion (0.2 per cent of GDP) in Q4:2022-23 from US\$ 16.8 billion (2.0 per cent of GDP) in Q3:2022-23<sup>1</sup>, and



US\$ 13.4 billion (1.6 per cent of GDP) a year ago [i.e., Q4:2021-22].

The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030. In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).

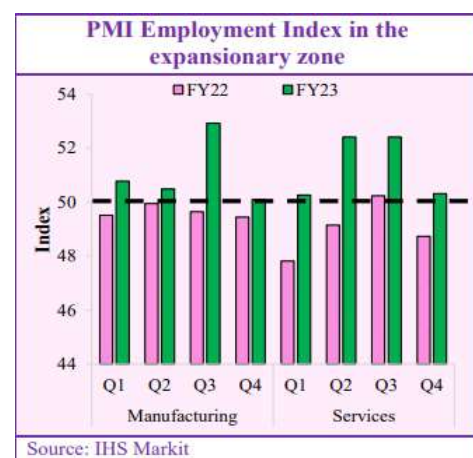
Source – Indian Economic Overview, *IBEF*

The industry sector the world over was adversely impacted during FY23 owing to supply chain disruptions and high raw material costs. Major economies witnessed PMI Manufacturing entering the contractionary zone post-August 2022. However, in the case of India, PMI Manufacturing remained in an expansionary zone throughout the year, supported by new orders and output expansion. Yet the growth in the manufacturing sector’s GVA witnessed a temporary moderation in Q2 and Q3 of FY23 owing to elevated input costs. However, with the decline in input costs, rising demand and increased capacity utilisation, the manufacturing sector’s GVA revived in Q4 of FY23. The growth in the manufacturing sector’s GVA, which constitutes around three-fourths of the industrial Gross Value Added (GVA), led to a rebound in the industrial sector in Q4 of FY23. This was also supported by growth in Q4 of the other major component of the industries, i.e., the construction sector.



The growth in the services sector also remained strong in FY23, largely driven by the contact-intensive services sectors. This sector completely recovered to the pre-pandemic level in FY23, driven by the removal of mobility restrictions, the release of pent-up demand, and near-universal vaccination coverage. PMI Services remained in the expansionary zone throughout the year, supported by improvement in new business intakes, increased orders placed, and flagged price pressures of inputs and raw materials post-October 2022. Trade, Hotels, Transport, Communication and Services related to Broadcasting and Financial Real Estate & Professional Services are major drivers of the growth in this sector.

The ILO, in its World Employment and Social Outlook 2023, has stated that the recovery of global labour markets is not yet complete. This may be particularly true for the advanced economies. In so far as India is concerned, its labour force, as well as the labour force participation rate (LFPR), has risen through the pandemic, broadly in tandem with the pre-pandemic trend. The presence of a large unorganised sector that sustains on daily wages and income overcame the scarring effects of the pandemic to register a continuous increase in Worker Population Ratio (WPR) as well. Consequently, the annual rural-urban combined unemployment rate (UR) declined from 2017-18 to 2021-22 despite a brief period in 2020-21 when the pandemic-induced lockdowns temporarily increased the urban UR. In 2022-23, the urban UR declined in each quarter, reflecting steady growth in employment levels in the country. A declining urban UR has also subsumed growth in employment in the construction sector, as its strong revival has paved the way for rural migrants to find job opportunities in urban areas.



At a broader level of the manufacturing and services sector as well, rising job creation is evident. Growth in new business is seen to be behind job creation, particularly in the manufacturing sub-sectors of electronics, auto and auto ancillary and chemicals and the services sector of insurance, hospitality and banking. In the services sector, particularly, increased public awareness of health insurance products post-pandemic, rising business and leisure travel, and rapid expansion of digital banking services were the major factors contributing to new job creation. Rising employment levels in the formal sector have also been supported by improved education infrastructure and enhanced quality of education, which has increased the employability of the young labour force. According to India Skills Report 2023, the employable percentage of final-year and pre-final-year students increased from 33.9

per cent in 2014 to 50.3 per cent in 2023.

### **The economy will not escape the global slowdown**

While banks' solvency ratios and financial results have improved and the authorities have enhanced loan-loss provisioning and established a 'bad bank', any deterioration of banks' asset quality could threaten macro-financial stability. In the run-up to the 2024 elections, fiscal consolidation may be delayed, and the conclusion of trade agreements may become more difficult. A potentially below-normal monsoon season could also impact growth. Declining geopolitical uncertainty, on the other hand, would boost confidence and benefit all sectors, as would a faster-than-expected conclusion of free-trade agreements with key partners and the incorporation therein of services.

*Source – OECD*

### **Growth Outlook for FY24**

The Indian economy has carried the momentum from FY23 into the current fiscal year. High-frequency indicators paint a healthy picture of the state of the economy. Urban demand conditions remain resilient, with higher growth in auto sales, fuel consumption and UPI transactions. Rural demand is also on its path to recovery with robust growth in two and three wheelers sales. GST collections and Purchasing Managers' Index for the manufacturing and services sector continue to expand. On the global front, the uptick in economic activity during the first quarter of 2023 has continued in the second quarter as well, as evident in the expansion of the global Composite PMI. However, factors that can constrain the pace of growth include escalation of geopolitical stress, enhanced volatility in global financial systems, sharp price correction in global stock markets, high magnitude of El-Nino impact, and modest trade activity and FDI inflows owing to frail global demand. Should these developments deepen and dampen growth in the subsequent quarters, the external sector may challenge India's growth outlook for FY24.

Despite unprecedented global challenges in the last few years coming on top of balance sheet troubles in Indian banking and non-financial corporate sectors, macroeconomic management has been stellar. It contributed significantly to enhancing India's macroeconomic stability and set India on a quicker recovery path than has been the case in other nations. Investments in supply-side infrastructure raise the possibility that India can enjoy sustained economic growth longer than it has been able to in several decades. Strong balance sheets and digital advancements could lead to better credit decisions allowing India's financial cycle to sustain for longer periods before encountering the challenge of bad debts. Thus, India appears poised to sustain its growth in a more durable way than before. Nonetheless, it is no time to rest on laurels nor risk diluting the painstakingly and consciously achieved economic stability. If we are patient, the rising tide will lift all boats as it has begun to.

*Source - DEA*

### **Global Steel Industry**

World crude steel production, as reported by the World Steel Association, has witnessed remarkable changes from 1950 to 2022. The trajectory of production during this period reflects global economic shifts, technological advancements, and the evolution of various industries.

In the mid-20th century, steel production saw steady growth driven by post-World War II reconstruction and the expansion of industries. The 1950s and 1960s marked a period of relatively stable growth, with the developed world being the primary contributor to the increased demand for steel. With 10 year CAGR 6.264% steady production F.Y. 1950 189 MT to F.Y.1960 347 MT worldwide which indeed reflected in growth of global Infrastructure development in Developed Economies.

From 1960s growth for production of Stainless steel a big boost since after Boom in Global Automotive Industries. Although, In 1970s brought challenges such as oil crises and economic recessions that temporarily impacted steel production. However, the late 1960s and 1980s witnessed resurgence due to urbanization, infrastructure projects, and industrialization in newly industrialized countries. During the period of this two decade Steel industry was got a boost of with 20 year CAGR 3.7% Stable production F.Y. 1960 347 MT to F.Y.1980 717 MT worldwide.

The 1990s saw the emergence of Asia, particularly China & India, as a dominant force in steel production. China's rapid economic growth and urbanization fueled an unprecedented demand for steel, leading to a substantial increase in global production. China's steel production grew rapidly from 1990 to 2000. In 1990, China produced

123 MT of steel. By 2000, it had increased to 375 MT. where India Produced 33 MT of Crude Steel, by 2000 it had increased to 172 MT. China's steel production grew at an average annual rate of 14.8%, while India's steel production grew at an average annual rate of 7.2% p.a. alone.

Entering the 21st century, the steel industry faced environmental concerns and the need for sustainable practices. Efforts were made to improve energy efficiency and reduce carbon emissions in steel production processes. Both the Chinese and Indian governments are aware of the environmental impact of the steel industry and are taking steps to reduce it. They are investing in cleaner technologies and promoting energy efficiency. They are also working to improve air quality in steel-producing areas.

The steel industry is a major part of the economies of both China and India and is likely to continue to grow in the coming years. However, the governments of both countries will need to balance the need for economic growth with the need to protect the environment.

China's steel production grew rapidly from 2000 to 2010. In 2000, China produced 375 MT of steel. By 2010, it had increased to 1,075 MT. This represents an average annual growth rate of 11.7% whereas India's steel production also grew rapidly from 2000 to 2010. In 2000, India produced 172 MT of steel. By 2010, it had increased to 535 MT. This represents an average annual growth rate of 8.6%. The period from 2000 to the 2010s witnessed a remarkable transformation in the global steel industry, with China and India emerging as key players in terms of steel production. These two countries experienced significant growth in their steel sectors, driven by a combination of factors including rapid economic development, urbanization, infrastructure projects, and industrialization.

Throughout these decades, there were periods of decline attributed to global economic downturns and crises, such as the 2008 financial crisis, which had a temporary impact on steel production.

Global Steel Output During this period of F.Y. 2000 to 2010 jumped from 850 MT to 1435 MT (1.435 Billion Tons) with 10 year CAGR of 5.37%. Their surging steel output not only satisfied domestic demand but also led to increased exports by major economies like China and India etc, often at competitive prices. This resulted in shifts in global trade dynamics and triggered concerns in other steel-producing nations that faced challenges in competing with the lower-cost production.

Furthermore, the global steel industry faced environmental challenges due to increased emissions and resource consumption associated with the production process. Both China and India took steps to address these concerns by gradually implementing more stringent environmental regulations and advocating for cleaner production methods.

The period from 2010 to the 2020s witnessed further evolution in China and India's steel industries, as well as significant shifts in the global steel production landscape. Economic developments, technological advancements, and environmental concerns played pivotal roles in shaping these trajectories.

**China's Steel Production Evolution:** During this period, China continued to dominate the global steel production landscape, although its growth trajectory experienced changes. The rapid growth that characterized the previous decade started to slow down as China's economy transitioned from an investment-driven model to a consumption-driven one. The government also became more conscious of the environmental impacts of unchecked industrial expansion.

To address overcapacity and environmental issues, China implemented policies aimed at curbing excess steel production, shutting down outdated and inefficient steel plants, and encouraging consolidation within the industry. These measures, combined with a focus on higher-quality steel production, resulted in more sustainable growth.

While the growth rate was lower compared to the previous decade, China's crude steel production still increased during this period. From around 627 MMT (million metric tons) in 2010, it reached approximately 996 MMT (million metric tons) metric tons by 2019, an increase of about 59%. This growth reinforced China's position as the world's leading steel producer, despite the more moderate pace.

## India's Steel Production Ascension:

India's steel industry continued its upward trajectory, with growth rates outpacing those of many other countries. The Indian government's continued focus on infrastructure development, urbanization, and manufacturing led to sustained steel demand.

Between 2010 and 2019, India's crude steel production more than doubled. Starting from around 66 million metric tons in 2010, it surged to approximately 111 MMT (million metric tons) metric tons in 2019, marking a growth rate of about 68%. This growth was supported by investments in modernizing existing steel plants, establishing new facilities, and leveraging technological advancements.

India's proactive measures to attract foreign investments and improve ease of doing business further contributed to its steel industry's growth. The introduction of the National Steel Policy in 2017 aimed at increasing domestic production capacity and encouraging value addition in the steel sector.

The global steel industry underwent significant changes during this period as well from 1.435 BT (Billion Tones) to 1.882 BT (Billion Tones). The rise of China as a dominant player in the previous decade had led to concerns of overcapacity and unfair trade practices. Other steel-producing countries faced challenges in competing with China's lower-cost production and exporting. Trade tensions escalated as countries sought to protect their own industries. This led to discussions about imposing tariffs and addressing issues related to subsidized steel production and exports from certain countries. The global steel market became more complex, with shifts in supply chains and trade patterns.

Environmental considerations gained prominence, with increased emphasis on sustainable production practices. Steelmakers globally started adopting cleaner technologies to reduce emissions and resource consumption. This push for sustainability also influenced the strategies of China and India.

In 2020, the COVID-19 pandemic caused disruptions across industries, including steel production. Lockdowns, supply chain interruptions, and decreased demand resulted in a decline in global steel output.

Despite these challenges, by 2022, world crude steel production reached unprecedented levels. From 1.882 BT (Billion Tones) in 2019 to 1.962 BT (Billion Tones) and finally down to 1.885 BT (Billion Tones) in 2022. The industry had evolved significantly, with a focus on technology, sustainability, and innovation. Steel remained a fundamental material in industries ranging from construction and transportation to manufacturing and energy.

In summary, World Steel Association data showcases how world crude steel production underwent dynamic changes over the years. It reflects economic shifts, technological progress, and the rise of new economic powers. While facing challenges, the industry continued to adapt and thrive, shaping the modern global economy.

Source: *World Steel in Figures, 2023*

## Indian Steel & Iron Industry: Market Size:

The total market size of the Indian steel and iron industry is expected to reach USD 160 billion by 2023. This represents a CAGR of 7.9% from 2022. India's Total Steel & Iron Industry Capacity of production increased from F.Y. 2018 142.236 MTLPA to F.Y. 2022 157.585 MTLPA with CAGR of 2.595% with average capacity utilization of overall industry 76.2%

The Indian steel industry has entered into a new development stage, post de-regulation, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 2nd largest producer of crude steel during last four years (2018-2021), from its 3rd largest status in 2017. The country was also the largest producer of Sponge Iron or DRI in the world and the 2nd largest finished steel consumer in the world after China in 2021 (provisional), based on rankings released by the World Steel Association.

Below table illustrates the production, import, export and consumption of total finished steel (alloy + non-alloy) in the country for the last five years:

Years	Total Finished Steel (Alloy + Non Alloy ) (Million Tones/ MTn)			
	Production	Imports	Exports	Consumption
2018	100.574	7.295	6.692	96.737
2019	104.062	7.44	8.205	102.622
2020	92.231	4.463	10.15	89.331
2021	111.953	5.001	12.799	106.226
2022*	118.714	5.615	7.906	114.894

Source: JPC; \*Provisional, January-December, 2022

India is also a leading producer of Sponge Iron with a host of coal based units located in the mineral-rich States of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 81% of total sponge iron production in the country in 2022. India has been the world's largest sponge iron producer every year since 2003. The table below shows the total production of sponge iron in the country, indicating the break-up of the share of coal and gas-based route of production for the last five years:

Years	Production of Sponge Iron (MT)				
	2018	2019	2020	2021	2022
Coal Based	27.161	30.12	27.519	30.637	33.878
Gas Board	7.052	6.699	6.074	8.402	8.123
Total	34.213	36.819	33.593	39.039	42.001

Source: JPC; \*Provisional, January-December, 2022

India is also an important producer of Pig Iron. With setting up of several units in the private sector during the period of post-liberalization, imports have reduced and India has turned out to be a net exporter of Pig Iron. The private sector accounted for 93% of total production of Pig Iron in the country in 2022. The domestic availability situation of pig iron is given in the table below for the last five years:

Years	Pig Iron Domestic Availability Scenario (MT)				
	2018	2019	2020	2021	2022
Production	6.249	5.983	4.548	5.855	6.283
Import	0.067	0.013	0.007	0.015	0.104
Export	0.335	0.421	0.823	1.407	0.675
Consumption	5.841	5.669	3.735	4.433	5.065

Source: JPC; \*Provisional, January-December, 2022.

### Global ranking of Indian Steel:

World's Crude Steel production stood at 1831.5 MT during January-December 2022, down by 4.3% over CPLY, based on provisional data released by the World Steel Association on 31st January, 2023. During this period, Chinese Crude Steel production reached 1013 MT, a decline of 2.1% over the same period of last year. China remained the largest Crude Steel producer in the world, accounting for 55% of world's Crude Steel production during this period. India was the 2nd largest Crude Steel producer and recorded a growth of 5.5% in production during this period as compared to CPLY. India had a share of around 7% in world's Crude Steel production.

### World Crude Steel Production January-December 2022

Rank	Country	Quantity* (MTn)	% change over the same period of last year
1	China	1018	-2.10
2	India	125.3	5.50
3	Japan	89.2	-7.40
4	USA	80.5	-5.90
5	Russia	71.5	-7.20
6	South Korea	65.8	-6.50
7	Germany	36.8	-8.40
8	Turkey	35.1	-12.90
9	Brazil	34.1	-5.80
10	Iran	30.6	8.00
	Top 10	1581.50	-2.80
	World	1831.5	-4.30

Source: World Steel Association. \*Provisional <https://worldsteel.org/publications/bookshop/> (World Steel in Figures 2023 pdf)

According to the Ministry of Steel, India produced 104.28 million Tons (MT) of crude steel and 98.85 MT of finished steel from January to June 2023. This is a growth of 4.2% and 3.9% respectively over the same period in 2022. The production of crude steel in June 2023 was 18.01 MT, an increase of 2.9% over the previous month. The production of finished steel in June 2023 was 17.32 MT, an increase of 2.6% over the previous month.

The consumption of finished steel in June 2023 was 16.96 MT, an increase of 2.2% over the previous month. The Ministry of Steel has forecast a production of 128.85 MT of crude steel and 123.8 MT of finished steel in 2023-24. This is a growth of 7.5% and 7.2% respectively over the production in 2022-23.

The growth in steel production is being driven by the strong demand from the infrastructure sector, the automobile sector, and the consumer durables sector. The government is also investing in infrastructure projects, which will create further demand for steel.

Source: *Ministry of Steel*

According to Ministry of Statistics and Program Implementation the contribution of the iron and steel industry to the Indian GDP in 2023 is estimated to be around 2%. This is based on the provisional estimates of the Central Statistics Office (CSO). Majority of Steel production are driven by private steel manufactures on an average share of 81.14%.

#### Trends in Production, Private/Public Sector:

The following table highlights the contribution of the private and public sector in Crude Steel production in the country during the last five years:

Indian Crude Steel Production						
	Units	2018	2019	2020	2021	2022*
Public Sector	MTn	21.191	21.014	18.948	22.908	22.102
Private Sector	MTn	88.059	90.33	81.308	95.293	102.618
Total Production	MTn	109.25	111.344	100.256	118.201	124.72
% Share of Public Sector		19.4%	18.9%	18.9%	19.4%	17.7%
% Share of Private Sector		80.6%	81.1%	81.1%	80.6%	82.3%

Source: JPC; \*Provisional, January-December, 2022

### **GOI Initiative:**

#### **National Steel Policy (NSP) 2017**

The National Steel Policy 2017 (NSP 2017) aims to boost the MSME sector, enhance raw material security, promote R&D, cut import reliance, and develop a globally competitive steel industry. This supports self-sufficiency and economic growth. The policy focuses on technology and MSME steel plants for additional capacity and improved productivity.

The Government introduced the NSP 2017 to guide long-term growth in the Indian steel industry by 2030-31. The policy mandates preference for domestically produced iron and steel (DMI&SP) in Government procurement. The policy covers a list of 49 iron and steel products, with higher value addition (20-50%) requirements, making it challenging for imported steel to compete. All Government entities fall under the purview of this policy, covering projects funded by the Government.

The policy applies to projects with iron and steel procurement value exceeding ₹5 Lakh, preventing procurement splitting to bypass its provisions. Exceptions are made for grades not produced domestically or insufficient local supply for project needs.

#### **PM GatiShakti National Master Plan:**

With assistance from Bhaskaracharya Institute for Space Applications and Geo-informatics (BiSAG-N), infrastructure Ministries have added their rail, road, port networks to PM GatiShakti National Portal. Ministry of Steel joined using a BiSAG-N mobile app, uploading 2100+ steel unit geo-locations and iron ore/Manganese mines. This Ministry is adding slurry pipelines, labs, and identifying 22 high-impact projects for multimodal connectivity to bridge infrastructure gaps. These efforts align with PM GatiShakti Master Plan, fostering logistic solutions to support steel sector goals outlined in NSP 2017 by 2030-31.

#### **Production Linked Incentive (PLI) Scheme:**

The Cabinet approved a ₹6,322 crore PLI Scheme for specialty steel production. Five categories of specialty steel are covered, used in applications like white goods, automobiles, pipelines, turbines, etc. Scheme commenced in FY 2023-24, with 57 MoUs finalized out of 67 applications from 30 companies. This will attract ₹29,530 Crore investment, 25 million ton capacity addition, and 70,000 jobs. The PLI Scheme anticipates reaching 42 million tons of specialty steel production by 2026-27, curbing imports and boosting exports.

The National Steel Policy 2017 outlines growth for the Indian steel industry, fostering technological advancement and global competitiveness by 2030-31. The Government also introduced a policy for preference to domestically manufactured iron and steel products in Government procurement, aligning with the 'Make in India' vision.

#### **Digitization of Mines:**

Employing digitization is an important element for optimizing the iron ore mining throughput in the country. Across the world, digital technologies are being leveraged throughout the mining value chain to improve production efficiencies and quality. These technologies improve transparency in the mining industry and can potentially be a game changer in unlocking value for both mining and steel industry. For this, a detailed roadmap has been put in place to kick-start the digitization journey for the iron ore mining sector in the country. The project is being executed in 2 phases with involvement from key Central Public Sector Enterprises. NMDC has already initiated the project for digitizing its Iron Ore mines in Chhattisgarh.

#### **Steel Scrap Recycling Policy:**

The Steel Scrap Recycling Policy (SSRP) was established on November 7, 2019, to foster organized processing and recycling of ferrous scrap, including end-of-life vehicles (ELVs). SSRP's framework enables the creation of metal scrapping centers for safe and environmentally sound dismantling, shredding, and recycling of scrap, reducing pollution and health risks. The Ministry of Steel facilitates this policy, encouraging entrepreneurs to establish scrapping centers, producing shredded scrap as raw material for steel production. This curbs import dependency, enhances resource efficiency, energy savings, and reduces GHG emissions. MSTC Limited, in a joint venture with Mahindra Accelo, set up six Vehicle Scrapping Centers in Greater Noida, Chennai, Pune, Indore, Ahmadabad, and Hyderabad, with plans for more centers in the future.

#### **MSME Payments:**

The status of pending payments to MSMEs by CPSEs of the Steel Ministry is being monitored on weekly basis to ensure that the same is credited timely and well within the 45 days time limit prescribed for such payments.



98% of the payment during April-December of the current fiscal has been made within 30 days. During April-December 2022, Steel CPSEs have made a payment of ₹. 5434.60 Crore to MSMEs which is 61.81% higher than payment of ₹ 3,358.61 crore made during CPLY.

### **Operational Global Industry Overview:**

**In Ocean of Iron & Steel Industry La Tim Metal & Industries Ltd. primarily operates in trading of Color Coated Sheets and Roofing Profile Sheets in India.**

Color coated steel refers to a type of steel that is coated with a layer of paint or polymer to enhance its appearance and protect it from corrosion. This process not only adds aesthetic value to the steel but also extends its lifespan, making it suitable for various applications in construction, automotive, appliances, and other industries.

Over the past few years, the color coated steel market has experienced significant growth due to the rising demands from construction and infrastructure sectors. The increasing trend of using color-coated steel in residential and commercial buildings has been a major driving factor for the market. Additionally, the automotive industry's rapid expansion and the growing popularity of pre-painted steel sheets for manufacturing lightweight and fuel-efficient vehicles have contributed to the market's growth. The Global color Coated Steel market size was valued at USD 28.146 billion in 2021-2022 and is expected to expand at a CAGR of 3.51% during the forecast period, reaching USD 34.62 billion by 2030.

Colored coatings are terms used to describe the application of decorative and/or protective organic coatings on steel substrates supplied in the form of coils. Color coated steel is also known as pre-coated steel. Color coatings are coating coatings that are specialty products that provide long-term protection for steel under a wide range of corrosive conditions, from atmospheric exposure to complete immersion in highly corrosive solutions. The color coating provides little strength to the base steel, but it protects the steel to maintain its strength and integrity.

*Source: Global Color Coated Steel Market, Market watch Report*

### **Growth Drivers:**

**Automotive Industry Demand:** Color-coated steel's protection and performance benefits drive its use in vehicles, fostering demand within the growing automotive sector.

**Cost-effectiveness & Versatility:** Its flexibility allows varied shapes and sizes, offering cost savings and differentiation for manufacturers. Its durability, fire safety, and decorative options make it appealing for diverse applications.

**Regulatory Challenges:** Government tariffs and transportation costs, fueled by rising fuel prices, pose hurdles for the color coated steel market.

**Environmental Focus:** The trend towards eco-friendly products, driven by emissions reduction and soil contamination concerns, boosts demand. Recyclability and sustainability make color coated steel a preferred building material, supported by funding for green engineering projects.

*Source: Color Coated Steel Market Global Industry Analysis, Growth Market Reports*

### **Indian Color Coated Sheets & Roofing Industry Overview:**

The Indian color coated steel & roofing market was established indigenously in the late 1980s. The first color coated steel plant in India was set up by Tata Steel in Jamshedpur in 1987. This was followed by the establishment of plants by other steel companies, such as SAIL, JSW Steel, and Essar Steel.

Color coated steel is a versatile material that can be used for a variety of applications, including roofing, siding, fencing, and balustrades. It is also used in the construction of industrial buildings and infrastructure projects. The Indian color coated steel & roofing market is expected to continue to grow in the coming years. This is due to the increasing demand for durable and aesthetically pleasing roofing materials, as well as the growing investment in infrastructure projects.

The color coated steel market in India has grown rapidly since its inception. In 2022, the estimated market was valued at around \$3.5 billion and is expected to grow to \$6 billion by 2026. The growth of the market is being driven by the increasing demand for roofing materials that are durable, corrosion-resistant, and aesthetically

pleasing.

Source: *Steel Roofing Market, Straits Research*

Here are some of the factors that are driving the growth of the Indian color coated steel & roofing market:

**Infrastructure Investments:** For F.Y. 2023 budget announcement by the Government of India for the Infrastructural Development is truly monumental. A whopping budget of Rs. 10 lakh crore (US\$ 137 billion) has been allocated for infrastructure development in India. This is a remarkable increase of 33% from the previous year's budget. The funds will be utilized to support various infrastructure projects, including roads, Bus-stops, Railways, Airports, Ports, and Power plants. Continued investments in infrastructure projects such as, Metro systems, railway yards and transportation networks drive demand for construction materials, including color-coated steel for roofing and cladding applications.

**Rapid Urbanization and Infrastructure Development:** According to NITI Aayog India has been experiencing rapid urbanization and significant infrastructure development From 2009 to 2021 This has led to increased demand for construction materials, including color-coated steel and roofing products, for residential, commercial, and industrial buildings. In 2009, the urban population of India was 31.1% of the total population. By 2021, this number had increased to 39.9%. This means that the urban population of India has grown by 8.8% in just 12 years, there are a number of factors that have contributed to this rapid urbanization such as improvement are Per Capita GDP, Industrialization, Rural-Urban Migration, Government initiative like Pradhan Mantri Awas Yojana (PMAY).

**Affordable Housing Initiatives:** The Indian government's focus on affordable housing initiatives has led to a surge in demand for cost-effective construction materials, including color-coated steel and roofing solutions. The flagship housing program of the Government of India. It aims to provide affordable housing to all homeless and economically weaker sections of society by 2022. The program has three components: PMAY-Urban, PMAY-Rural, and PMAY-Gramin.

**Growing Construction Industry:** The construction industry in India has been expanding, driven by factors such as real estate development, commercial projects, and industrial expansion. Color-coated steel and roofing products are commonly used in these projects due to their durability, aesthetic appeal, and ease of installation. The Smart Cities Mission is a national urban renewal and retrofitting program by the Government of India with the mission to develop 100 smart cities across the country, making them citizen friendly and sustainable. The Union Ministry of Housing and Urban Affairs are responsible for implementing the mission in collaboration with the state governments of the respective cities.

**Advancements in Manufacturing Technology:** Technological advancements in the manufacturing of color-coated steel and roofing materials have improved the quality and variety of products available in the market. This has attracted consumers looking for durable and aesthetically pleasing roofing solutions. : For ensuring a safe working environment in the Indian steel sector, the Ministry of Steel has formulated 25 safety guidelines in the form of a book viz. "Safety Guidelines for the Iron and Steel Sector". These guidelines pertain to specific activities/ hazards faced by the Indian steel industry (both large and small).

**Focus on Energy Efficiency:** Color-coated steel roofing products often come with reflective coatings that help in maintaining lower indoor temperatures, thereby contributing to energy efficiency in buildings. With an increasing emphasis on sustainability, these products have gained popularity. Detailed discussions on de-carbonization and improvement of resource efficiency in Steel Sector were also held in meetings of Consultative Committees of Parliament on "Transition towards Low Carbon Steel-Green Steel on 6th May, 2022" and "Roadmap for Circular Economy in Steel Sector" on 1st July, 2022". Further, Ministry of Steel hosted a session on the 6th Day of COP 27 event in Sharm-El Sheikh, Egypt on 11th November, 2022 wherein discussion was held on the issues of reducing carbon emissions hinging on technologies such as Green Hydrogen in steel making, Carbon Capture, Storage and Utilization (CCUS), Best Available Technologies on Energy Efficiency as well as transition to Renewable Energy.

**Changing Consumer Preferences:** As the Indian middle class grows and disposable income increases, there's a greater emphasis on aesthetics and design in construction. Color-coated steel and roofing products offer a wide range of colors and profiles, allowing consumers to choose designs that match their preferences.

**Industrial and Commercial Growth:** The growth of industries and commercial establishments has led to the demand for sturdy and reliable roofing materials. Color-coated steel offers excellent protection against weather conditions and can be a preferred choice for warehouses, factories, and commercial buildings.

**Increased Consumer Awareness:** Consumers are becoming more aware of the benefits of using color-coated steel and roofing products, such as their ability to resist corrosion, provide thermal insulation, and offer design versatility. This awareness has contributed to a higher adoption rate.

**Globalization and Trade:** The Indian market has been exposed to global trends and products. This exposure has led to a preference for modern roofing materials that offer enhanced performance and aesthetics, which color-coated steel can provide.

The Indian color coated steel & roofing market is a competitive market. The major players in the market include Tata Steel, SAIL, JSW Steel, Essar Steel, and Arcelor Mittal. These companies are constantly investing in new technologies and capacity expansions in order to maintain their market share.

### **Initiative for Standardized & Quality control of Iron & Steel by GoI:**

Government has been facilitating supply of quality steel for critical end-use applications such as infrastructure, construction, housing and engineering sector. Ministry of Steel is the leading Ministry with maximum coverage of products under the BIS certifications marks scheme. A total of 145 Indian Standards on Steel and Steel products have been covered under Mandatory Quality Control Orders. These orders prohibit, import, sale and distribution of substandard steel products. The imposition of QCO is in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security as stated in the BIS Act, 2016. Through the aforementioned orders, Ministry of Steel has so far covered 99 Carbon Steel, 44 Stainless Steel and Alloy Steel products standards and 2 Ferro Alloys under the mandatory BIS Certification Scheme. Further, to meet the requirement of containers manufacturing, Indian Standard 11587 which was already under the purview of quality control order was revised by BIS by including the Corten Steel and the domestic steel manufacturers were urged to apply for BIS certification for the product. Four domestic manufacturers have already been certified by BIS and domestic manufacturers are ready to supply the desired quality of corten steel required by container manufacturers to reduce the dependency of import of corten steel and make container manufacturing industry Aatmanirbhar. In addition, as per the data of imported steel grades shared with BIS, more than 250 new steel grades have been included in the existing standards and 5 new standards are under preparation. This exercise is facilitating the upgradation of the Indian Steel Standards at par with Global Standards. This exercise is also facilitating indigenization of many of the imported steel grades for import substitution and “Make in India” initiative. QCO notified by Ministry of Steel and also the experience gained from the discussions held with the stakeholders have resulted in several benefits which are highlighted below:

- Strengthening of the Indian Standards and also formulation of new standards by BIS based on the information provided by Ministry of Steel.
- Promote indigenisation of the imported steel grades by bringing in the importers and the domestic steel producers together.
- Preventing unfair trade practices such as misdeclaration and under-invoicing of the imported steel consignments. Based on the information shared by Ministry of Steel, the relevant authorities have imposed measures such as ADD, penalties for misdeclaration, etc.

*Source: Niti Aayog*

### **Indian Real Estate Market:**

#### **Market Size:**

By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 billion in 2021 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

In FY23, India's residential property market witnessed with the value of home sales reaching an all-time high of Rs. 3.47 lakh crore (US\$ 42 billion), marking a robust 48% year-on-year increase. The volume of sales also exhibited a strong growth trajectory, with a 36% rise to 379,095 units sold.

Indian real estate developers operating in the country's major urban centers are poised to achieve a significant feat in 2023, with the completion of approximately 558,000 homes. India's real estate sector saw over 1,700 acres of land deals in top eight cities in the first nine months of FY22. Foreign investments in the commercial real estate sector were at US\$ 10.3 billion from 2017-2021. As of February 2022, Developers expect demand for office spaces in SEZs to shoot up after the replacement of the existing SEZs act.

As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US\$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion to date. The office market in the top eight cities recorded transactions of 22.2 msf from July 2020 to December 2020, whereas new completions were recorded at 17.2 msf in the same period. In terms of share of sectoral occupiers, Information Technology (IT/ITeS) sector dominated with a 41% share in the second half of 2020, followed by BSFI and Manufacturing sectors with 16% each, while Other Services and Co-working sectors recorded 17% and 10%, respectively.

Around 40 million square feet were delivered in India in 2021. It is expected that the country will have a 40% market share in the next 2-3 years. India is expected to deliver 46 million square feet in 2022. According to Savills India, real estate demand for data centers is expected to increase by 15-18 million sq. ft. by 2025. In 2020, the manufacturing sector accounted for 24% of office space leasing at 5.7 million square feet. SMEs and electronic component manufacturers leased the most between Pune, Chennai and Delhi NCR, followed by auto sector leasing in Chennai, Ahmedabad and Pune.

The 3PL, e-commerce and retail segments accounted for 34%, 26% and 9% of office space leases, respectively. Of the total PE investments in real estate in Q4 FY21, the office segment attracted 71% share, followed by retail at 15% and residential and warehousing with 7% each.

In 2022, office absorption in the top seven cities stood at 38.25 million Sq. ft. In the first quarter of 2023 (January-March), net office absorption in the top six cities stood at 8.3 million sq. ft. Fresh real estate launches across India's top seven cities grabbed a 41% share in the first quarter of 2023 (January-March), marking an increase from the 26% recorded in the same period four years ago. Out of approximately 1.14 lakh units sold across the top seven cities in the first quarter of 2023, over 41% were fresh launches.

In the third quarter of 2021 (between July 2021-September 2021), new housing supply stood at ~65,211 units, increased by 228% YoY across the top eight cities compared with ~19,865 units launched in the third quarter of 2020. In 2021-22, the commercial space is expected to record increasing investments. According to the Economic Times Housing Finance Summit, about three houses are built per 1,000 people per year compared with the required construction rate of five houses per 1,000 population. The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

### **Government Initiatives:**

Government of India along with the governments of respective States has taken several initiatives to encourage development in the sector. The Smart City Project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies. Below are some of the other major Government initiatives:

- In the Union Budget 2023-24, the Finance Ministry has announced a commitment of Rs. 79,000 crore (US\$ 9.64 billion) for PM Awas Yojana, which represents a 66% increase compared to the last year.
- In October 2021, the RBI announced to keep benchmark interest rate unchanged at 4%, giving a major boost to the real estate sector in the country. The low home loan interest rates regime is expected to drive the housing demand and increase sales by 35-40% in the festive season in 2021.

- Under Union Budget 2021-22, tax deduction up to Rs. 1.5 lakh (US\$ 2069.89) on interest on housing loan, and tax holiday for affordable housing projects have been extended until the end of fiscal 2021-22.
- The Atmanirbhar Bharat 3.0 package announced by Finance Minister Mrs. Nirmala Sitharaman in November 2020 included income tax relief measures for real estate developers and homebuyers for primary purchase/sale of residential units of value (up to Rs. 2 crore (US\$ 271,450.60) from November 12, 2020 to June 30, 2021).
- In order to revive around 1,600 stalled housing projects across top cities in the country, the Union Cabinet has approved the setting up of Rs. 25,000 crore (US\$ 3.58 billion) alternative investment fund (AIF).
- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of Rs. 10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

### **Road Ahead:**

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform, which will allow all kind of investors to invest in the Indian real estate market. It would create an opportunity worth Rs. 1.25 trillion (US\$ 19.65 billion) in the Indian market in the coming years. Responding to an increasingly well-informed consumer base and bearing in mind the aspect of globalization, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family-owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralized processes to source material and organize manpower and hiring qualified professionals in areas like project management, architecture and engineering.

The residential sector is expected to grow significantly, with the central government aiming to build 20 million affordable houses in urban areas across the country by 2022, under the ambitious Pradhan Mantri Awas Yojana (PMAY) scheme of the Union Ministry of Housing and Urban Affairs. Expected growth in the number of housing units in urban areas will increase the demand for commercial and retail office space.

The current shortage of housing in urban areas is estimated to be ~10 million units. An additional 25 million units of affordable housing are required by 2030 to meet the growth in the country's urban population.

The growing flow of FDI in Indian real estate is encouraging increased transparency. Developers, in order to attract funding, have revamped their accounting and management systems to meet due diligence standards. Indian real estate is expected to attract a substantial amount of FDI in the next two years with US\$ 8 billion capital infusion by FY22.

Source: *Real Estate Industry, IBEF*

## BUSINESS OVERVIEW

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “**Forward-Looking Statements**” on page 17 for a discussion of the risks and uncertainties related to those statements and also the section titled “**Risk Factors**” on page 22 **Financial Information** on page 113 and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 148 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*In this section, a reference to the “Company” means La Tim Metal & Industries Ltd. Unless the context otherwise requires, references to “we”, “us” or “our” refers to La Tim Metal & Industries Ltd.*

*Unless otherwise indicated, financial information included herein are based on our audited Financial Statements included in this Letter of Offer beginning on page 113.*

### Overview

Our Company was originally incorporated as “Drillco Metal Carbides Private Limited” under the provisions of the Companies Act, 1956, vide certificate of incorporation issued on November 28, 1974, by the Registrar of Companies, Mumbai, Maharashtra, (the “RoC”). Thereafter, the name of our Company was changed from “Drillco Metal Carbides Private Limited” to “Drillco Metal Carbides Public Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai, Maharashtra on August 22, 1975. The name of our Company was changed to its present name “La Tim Metal & Industries Limited” and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Mumbai on October 10, 2013. Presently, the Company’s shares are listed with the BSE Limited. The company was originally promoted by Mr. Mahendra Sekhri, K.S Ghotankar, Mr. S.J. Ahmed, Mr. J.P. Vidwans and Mr. J.K Khanna. All except Mr. J.K. Khanna were actively connected with the tungsten carbide industry for over 15 years. In addition, SICOM and WMDC (West Maharashtra Development Corporation) were the co-promoters in the Company. In the year 2010, the Company was acquired by Mr. Rahul Timbadia and his family members and now they are the present promoters of the Company.

Incorporated in 1974, La Tim is a notable player in the manufacturing sector, specializing in the production of pre-painted galvanized iron steel, pre-painted galvalume steel, and pre-painted cold roll sheets. An innovative stride in this journey is the unveiling of a series of designer coated steel coils meticulously crafted at our advanced Colour Coating Plant situated in Umargam, Gujarat, located on a plot covering an area of 12,024 sq. mtr. land.

Acquired in 2008 by our current promoters, Rahul Timbadia and kartik Timbadia, who have been pivotal to the company from its outset, the business has soared to new heights under their astute guidance. Their profound insights and industry expertise have been instrumental in propelling the company's success. With an unwavering commitment, they are determined to leverage their knowledge to further elevate the company's trajectory and usher in even greater achievements.

At La Tim, we take pride in offering a range of products that encompasses a broad spectrum, ensuring a comprehensive solution for diverse customer needs. This commitment is complemented by our streamlined processes that enable swift and efficient delivery to meet customer timelines.

One of the cornerstones of our offerings is the exceptional corrosion resistance embedded within our products. This attribute significantly enhances the longevity and reliability of our products, setting them apart in terms of enduring quality. Our products are meticulously designed to provide a prolonged lifespan, thereby delivering sustained value to our clients.

Recognizing the essence of customer priorities, we acknowledge the pivotal significance of product aesthetics, color diversity, and product longevity. With La Tim, customers experience the triad of pre-painted steel advantages: the visual appeal that adds allure, an extensive color and design palette to choose from, and inherent resilience coupled with corrosion resistance.

Underpinning our diverse product range is an array of coils, each characterized by varying thicknesses and specifications. Our commitment to quality finds its embodiment in the impeccable finish and allure of our color-coated steel coils. A meticulous manufacturing process adheres to rigorous quality controls, ensuring consistency in color, gloss, texture, and impeccable paint adhesion. This is made possible through our state-of-the-art coil coating line, a testament to our dedication to quality excellence.

Our devotion to superior performance extends to rigorous quality testing. La Tim's commitment to quality is exemplified through a meticulous testing regimen for its Colour Coated Coils. The raw materials used in crafting these coils undergo rigorous assessments, including tests for hardness, heat resistance, and flexibility. Beyond these essential benchmarks, a range of comprehensive tests further ensures the durability and performance of our products, spanning chemical resistance, impact strength, MEK solution resistance, salt solution endurance, and more. This meticulous approach underscores our product's versatility, featuring structural integrity without undue weight, a captivating array of colors that endure, high resistance to corrosion, and easy installation coupled with minimal maintenance requirements.

Beyond their conventional roles, La Tim's high-quality colored/pre-painted galvanized/galvalume steel coils find applications in diverse areas. These include roofing, claddings, crimping, warehousing, cold storage, furniture, false ceilings, shutter doors, vehicle bodies, and decorative containers. Moreover, our products serve as essential components in various sectors including automotive fabrication, industrial infrastructure, retail spaces, electrical equipment, construction, and furniture production.

Our production process leverages advanced paint technology. It involves a meticulous sequence, beginning with a cold-rolled steel sheet, followed by Al-Zinc Coating, pre-treatment Chromate Coating, Primer Coating, Top (Finish) Coating, and an optional Guard Film. This ensures not only an appealing finish but also a robust foundation for enduring performance.

La Tim's commitment to innovation is underscored by our introduction of design concepts that encompass wood, marble, stone, and floral patterns. These designs, available in diverse shades and textures, find practical application in ceiling and wall panels, louvers, claddings, fences, gates, and interior as well as exterior facades.

In pursuit of diversification and expansion, LaTim is delighted to introduce a premium addition available through trading: Stone Coated Steel Roofing. This remarkable product seamlessly integrates exceptional durability, corrosion resistance, and affordability to meet market demands. In parallel, we're venturing into trading self-drilling screws, signifying our entry into this promising sector. Our strategically positioned Industrial Park, set to launch Phase I in the latter half of FY24, reinforces our dedication to a dynamic and flourishing future. Both stone coated steel roofing and self-drilling screws contribute to our diversified trading portfolio.

In accordance with the NCLT order dated 4th August 2023, La Tim Sourcing (India) Private Limited has successfully merged with La Tim Metal and Industries Limited. This strategic merger aims to boost operational efficiency, capitalize on economies of scale, optimize cash flow, expand the asset base, unlock growth opportunities, and maximize shareholder value. The consolidation will eliminate inter-corporate dependencies, reduce overheads (administrative, managerial, and other costs), rationalize operations, improve organizational efficiency, and optimize resource utilization by eliminating unnecessary duplications and related expenses.

La Tim Sourcing, with its steel manufacturing facility in Umargam, Gujarat specializes in crafting pre-painted galvanized iron steel, pre-painted galvalume steel, and pre-painted cold roll sheets. Prominent industry leaders, along with other valued partners, supply the essential raw materials for our operations. Branches located in Cochin and Chennai strengthen our presence. To overcome logical constraints, raw material imports are occasionally necessary. Notably, we source thicker gauge steel from local suppliers, while the absence of Galvannealed steel production in India compels us to import these materials from countries such as Korea, Vietnam, Japan, and China.

We consciously abstain from hedging, given the higher associated costs and the variable arrival times of imported goods. This open position strategy aligns with our risk management approach. Our manufacturing process is centralized, equipped with a color-coated line boasting a robust monthly capacity of 90,000 tonnes.

In parallel, La Tim Metal and Industries is actively engaged in trading activities, specializing in products like galvalume steel, galvanized steel, cold-rolled coils, aluminum-zinc alloy-coated steel sheets, and galvanized steel. With a focus on both domestic and international sourcing, the company acquires these materials for subsequent sale in the market. The establishment of La Tim Metal And Industries Limited was motivated by the aspiration to establish itself as a premier metals dealer in India. To overcome logistical challenges at our manufacturing facility, La Tim Metals, imports the same products that are then distributed to our branches in Chennai and Cochin. These raw materials are utilized by La Tim Sourcing for its color coating operations.

This merger encapsulates the synergies of both entities, poised to navigate the market landscape more effectively, capitalize on growth avenues, and strategically enhance value for shareholders.

LaTim's Industrial Park, spanning approximately 1554.9 guntha, will operate as a land parceling venture. It aims to sell subdivided plots to companies seeking strategic proximity to the advantageous location mentioned. Situated for easy access from Mumbai and Pune, the park's location gains further prominence with the recent declaration of Khopoli-Pali road as a National Highway leading to Dighi Port. This model leverages the park's prime positioning to facilitate businesses in establishing a presence within a dynamic industrial hub, fostering growth and collaboration.

For the financial year ending on March 31, 2023, the revenue from operations amounted to Rs. 27,161.85 lakhs, as compared to Rs. 56,827.19 lakhs in the previous year. Total expenses for the same period reached Rs. 28,070.40 lakhs, while they were Rs. 54,643.77 lakhs in the prior year. The EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) stood at Rs. 103.36 lakhs in the current year, a significant decrease from Rs. 2,934.94 lakhs in the previous year. The EBITDA margin was 0.38% for the current year and 5.16% for the previous year. A loss of Rs. 749.93 lakhs was incurred for the year ending March 31, 2023, in contrast to a profit of Rs. 1,798.09 lakhs in the previous year. The PAT (Profit After Tax) margin was -2.76% for the current year and 3.16% for the previous year. The net worth for the year ending March 31, 2023, was Rs. 2,770.70 lakhs, compared to Rs. 3,518.36 lakhs in the previous year.

## **Business Model**

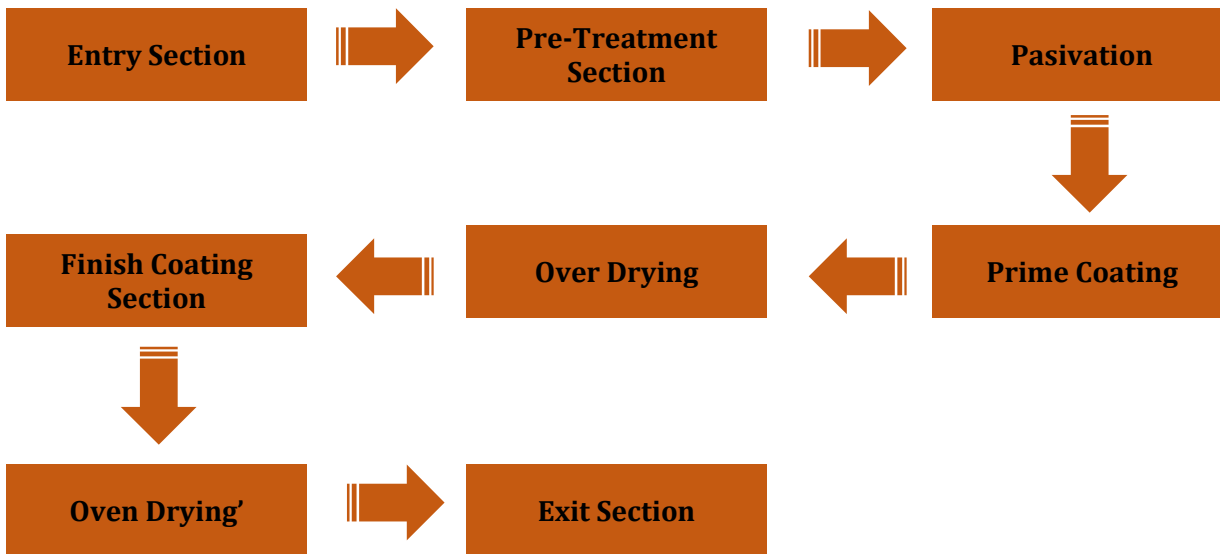
La Tim's business model is centered around meeting client demands effectively. The process initiates with customer orders for tailor-made color-coated sheets. Our procurement strategy involves sourcing raw materials from both domestic and international suppliers to match project requisites and material availability. Adhering to rigorous quality inspections, we ensure the procured materials meet stringent standards.

Upon passing quality evaluations, these raw materials undergo a customized manufacturing procedure. This allows us to deliver products aligned with clients' precise specifications, encompassing thickness, design, and intended usage. Beyond customer orders, we also proactively produce specific items for stock and sale, facilitating quicker deliveries.

Finally, the meticulously manufactured color-coated sheets are carefully packaged and delivered to clients. This comprehensive approach underscores our dedication to quality control, customization, and overall client satisfaction, solidifying La Tim's reputation as a reliable industry provider.



### Flow Diagram of Color Coating Line:



#### Entry Section:

At the entry section of the color coating line, the steel substrate, which serves as the base material for the color-coated sheets, enters the process. This is where the initial stages of surface preparation and cleaning take place to ensure that the substrate is free from impurities and contaminants.

#### Pre-Treatment:

In the pre-treatment stage, the cleaned steel substrate undergoes further preparation. This can involve processes such as degreasing and chemical treatment. These steps are essential to create an optimal surface for coating adhesion and to ensure that the final product's quality is maintained.

#### Passivation:

After pre-treatment, a passivation process may be employed. This involves applying a passivating solution that forms a protective layer on the steel surface. This layer helps to prevent corrosion and enhances the substrate's durability.

#### Prime Coating:

The prime coating step involves applying a layer of primer to the passivated steel surface. The primer coat serves as an intermediary layer between the substrate and the final color coat. It enhances the adhesion of the subsequent layers and provides additional protection against corrosion.

#### Oven Drying (After Prime Coating):

After the application of the primer coat, the sheets are passed through an oven where they are dried and cured. This step ensures that the primer coat adheres well to the substrate and forms a stable foundation for the subsequent layers.

#### Finish Coating:

In the finish coating stage, the color coat is applied to the primed steel surface. This coat not only imparts the desired color and appearance to the sheets but also provides resistance against environmental factors such as UV radiation and weathering.

#### Oven Drying (After Finish Coating):

Similar to the drying process after the prime coating, the sheets are passed through another oven for the finish coating to dry and cure. This step is crucial for achieving consistent paint adhesion, color uniformity, and overall product durability.

**Exit Section:**

The exit section marks the final stage of the color coating line process. Here, the fully coated and dried sheets are inspected for quality and consistency. The exit section prepares the sheets for further processing or packaging before they are ready for distribution or use in various applications.

Overall, the color coating line process involves a series of carefully orchestrated steps to prepare, prime, and coat steel substrates, ultimately producing high-quality color-coated sheets with enhanced durability and aesthetic appeal.

**Product Portfolio:****1. Pre-Painted Galvanized Iron Steel:**

Pre-painted galvanized iron steel seamlessly combines the durability of galvanized iron with a protective painted finish. Engineered for versatility, it is available in a range of designs and thicknesses, making it an ideal choice for roofing and cladding applications. Its corrosion resistance and even appearance ensure lasting performance.

**2. Pre-Painted Galvalume Steel:**

Pre-painted galvalume steel is a fusion of the robustness of galvanized steel and the corrosion resistance of aluminum-zinc alloy. Its pre-painted surface guarantees enduring aesthetics and protection. With an array of design options and thicknesses, it suits various architectural and industrial needs, embodying both strength and style.

**3. Pre-Painted Cold Roll Sheets:**

Pre-painted cold roll sheets, derived from cold-rolled steel, are enhanced with a pre-painted finish for elevated visual appeal and durability. Available in multiple designs and thicknesses, these sheets cater to a diverse range of applications. Striking a balance between quality and appearance, they serve as a reliable solution for varied projects.

**4. Stone Coated Steel Roofing:**

Engineered with a foundation of high-strength alu-zinc coated steel sheet as its substrate material, and fortified by a multi-layer protective structure, stone-coated steel roofing stands as a testament to exceptional durability. This superior resilience, coupled with its varied thickness options and ability to cater to a wide spectrum of applications, solidifies its position as the ultimate roofing solution. As a premier choice in roofing materials, it redefines longevity and performance, making it the optimal choice for discerning projects.

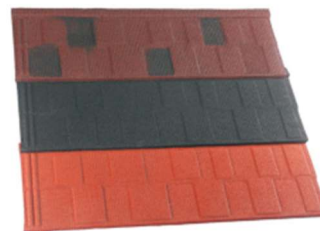
1. Bond Tile



2. Classic Tile



3. Shingle Tile



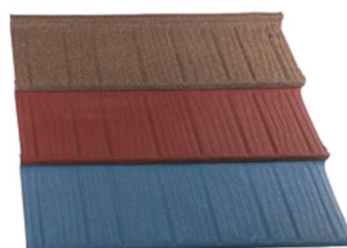
4. Roman Tile



5. Milano Tile



6. Wooden Tile



## 7. Deep Roman Tile



### 5. Self-drilling screws:

The company is introducing self-drilling screws to their product range, designed with integrated drill tips for convenient installation in sectors like construction and metal fabrication. These screws offer particular advantages in roofing and paneling applications, which align with the company's existing business focus. Available in different sizes and threads, they provide effective solutions for tasks such as securing metal panels and assembling components, underscoring the company's dedication to enhancing customer satisfaction and operational efficiency.

### 6. Design-coated steel roofing:

Design Coated Steel Roofing, is an inventive roofing solution that incorporates the durability of our established roofing sheets, while introducing captivating design patterns. This product offers corrosion resistance and artistic expression, providing architects and homeowners with an appealing and versatile roofing option to enhance architectural projects. Its application extends to both external and internal roof ceilings, making it a versatile choice for various design needs.



## INFRASTRUCTURE

Our manufacturing facility is situated at Industrial Plot No 270, 271, GIDC, Umbergaon, Valsad, Gujarat, 396171, India and is spread over an area of 8,693 sq. ft. Our manufacturing facility is equipped with all necessary machineries, equipment's and tools. Our key machinery and equipment are as stated below:

S. No.	Name of Equipment	Make	Quantity	Capacity
1	Alkali Tank	Jing Xiaon Machinery	1	NA
2	Belt Wrapper	Jing Xiaon Machinery	1	NA
3	Bridle	Jing Xiaon Machinery	6	NA
4	Chemical Coater	Jing Xiaon Machinery	1	NA
5	Chemical Dryer	Jing Xiaon Machinery	1	NA
6	Coater Crane	Deepak Enterprise	1	02 MT
7	Coil Car	Jing Xiaon Machinery	2	12 & 10 MT
8	Cold Rinse	Jing Xiaon Machinery	1	NA
9	Common Deflector Roll	Jing Xiaon Machinery	1	NA
10	Debarring Roll	Jing Xiaon Machinery	2	NA

11	Deflector Roll	Jing Xiaon Machinery	9	NA
12	Entry Accumulator	Jing Xiaon Machinery	1	NA
13	Entry Crane	Krane Mfg Co.	1	12.5 MT
14	Entry Shear Machine	Jing Xiaon Machinery	1	NA
15	Exit Accumulator	Jing Xiaon Machinery	1	NA
16	Exit Crane	Krane Mfg Co.	1	12.5MT
17	Exit Shear Machine	Jing Xiaon Machinery	1	NA
18	Finish Coater	Jing Xiaon Machinery	3	NA
19	Finish Oven	Jing Xiaon Machinery	1	NA
20	Finish Quench Tank	Jing Xiaon Machinery	1	NA
21	Guard File Roll	Jing Xiaon Machinery	1	NA
22	Hot Air Dryer	Jing Xiaon Machinery	1	NA
23	Hot Rinse	Jing Xiaon Machinery	2	NA
24	Idle Rolls	Jing Xiaon Machinery	1	NA
25	Pinch Roll	Jing Xiaon Machinery	2	NA
26	Prime Oven	Jing Xiaon Machinery	1	NA
27	Prime Quench Tank	Jing Xiaon Machinery	1	NA
28	Primer Coater	Jing Xiaon Machinery	1	NA
29	Printer Coater	Jing Xiaon Machinery	1	NA
30	Recoiler	Jing Xiaon Machinery	1	10 MT
31	Squeeze Roll	Jing Xiaon Machinery	4	NA
32	Steering Unit	Jing Xiaon Machinery	2	NA
33	Stitcher Machine	Jing Xiaon Machinery	1	NA
34	Threading Table	Jing Xiaon Machinery	1	NA
35	Uncoiler	Jing Xiaon Machinery	1	12 MT
36	Varnish Coater	Jing Xiaon Machinery	1	NA

## RAW MATERIALS

Our manufacturing process is underpinned by a range of raw materials, including galvalume steel, galvanized steel, cold-rolled coils, aluminum-zinc alloy-coated steel sheets, and galvanized steel. Additionally, we employ a variety of paint system primers, such as epoxy, PU polyester/universal top coat regular modified polyester, to ensure optimal product quality. These materials are carefully sourced from a diverse array of both domestic and international vendors and suppliers.

Our approach to third-party manufacturing is flexible and responsive. We do not engage in long-term contracts but instead source from different vendors based on specific requirements and purchase order basis. Quality assurance is paramount in our operations. Prior to initiating the process of color coating on steel coils, our quality control team meticulously subjects the raw materials to standard quality control tests. This rigorous testing ensures that only materials meeting our strict quality criteria proceed to the production phase, thereby safeguarding the excellence of our end products. We believe we are among the lowest in terms of rejections in the industry.

Our procurement process remains aligned with the outlined approach, where raw materials are procured and stored in accordance with production planning, inventory management, and dispatch schedules. This approach optimizes working capital utilization and ensures a steady supply chain.

Our relationships with suppliers are built on long-standing foundations. We have nurtured enduring partnerships with a multitude of suppliers, both domestically and internationally. This network of relationships mitigates dependence on a single source, contributing to the stability and reliability of our supply chain.

## UTILITIES:

### Water

The present water requirement at our factory is around 3800-4000 kl per month which is being catered through the local water supply division of Umargam notified area authority.

### Power

We have a sanctioned load of 500 KVAH from Dakshin Gujarat Vij Co. Limited at our factory premises at Umargam (Gujarat), which is sufficient to meet our power requirements. Our manufacturing processes require uninterrupted supply of power in order to ensure that we are able to manufacture our products in time. To meet power failure exigencies, our color baking chambers which is our key manufacturing process is operated through backup Diesel Generating set based process to ensure uninterrupted supply. We source approximately 16,000-18,000 SCM of CNG monthly from Gujarat Gas Limited at our Umargam factory. This reliably fulfills our power needs.

### Effluent Treatment

Our manufacturing process does not generate any major effluent. However, our Company is approved to use the CETP facility available in the location where our manufacturing facility is situated.

### Capacity Utilization

Set forth below are the details of the installed and utilized capacity at our manufacturing units for Fiscal 2023, Fiscal 2022 and Fiscal 2021.

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Installed Capacity (MT)	90,000	90,000	90,000
Capacity Utilization	21,746	55,648	55,376
Capacity Utilization (%)	24.2%	61.8%	61.5%

## OUR COMPETITIVE STRENGTHS

### Versatile Solutions for Diverse Industries

"La Tim Steel" stands as a versatile solution provider, offering an extensive spectrum of color-coated steel products. With optimal product life, exceptional corrosion resistance, and aesthetically appealing colors, our offerings align seamlessly with the diverse needs of industries. This comprehensive range ensures longer-lasting and more efficient processes while empowering customers to define their desired aesthetic within operations.

### Innovation-Driven Sustainability

At "La Tim Steel," our commitment to superior technology and innovation mirrors in product quality and environmental responsibility. We strive to stay at the forefront of technological advancements, ensuring customers receive high-quality, efficient, and environment friendly solutions. Our steel's recyclable materials and reduced carbon footprint enhance industrial longevity and contribute to a more sustainable future.

### Experienced Promoters and Management Expertise

Promoters Rahul Timbadia and Kartik M. Timbadia have extensive experience in the color-coated steel coil industry. Their educational backgrounds, technical expertise, leadership acumen, and marketing skills drive Quality, Marketing, Purchase, and Imports Exports. Through their diligence, the company has cemented its stature in the Indian steel coil industry.

### Well-Known Brand Image and Reputation

The brand "La Tim Metals" symbolizes quality in the Indian steel coil industry. Our unwavering commitment to transparency, superior products, and competitive pricing positions us ahead of competitors. Our product range gains recognition and acceptance in diverse regional markets.

### Leveraging Strategic Location

Seizing opportunities in South India's robust steel market, we capitalize on proximity to key plants. Utilizing imported goods and coastal transportation drives a successful approach. With India's economic expansion and steel's role in growth, partners and investors are invited to join us in propelling exponential growth fueled by dynamic strategies.

### **Agile Delivery, Quality Assurance & Niche Customization**

Our strategic emphasis on swift delivery, niche customization, and stringent quality assurance endows us with a competitive edge. We promptly meet customer demands with agility, ensure impeccable quality through rigorous testing, and offer tailored solutions for diverse market segments, forming a distinct and powerful advantage.

## **OUR STRATEGIES**

### **Enhanced Focus on Efficiency, cost and return on capital**

Our ongoing commitment revolves around enhancing operational efficiency, cost reduction, and optimizing capital deployment. This approach aims to amplify capital returns while maintaining a sustainable growth trajectory. Through tech-enabled demand planning, replenishment, and seasonal management, we're set to boost sales, minimize inventory markdowns, and streamline costs. By focusing on cash generation, we're strategically rationalizing customer segments and channels with extended payment cycles, fostering profitability and improving capital efficiency.

### **Strategic Differentiation for Brand Excellence**

The company is strategically cultivating a unique approach to brand development, spanning complementary and forward-integrated product lines, such as stone-coated roofing, self-drilling screws, and design-coated steel. This approach is synergistically aligned with our existing product offerings. Positioned as a competitive strategy, our brand-building and differentiation efforts are poised to evolve into a formidable competitive advantage. A pivotal aspect of this strategy involves establishing a network of channel partners dedicated to brand proliferation.

### **Leveraging Marketing Expertise and Strengthening Relationships**

We actively expand our customer network through strategic marketing efforts, capitalizing on our expertise in understanding customer preferences and behaviors. This proficiency has been instrumental in fostering customer loyalty. By consistently enhancing our product mix and proactively responding to evolving client expectations, we solidify our customer relationships. We are dedicated to augmenting our marketing team with industry-specialized professionals, reinforcing our domestic and international strategies.

### **Commitment to Quality Assurance**

Our company is steadfast in upholding stringent quality standards for our products. We recognize the dual significance of product quality from both customer and regulatory standpoints. Regular product quality assessments, coupled with swift corrective measures, underscore our commitment to maintaining high standards. Delivering the desired caliber of products enhances customer confidence, paving the way for enduring trust and sustained customer relationships.

## **EXPORT AND EXPORT OBLIGATIONS**

Our company (including the merging of its subsidiary) has an obligation under Zero Duty EPCG Scheme to export goods worth approx. US\$ 906,727.50 i.e. 6 times of the duty saved on import of Capital Goods within a period of 6 years from August, 2017. In regards of the same, we have already grabbed an order for special designer steel in wooden pattern from Europe's leading importer of steel based in Macedonia, near Greece. We were able to grab the order against stiff competition from China and South Korea. We are very hopeful to fulfil its export obligation and also have export orders of more than US\$ three million in the next 5 to 6 quarters.

## **INSURANCE POLICIES OF THE COMPANY**

We have taken sufficient insurance to cover different risks which we believe is sufficient to cover all material risks to our operations and revenue. Our operations are subject to hazards inherent to the safe keeping of a physical inventory, such as risks relating to work accidents, fire, earthquake, burglary and transit. This includes hazards

that may cause injury and loss of life, damage and destruction of property and equipment. In addition, we maintain workmen's compensation policies.

Sr. No.	Policy Number	Insurance Co.	Policy Tenure	Insurance Amount (₹ In Lakhs)	Premium Amount (₹ In Lakhs)
1.	11170011230100000002	The New India Assurance Co. Ltd	April 27, 2023 to April 26, 2024	5,750.00, excluding additional cover of Earthquake 5,750 Lakhs	4.96
2.	11170021220200000040	The New India Assurance Co. Ltd	May 9, 2023 to May 8, 2024	10,000.00	5.9
3.	172201/48/2024/597	The Oriental Insurance Company Ltd.	July 25, 2023 to July 24, 2024	-	0.49

## OUR IMMOVABLE PROPERTIES

The following are the details of owned and lease hold properties:

### A) Owned Land

Sr. No.	Particulars of the Property	Usage
1	154 Gunthas of land in Hedvali Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
2	146 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
3	81 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
4	81 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
5	251.9 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
6	68 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
7	112 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
8	392 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
9	251 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels
10	172 Gunthas of land in Ashre Village, Taluka-Sudhagad, District Raigad, Maharashtra	Vacant land parcels

### B) Leasehold Property

We own and rent certain properties for our operations and offices. The brief details of some of the material properties owned/rented by our Company are set out below:

Sr. No.	Details of the Property	Rights	Date of Sale Deed/Agreement & Period of lease	Purpose Used	Consideration/ Lease Rental/ License Fees (₹)
1	Industrial Plot No 270, 271, GIDC, Umbergaon, Valsad, Gujarat, 396171	Leased	Lease agreement dated March 16, 2022 to April 15, 2027	Industrial/Commercial Purpose	₹ 8,52,138 per month (plus GST applicable @ 18%)
2	1st Floor, 11 / 49, Seaport Airport Road, Ernakulam, Ernakulam, Kerala, 682309	Leased	Lease agreement dated December 01, 2022 for a period extending upto 11 months	Commercial purpose	₹ 3600/- per month

In addition to the mentioned immovable properties, the company possesses multiple warehouses strategically located in the northern and southern belts. These warehouses are utilized on a conditional basis to accommodate fluctuations in demand effectively.

## COMPETITION

Our Industry is diversified including both large established players and small unorganized players. We have to compete with organized as well as unorganized sector on the basis of availability of product, product quality, product range and services. Further, there are relatively high entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. We face competition from big conglomerate also.

Our Company believes in maintaining quality of finished products and therefore create a distinguishing factor in the industry. Our Company is focusing on maintaining the quality of our final products to sustain the competition.

## HEALTH AND SAFETY

We prioritize compliance with health, safety regulations, and operational standards, underpinned by our environment, energy, and occupational health policy. This policy ensures adherence to legal mandates, licenses, certifications, and the well-being of our workforce. Our safety measures encompass guidelines for offices, warehouses, accident reporting, safety gear, and workspace cleanliness. Additionally, we offer workman compensation to factory workers and provide employees with accidental and medical claim facilities, reflecting our commitment to their comprehensive safety and protection.

## HUMAN RESOURCES

We believe that our employees are key contributors to our business success. As on August 25, 2023, we have 62 permanent employees excluding our Directors, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Following is a department wise employee break-up:-

Sr. No.	Category	No. of People
1	Managing Director	1
2	Whole-Time Director	1
3	Vice-President	1
4	Company Secretary & Compliance Officer	1
5	Chief Financial Officer	1
6	Accounts & Finance	6



7	HR & Admin	13
8	Production and Quality Assurance	17
9	Maintenance (Mechanical, Electronic and Electric)	23
10	Marketing	2
	Total	66

## CORPORATE SOCIAL RESPONSIBILITY


Our Corporate Social Responsibility (“CSR”) policy defines the framework for implementing CSR activities in compliance with Section 135 of the Companies Act, 2013 and rules framed thereunder. The CSR committee has been constituted as per the applicable Act. We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. In furtherance of the same, we endeavor to undertake CSR activities such as, basic education, rural development, basic health, early childhood care and education by supplementing the effort of Government and suitably identifying the critical gaps and addressing it squarely.

## RISK MANAGEMENT

Effective risk management, in our opinion, is critical to the success of our business. As a result, we've put in place the essential technology, people, and processes to monitor, evaluate, and manage the main risks we face in our business, which include market, credit, and liquidity risks, as well as operational, legal, and reputational risks. Inadequate risk management can have serious effects for both businesses and individuals.

## INTELLECTUAL PROPERTY RIGHTS

Our Company owns/applied for the following Intellectual property rights under its name:

Sr. No	Trademark	Class	Applicant Name	Application no. and Date	Status
1.	 LATIM	6	La Tim Metal and Industries Ltd.	6051127 August 3, 2023	Pending for approval
2.	LATIM – Copyright	-	La Tim Metal and Industries Ltd.	126113 August 3, 2023	Pending for approval

## REGULATIONS AND POLICIES

*The following is an overview of the important sector specific laws and regulations which are relevant to our business in India, which are applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information and is neither designed nor intended to be a substitute for professional legal advice.*

*Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For information on regulatory approvals obtained by us, please see section titled **“Government and Other Approvals”** on page 161.*

*The statements below are based on the current provisions of Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions.*

*Our Company is engaged in the business of a stock broker, mutual fund distributor, depository participant and a research analyst. Our Company’s primary business is in relation to the securities markets and the activities related to securities markets are regulated by SEBI and primarily governed by the provisions under the SCRA, SEBI Act, Depositories Act and the rules and regulations promulgated thereunder. In light of this, the important regulations governing our Company are detailed below:*

### INDUSTRIAL LAWS

#### ***Industrial (Development and Regulation) Act, 1951***

The Industrial (Development and Regulation) Act, 1951 has been Liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from Licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from Licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

#### ***Approvals from Local Authorities***

Setting up of a Factory or Manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Municipal and Local Panchayat(s) within the city limits and outside the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

#### ***Foreign Trade (Development and Regulation) Act, 1992***

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This Legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

## **WORKS AND LABOUR LAWS**

### ***Factories Act, 1948***

Factories Act, 1948 is a social Legislation which has been enacted to regulate the occupational safety, health and welfare of workers at work places. This Legislation is being enforced by the Government through officers appointed under the Act i.e. Inspectors of Factories, Deputy Chief Inspectors of Factories who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner.

### ***Payment of Wages Act, 1936 (“Wages Act”)***

The payment of Wages Act, 1936 is a central legislation which applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than ` 18,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

### ***Minimum Wages Act, 1948 (“Minimum Wages Act”)***

The Minimum Wages Act, 1948 was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult.

### ***Employees (Provident Fund and Miscellaneous Provisions) Act, 1952***

The Act is applicable to factories employing more than 20 employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. All the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. Also, in accordance with the provisions of the Act, the employers are required to contribute to the Employees' Provident Fund, the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. A monthly return is required to be submitted to the commissioner in addition to the maintenance of registers by the employers.

### ***Employees State Insurance Act, 1948, as amended (the “ESIC Act”)***

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### ***Payment of Gratuity Act, 1972***

A terminal Lump sum benefit paid to a worker when he or she Leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity. The Payment of Gratuity Act extends to the whole of India and is applicable to all factories, mines, oilfields, plantations, ports, railway companies and any establishments where 10 or more persons were employed on any day of the preceding 12 months and every Shop and Establishment of that State, in which 10 or more persons are employed, or were employed on any day in the preceding 12 months. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity -payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual Return in the prescribed form to be submitted by the employer within 30 days of payment of the bonus, to the Inspector appointed under the Act.

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

The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. 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 layoff 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.

### ***Trade Union Act, 1926***

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

### ***The Workmen Compensation Act, 1923***

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused due to accidents arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation if personal injury, disablement either partial or total or loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation in accordance with the provisions of WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### ***Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA Act")***

In respect of each of its facilities, the Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, the Company is regulated by the provisions of the CLRA Act which requires the Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act requires the principal employer of an establishment to which the CLRA Act applies to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these

facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

### ***The Industrial Employment (Standing Order) Act, 1946***

Under the Industrial Employment Standing Orders Act, 1946 every establishment employing more than 50 employees is required to formulate rules and regulations for its employees and the same should be submitted for approval to the Deputy Labour Commissioner

### ***The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976***

The Equal Remuneration Act provides for payment of equal remuneration to men and women workers, for the same work and prevents discrimination on the grounds of sex against women in the matter of employment, recruitment and for matters connected therewith or incidental thereto.

### ***Child Labour (Prohibition and Regulation) Act, 1986***

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. The Act applies to all establishments and workshops wherein any industrial process is carried on, but does not apply to any factory to which Section 67 (Employment of Child Labour) of the Factories Act, 1948 applies.

### ***Apprentices Act, 1961, as amended (the "Apprentices Act")***

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

### ***Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013***

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWPPR Act") aims to provide women protection against sexual harassment at the workplace and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines 'sexual harassment' to include any unwelcome acts or a sexually determined behavior (inter alia whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an 'internal complaints committee' at each office or branch, of an organization employing at least 10 employees. Factors like mental trauma, medical expenses, loss in the career opportunity and income shall be considered while determining compensation. The duties of the employer and the district officer are provided in the SHWPPR Act.

## **ENVIRONMENTAL LAWS**

### ***Environment (Protection) Act, 1986***

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers for environmental protection, regulation of discharge of environmental pollutants etc. The purpose of the Act is to act as an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under previous laws, such as

Water Act & Air Act. It includes water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, microorganisms and property.

#### ***Air (Prevention and Control of Pollution) Act 1981 ("Air Act")***

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the Limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in the state.

#### ***Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding pollution control Boards in the state.

#### ***Water (Prevention and Control of Pollution) Cess Act, 1977***

The Water Cess Act is a Legislation which provides for the Levy and collection of a Cess on Local authorities and industries based on the consumption of water by such Local authorities and industries so as to enable implementation of the Water Act by the regulatory agencies concerned.

#### ***Public Liability Insurance Act, 1991***

The Public Liability Insurance Act, 1991, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of —hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation.

#### ***The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")***

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **CORPORATE LAWS**

#### ***The Companies Act, 2013 and applicable provisions of Companies Act, 1956***

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in the year 2013. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Several provisions of the Companies Act, 2013 viz, compromise, arrangements and amalgamations, prevention of oppression and mismanagement, revival and re-habilitation of Sick Companies, winding-up, functioning of NCLT and others are yet to be notified. Accordingly, the provisions of Companies Act, 1956 for matters falling under un-notified sections of Companies Act, 2013, shall be governed by the existing provisions of Companies Act, 1956, until repealed as a result of notification of corresponding provisions of Companies Act, 2013.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance, and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Laws relating to sale of goods**

The Sale of Goods Act, 1930 (the "Sale of Goods Act") governs contracts relating to sale of goods in India. The Contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSME Act")**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015, specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title, or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

### **The Registration Act, 1908**

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

## **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 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax and Minimum Alternative Tax and like are also required to be complied by every Company.

### **Goods and Service Tax (GST)**

Goods and Service Tax (GST): Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels: Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise—goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

### **Custom Act, 1962**

Customs Act, 1962 and Customs Tariff Act, 1975 are the two appendages of Customs Law in India that must be perused with rules and guidelines. The standard creation power is assigned to the Central Government while the guideline making power designated to the Central Board of Excise and Customs (CBEC). There are various standards and guidelines endorsed every once in a while, to convey the goal of the Act. Custom Duty is an aberrant assessment, forced under the Customs Act defined in 1962. The ability to establish the law is given under the Constitution of India under Article 265, which expresses that —no charge will be imposed or gathered aside from by power of law.

## **PROPERTY RELATED LAWS:**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to the Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

In addition, regulations relating to classification of land may be applicable. Usually, land is broadly classified under one or more categories such as residential, commercial, or agricultural. Land classified under a specified category is permitted to be used only for such specified purpose. Where the land is originally classified as agricultural land, in order to use the land for any other purpose the classification of the land is required to be converted into commercial or industrial purpose, by making an application to the relevant municipal or town and country planning authorities. In addition, some State Governments have imposed various restrictions, which vary from state to state, on the transfer of property within such states. Land use planning and its regulation including the formulation of regulations for building construction, form a vital part of the urban planning process. Various enactments, rules and regulations have been made by the Central Government, concerned State Governments and other authorized agencies and bodies such as the Ministry of Urban Development, state land development and/or planning boards, local municipal or village authorities, which deal with the acquisition, ownership, possession,



development, zoning, planning of land and real estate. Each state and city has its own set of laws, which govern planned development and rules for construction (such as floor area ratio or floor space index limits). The various authorities that govern building activities in states are the town and country planning department, municipal corporations, and the urban arts commission.

**Other regulations:**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

Our Articles of Association provide that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 6 (Six) directors on its Board, 1 (One) acting as Managing director, 4 (Four) directors acting in the capacity of being a non-Executive director, 3(Three) of them are Independent Director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations.

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

Name, Designation, Address, Occupation, Term, Nationality, Date Of Birth And Din	Age	Other Directorships
<b>KARTIK MAGANLAL TIMBADIA</b> <b>Designation:</b> Chairman <b>DIN:</b> 00473057 <b>Date of Birth:</b> 24/11/1952 <b>Occupation:</b> Business <b>Address:</b> 901/902, Kalpana, 69-A, 11th Road, Opp. Ramkrishna Mission, Khar (West), Mumbai Maharashtra- 400052 <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> 10.05.2010 <b>Re-appointment as Managing Director &amp; Chairman:</b> <b>Tenure:</b> 3 Years from the date of Appointment	70	<ul style="list-style-type: none"><li>• La-Tim Life Style And Resorts Limited</li><li>• La Tim Sourcing (India) Private Limited</li><li>• Saj Hotels Private Limited</li></ul>

<p><b>RAHUL MAGANLAL TIMBADIA</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>DIN:</b> 00691457</p> <p><b>Date of Birth:</b> 19/10/1950</p> <p><b>Occupation :</b> Business</p> <p><b>Address:</b> 601, Crystal Apartment, Plot No.31, Vallabh Nagar Society, N.S. Road No.3, Juhu Scheme, Vileparle (West), Mumbai, Maharashtra -400056</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> 10.05.2010</p> <p><b>Re-appointment as Independent Director:</b> NA</p> <p><b>Tenure:</b> 5 years from the date appointment</p>	72	<ul style="list-style-type: none"> <li>• La Tim Sourcing (India) Private Limited</li> <li>• La-Tim Life Style And Resorts Limited</li> <li>• My Own Rooms Dot In Private Limited</li> <li>• Saj Hotels Private Limited</li> <li>• Sanctuary Design And Development Private Limited</li> <li>• La Proviso Infra Developers LLP</li> <li>• Coast To Coast Hospitality And Lifestyle LLP</li> <li>• Ira Latim Farms LLP</li> </ul>
<p><b>RAMESH KHANNA</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>DIN:</b> 00692373</p> <p><b>Date of Birth:</b> 11/01/1941</p> <p><b>Occupation :</b> Business</p> <p><b>Address:</b> FLAT NO.2, SHREE TRIMURTI CO-OP HSG. SOC. 17TH ROAD, KHAR (W), MUMBAI, Maharashtra – 400052</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> 13.05.2006</p> <p><b>Re-appointment as Independent Director:</b> NA <b>Tenure:</b> 5 years from the date appointment</p>	82	<ul style="list-style-type: none"> <li>• Mahad Eco Agrotech Private Limited</li> <li>• Pankhudi Chemicals Private Limited</li> <li>• Sand Rock Properties Private Limited</li> <li>• Sand Rock Developers Private Limited</li> <li>• Shalga Impex P.Ltd.</li> <li>• Jalaram Hotels Private Limited</li> <li>• Film Waves Combine Private Limited</li> <li>• S K India Fashion Boutique LLP</li> </ul>

Name, Designation, Address, Occupation, Term, Nationality, Date Of Birth And Din	Age	Other Directorships
<p><b>RAVI KUMAR KISHAN CHAND SETH</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>DIN: 02427404</b></p> <p><b>Date of Birth:</b> 22/07/1952</p> <p><b>Occupation :</b> Business</p> <p><b>Address:</b> 25, MOONCRAFT APTS, 278 OFF CARTER ROAD, BANDRA WEST, MUMBAI, Maharashtra-400050</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> 12.08.2022</p> <p><b>Re-appointment as Independent Director:</b> NA</p> <p><b>Tenure:</b> 5 years from the date appointment</p>	71	<ul style="list-style-type: none"> <li>Maplle Infraprojects Limited</li> </ul>
<p><b>SANDEEP NARESH OHRI</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>DIN:</b> 06559345</p> <p><b>Date of Birth:</b> 07/06/1966</p> <p><b>Occupation :</b> Business</p> <p><b>Address:</b> A-74 TIRUPATI TOWERS, THAKUR COMPLEX, ABOVE HOTEL AMBIENCE, KANDIVALI EAST, MUMBAI, Maharashtra-400101</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> 28.06.2021</p> <p><b>Tenure:</b> 5 years from the date appointment</p>	57	<ul style="list-style-type: none"> <li>April Broadcast Private Limited</li> </ul>

Name, Designation, Address, Occupation, Term, Nationality, Date Of Birth And Din	Age	Other Directorships
<p><b>RAGINI KAMAL CHOKSHI</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>DIN:</b> 06743306</p> <p><b>Date of Birth:</b> 29/04/1953</p> <p><b>Occupation :</b> Business</p> <p><b>Address:</b> 101, B Wing, Bafna Apt., Mogul lane, Near Magnet Mall, Mumbai, Maharashtra- 400016</p> <p><b>Nationality:</b> Indian</p> <p><b>Original Date of Appointment:</b> 09.11.2020</p>	70	<ul style="list-style-type: none"> <li>• Ajcon Global Services Ltd</li> <li>• Udayshivakumar Infra Limited</li> <li>• ANS Corporate Consultancy LLP</li> </ul>

#### BRIEF DETAILS OF OUR DIRECTORS

- **MR. KARTIK TIMBADIA**

Mr. Kartik Timbadia, aged 71 years, is a Commerce graduate. He has started his career as a Steel supplier, Stockiest & Import of Steel from 1971 to 1995. He looks after the Import of Steel as well as purchase of Agricultural land for the farm house development. In 1997, he commenced hospitality business by way of setting up Saj Resorts– A fine hospitality hotel in Mahabaleshwar and Malshej Ghat, one of the preferred Resorts in that area as on today. At present he is also holding directorship in following companies:

- i) La Tim Life Style & Resorts Ltd
- ii) Saj Hotels Private Limited
- iii) La Tim Sourcing (India) Private Limited

- **MR. RAHUL TIMBADIA**

Mr. Rahul Timbadia, aged 72 years, is a Science Graduate from Jai Hind College. He is also diploma holder in “Entomology” through BNHS. He is a Chairman of La-Tim Life Style and Resorts Limited. It is only because of his unparalleled commitment to work and the Company – La-Tim Life Style and Resorts Limited has become a name to reckon with in the Real Estate Industry. He is active in Rotary and has reached to the highest post in the district. He was district Governor of the district 3140 when Rotary completed its 100 years.

On account of his active association as a director of Bombay Iron Merchant association for 10 years he has developed deep insights and knowledge in this Industry. He plans to make use of this knowledge acquired and use the same in developing La Tim Metals & Industries to similar heights in the same manner he has grown the other companies in which he has played pivotal roles.

At present he is also holding directorship in following companies:

- i) La-Tim Life Style and Resorts Limited
- ii) La Tim Sourcing (India) Private Limited
- iii) Sanctuary Design and Development Private Limited
- iv) Saj Hotels Private Limited
- v) My Own Rooms Dot In Private Limited

And Designated Partner in La Proviso Infra Developers LLP and IRA Latim Farm LLP.

- **MR. RAMESH KHANNA**

Mr. Ramesh Khanna aged 80 years is a Chartered Accountant by qualification. He is the Non – Executive Director of the Company. Currently he holds the position of Directorship in following Companies:-

- i) Film Waves Combine Private Limited
- ii) Jalaram Hotels Private Limited.
- iii) Sand Rock Properties Private Limited
- iv) Sand Rock Developers Private Limited
- v) Mahad Eco Agrotech Private Limited

- **MRS. RAGINI CHOKSHI**

Mrs. Ragini Chokshi is a founder partner of the firm “Ragini Chokshi & Co.” and associated with many listed and unlisted Companies. She is a practicing Company Secretary in Mumbai since more than three decade & having Specialization in Corporate laws, Listing, Merger & Amalgamation, Managerial Remuneration, Organization Restructuring, conversion of Balance sheet & Profit & loss a/c into XBRL & Corporate legal counseling to Companies & appearance before Company Law Board, Regional Director, Ministry of Corporate Affairs, SAT, SEBI, RBI.

Currently she holds the position of Directorship in following Companies: -

- i. Ajcon Global Services Limited
- ii. Udayshivakumar Infra Limited

- **MR. SANDEEP N OHRI**

Mr. Sandeep Ohri is a Certified Independent Director, Business Strategist and Business Development professional with a career spanning 30+ years, half of it in Sales, Marketing & Business Development and the other half as an Entrepreneur.

He has sold products, services & solutions across many domains: Enterprise IT, Broadcast Video, Defense, Homeland Security, Packaging, eSecurity, Internet Services, Office Equipment, Social Media, Live Events, Mobile apps and Cold Chain Solutions, and handled national & international business, running into 100s of crores of Rupees. Also he has handled a multitude of functional roles: Sales, Marketing, Digital Marketing, Business Development, Operations, Accounts, Finance, Production & HR. Worked in a variety of organizations: Family Business, own Start-up, a Private Limited Company, an IndoFrench Joint-Venture & a listed Public Company, leading teams from 4 to 400.

Currently he holds the position of Directorship in following Companies:-

- i. April Broadcast Private Limited

- **MR. RAVI KUMAR SETH**

Mr. Ravi Kumar Seth is a Certified Independent Director and Qualified Chartered Accountant. He has 47 years of experience, as Practicing Chartered Accountant and Interacting with entrepreneurs from the various fields. He has a sound knowledge of finance, companies act, tax laws and has handled a large number of audits.

He has vast knowledge of taxation, financial and Corporate Strategy. Currently he holds the position of Directorship in following Companies:-

1. Maplle Infraprojects Limited

\*Appointed w.e.f 12<sup>th</sup> August, 2022

#### PAST DIRECTORSHIPS IN SUSPENDED COMPANIES

Further, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

#### CONFIRMATIONS

None of our Directors is or was a director of any listed company during the 5 years preceding the date of filing of this Letter of Offer, whose shares were or have been suspended from being traded on any stock exchange, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company during the 5 years preceding the date of filing of this Letter of Offer, whose shares were or have been delisted from any stock exchange, during the term of their directorship in such company.

None of our Directors have been debarred or 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. None of our Directors, have been identified as Wilful Defaulters or Fraudulent Borrowers.

None of our Directors are declared as Fugitive Economic Offenders.

#### Corporate Governance

The provisions of the SEBI Listing Regulations, SEBI ICDR Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the Companies Act and the SEBI Listing Regulations in respect of corporate governance including constitution of our Board and committees thereof. Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act.

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee; and
4. Corporate Social Responsibility Committee

Details of each of these committees are as follows:

#### Audit Committee

The Audit Committee of our Board was last re-constituted by a resolution of our Board at their meeting held on June 28, 2021. The constitution of the Audit Committee is as follows:

Sr.no	Name of the Director	Designation	Position in the committee
1	Sandeep Naresh Ohri	Independent Director	Chairperson
2	Ragini Kamal Chokshi	Independent Director	Member
3	Ramesh Khanna	Non-Executive Director	Member

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

- A. **Powers of Audit Committee:** The Audit Committee shall have powers, including the following:
- To investigate any activity within its terms of reference;
  - To seek information from any employee;
  - To obtain outside legal or other professional advice; and
  - To secure attendance of outsiders with relevant expertise, if it considers necessary.
- B. **Role of Audit Committee:** The role of the Audit Committee shall include the following:
- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
  - recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
  - approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  - reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
    - matters required to be included in the director's responsibility statement to be included in the board report
  - items of Section 134(3)(c) of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
  - reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the / notice and the report submitted by the monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;



- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience, and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was last re-constituted by a resolution of our Board at their meeting held on June 28, 2021. The constitution of the Nomination and Remuneration Committee is as follows:

Sr.no	Name of the Director	Designation	Position in the committee
1	Sandeep Naresh Ohri	Independent Director	Chairperson
2	Ragini Kamal Chokshi	Independent Director	Member
3	Ramesh Khanna	Non-Executive Director	Member

### ***Role of the Nomination and Remuneration Committee***

The scope, functions, and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Set forth below are the role of our Nomination and Remuneration Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- The Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance].
- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

As required under Regulation 19 of the SEBI (LODR) Regulations, the Nomination and Remuneration Committee shall meet at least once in a year. The quorum for a meeting shall be either two members present, or one-third of the members of the, whichever is greater, provided that there should be a minimum of one independent directors present.

### **Stakeholders' Relationship Committee**

As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders, and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non- executive director and such other members as may be

decided by the Board

Our Stakeholders' Relationship Committee was last re-constituted by a resolution of our Board at their meeting held on June 28, 2021. The Stakeholders' Relationship Committee comprises of:

Sr.no	Name of the Director	Designation	Position in the committee
1	Sandeep Naresh Ohri	Independent Director	Chairperson
2	Ragini Kamal Chokshi	Independent Director	Member
3	Rahul Maganlal Timbadia	Managing Director	Member

### Terms of Reference for the Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

- a. To resolve grievances of shareholders including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- b. To review measures taken for effective exercise of voting rights by shareholders;
- c. To review adherence to the service standards in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d. To review various measures and initiatives taken by the Company for improving shareholders' services such as to reduce quantum of unclaimed dividends, to ensure timely receipt of dividend warrants / annual report / statutory notices by the shareholders of the Company; and
- e. To approve allotment of shares on exercise of stock options by employees under ESOP Scheme(s), subject to completion of all necessary formalities under the applicable provisions of the Companies Act, 2013, rules and regulations, as amended from time to time.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee constitution is not applicable to the our company as per the companies act 2013

### Our Key Managerial Personnel

In addition to our Executive Director namely, Kartik Maganlal Timbadia, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our other Key Managerial Personnel as on the date of filing of this Letter of Offer:

1. Sandip Khushalchand Timbadia, Chief Financial Officer; and
2. Shruti Kuldeep Shukla, Company Secretary.

**Sandip Khushalchand Timbadia** is the Chief Financial Officer of our Company. He joined our Company on May 30, 2019. He is an associate member of the ICAI and Master of Business Administration. Prior to joining our Company, he was associated with Galaxy Plastics Private Limited. he has an experience of over 30 years

**Shruti Kuldeep Shukla** is the Company Secretary of our Company. She joined our Company on August 22, 2021. She is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Group of Patanjali group companies. She has an experience of over 6 years in corporate secretarial Compliances.

## OUR PROMOTER

### 1. Mr. Kartik Timbadia

Mr. Kartik Timbadia, aged 71 years, is a Commerce graduate. He has started his career as a Steel supplier, Stockiest & Import of Steel from 1971 to 1995. He looks after the Import of Steel as well as purchase of Agricultural land for the farm house development. In 1997, he commenced hospitality business by way of setting up Saj Resorts– A fine hospitality hotel in Mahabaleshwar and Malshej Ghat, one of the preferred Resorts in that area as on today. At present he is also holding directorship in following companies:

- i) La Tim Life Style & Resorts Ltd
- ii) Saj Hotels Private Limited
- iii) La Tim Sourcing (India) Private Limited

### 2. Mr. Rahul Timbadia

Mr. Rahul Timbadia, aged 72 years, is a Science Graduate from Jai Hind College. He is also diploma holder in “Entomology” through BNHS. He is a Chairman of La-Tim Life Style and Resorts Limited. It is only because of his unparalleled commitment to work and the Company – La-Tim Life Style and Resorts Limited has become a name to reckon with in the Real Estate Industry. He is active in Rotary and has reached to the highest post in the district. He was district Governor of the district 3140 when Rotary completed its 100 years.

On account of his active association as a director of Bombay Iron Merchant association for 10 years he has developed deep insights and knowledge in this Industry. He plans to make use of this knowledge acquired and use the same in developing La Tim Metals & Industries to similar heights in the same manner he has grown the other companies in which he has played pivotal roles.

At present he is also holding directorship in following companies:

- i) La-Tim Life Style and Resorts Limited
- ii) La Tim Sourcing (India) Private Limited
- iii) Sanctuary Design and Development Private Limited
- iv) Saj Hotels Private Limited
- v) My Own Rooms Dot In Private Limited

And Designated Partner in La Proviso Infra Developers LLP and IRA Latim Farm LLP.

### 3. Mrs. Jalpa Tambadia

Mrs. Jalpa Tambadia, aged 39 years looks, SHE IS BA and diploma in baking, she engaged in hospitality industries since last 15 years. She is expert in marketing and hospitality services. She is very much keen in the development and growth of the our group company.

### 4. Mr Karna Tambadia

Mr. Karna Timbadia, aged 41 years, have done Diploma in Hotel Management. He started his career in Hospitality Management. He is important hand in the development of Saj Hotels Private Limited. In his supervision Saj Hotels open a new Hotel in Pench in the name and style of Saj in the Forest. At present, he is holding position of Director or Designated Partner in the following Companies and LLP:

- i) Saj Hotels Private Limited
- ii) La Tim Sourcing (India) Private Limited
- iii) Latim Realty Llp
- iv) Ira Latim Farms Llp
- v) Coast To Coast Hospitality And Lifestyle Llp

## **5. Mr Parth Rahul Tambadia**

Mr. Parth Timbadia, aged 43 years, having a degree of Bachelor of Business Administration. He is engaged in the business of Hospitality and Real Estate. He is partner in a Limited Liability Partnership which engaged in the development of Agricultural land and Farm House. At present, he is holding position of Director or Designated Partner in the following Companies and LLP:

- i) La-Tim Life Style And Resorts Limited
- ii) La Tim Sourcing (India) Private Limited
- iii) Sanctuary Design And Development Private Limited
- iv) Perhaps Food Private Limited
- v) Idyllic Lifestyle Llp
- vi) Latim Realty Llp
- vii) La Proviso Infra Developers Llp
- viii) Ira Latim Farms Llp

## **6. Mrs. Almitra Chandrachud**

Mrs Almitra Chandrachud aged 41 years is lawyer by profession. She is practicing lawyer and she has rich experience more than 15 years in legal filed. Currently associated with 2 Companies and is director with Perhaps Food Private Limited, Saj Hotels Private Limited. She has vast knowledge about the laws and continuously guiding the companies on the legal matters.

## **7. Amita Rahul Timbadia**

Mrs. Amita Rahul Tambadia, she has bachelor of administration, she is the active member of IWCBA area charitable trust and closely associated with other NGO, she is active social worker

## **8. Mrs Radhika Rahul Timbadia**

Mrs. Radhika Timbadia, she is the owner of Bengaluru bookstore and café Champaca, 2020 was a year of reinvention and reimagination. Nestled in a quiet lane off one of Bengaluru's busiest streets, Champaca came to life in 2019 with a dream of making diverse books more accessible.

## **9. Mrs Suchita Kartik Timbadia**

Mrs. Suchita Timbadia she has bachelor in art, engaged in the Arts activities. She has having experience more than 15 years art filed and continuing contributing towards growth of company.

## **10.LA TIM LIFESTYLE & RESORTS LTD**

Latim Lifestyle & Resorts Ltd is associated with latim Metals & Industries Limited from very long time. It initiated land trading and real estate development from Panvel and its surrounding areas. Currently, La Tim has a land bank in excess of 1000 acres spread out along the Khopoli Pali Road (State Highway 92), which is approximately 90 kms from Mumbai and 95 kms from Pune. Latim Lifestyles provides support to the business and bring new projects for the company.

As on date of Draft letter of offer, Shareholding of Promoters and Promoter Group

Sr. No.	Name	No. Of Shares	Percentage (%)
1	Jalpa Karna Timbadia	6722010	7.61
2	Karna Kartik Timbadia	6640000	7.52
3	Parth Rahul Timbadia	8228750	9.32
4	Almitra Ballal Chandrachud	8457140	9.58
5	Rahul Maganlal Timbadia	7522500	8.52
6	Suchita Kartik Timbadia	4006200	4.54
7	Amita Rahul Timbadia	4000000	4.53
8	Radhika Rahul Timbadia	4000000	4.53
9	Kartik Maganlal Timbadia	5402100	6.12
10	La Tim Lifestyle & Resorts Ltd	157853	0.18
	Total	5,51,36,553	62.43

As on date of this Letter of Offer, our Promoter holds 5,51,36,553 Equity Shares, representing 62.43% of the pre- Issue subscribed and paid-up Equity Share capital of our Company.

### Confirmations

1. Our Promoter has not been declared as a Wilful Defaulter or a Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or is currently pending against it.
2. Our Promoter has not been declared as a Fugitive Economic been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoter has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been a promoter, director, or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Save and except as disclosed in '*Outstanding Litigations and other Material Developments-Litigation involving our Promoter*' there are no litigation or legal action pending or taken by any ministry, department of Government or statutory authority during the last 5 years preceding the date of the Issue against our Promoter.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, capital expenditure, profitable growth, cash flow and liquidity position, accumulated reserves, earnings stability, etc. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

The amount paid as dividends in the past is not necessarily indicative of our dividend distribution policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "***Risk Factors—Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***" on page 22 of this Draft Letter of Offer



**SECTION VII – FINANCIAL INFORMATION**

**AUDITED FINANCIAL STATEMENT**

*(The remainder of this page has intentionally been left blank)*



## INDEPENDENT AUDITOR'S REPORT

To,  
**The Members of La Tim Metal & Industries Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **La Tim Metal & Industries Limited** (hereinafter referred to as the "Holding Company") and its Subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2023, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs (consolidated financial position) of the Group as at 31<sup>st</sup> March, 2023, the consolidated loss (consolidated financial performance including consolidated other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than Financial Statements and Auditor's Report Thereon

The Holding Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholders' Information, but does not include the consolidated financial statements, and our auditor's report thereon.

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



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

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

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and the consolidated cash flows of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with the relevant Rules issued thereunder and other accounting principles generally accepted in India. The respective Management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Management and the Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are also responsible for overseeing the financial reporting process of each entity.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the entity has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of the management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors, regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group covered under the Act, are disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group’s internal financial controls with reference to consolidated financial statements.
- (g) With respect to the matter to be included in the Auditor’s Report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and according to information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary, to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31<sup>st</sup> March, 2023 on the consolidated financial position of the Group as detailed in Note No. 32 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - iv. (a) The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate)



have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiary from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Holding Company has not declared or paid any dividend during the year covered by our audit.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

(2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (“CARO”) issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies included in the consolidated financial statements.

**For, Dhirubhai Shah & Co LLP**

Chartered Accountants  
(FRN: 102511W/W100298)

Anik  
Sulaxbhai  
Shah

Digitally signed by  
Anik Sulaxbhai Shah  
Date: 2023.05.29  
15:17:59 +05'30'



**Anik Shah**

Partner

(Membership No: 140594)

ICAI UDIN: 23140594BGWFUB2537

Place: Ahmedabad

Date: May 29, 2023

## **ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of **La Tim Metal & Industries Limited** of even date for the year ended March 31, 2023)

### **Report on the Internal Financial Controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the consolidated financial statements of **La Tim Metal & Industries Limited** ("the Group") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to the consolidated financial statements of the Holding Company and its Subsidiary Company, as aforesaid.

#### **Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements**

A Group's internal financial controls with reference to the consolidated financial statements is a process designed



to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial controls with reference to the consolidated financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations give to us, the Group has, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal control with reference to the consolidated financial statements established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **For, Dhirubhai Shah & Co LLP**

Chartered Accountants  
(FRN: 102511W/W100298)

Anik  
Sulaxbhai  
Shah

Digitally signed by  
Anik Sulaxbhai Shah  
Date: 2023.05.29  
15:26:17 +05'30'



### **Anik Shah**

Partner

(Membership No: 140594)

ICAI UDIN: 23140594BGWFUB2537

Place: Ahmedabad

Date: May 29, 2023



	Note No.	As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	1,503.86	1,613.90
(b) Right-of-use assets	4	423.57	-
(c) Intangible Assets	4	0.61	1.20
(d) Financial Assets			
(i) Investments	5	111.78	111.79
(ii) Others	6	132.80	117.26
		<u>2,172.62</u>	<u>1,844.15</u>
<b>CURRENT ASSETS</b>			
(a) Inventories	7	6,160.51	10,255.40
(b) Financial Assets			
(i) Investments	8	46.43	57.98
(ii) Trade Receivables	9	1,542.93	2,334.35
(iii) Cash and Cash Equivalents	10	97.45	173.97
(iv) Bank balances other than above (iii)	11	217.20	416.36
(v) Others	12	22.17	24.21
(c) Other Current Assets	13	750.12	816.88
		<u>8,836.81</u>	<u>14,079.15</u>
<b>TOTAL ASSETS</b>		<u>11,009.43</u>	<u>15,923.30</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	14	883.14	883.14
(b) Other Equity	15	1,887.56	2,635.22
		<u>2,770.70</u>	<u>3,518.36</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	16	3,429.44	1,341.74
(ii) Lease Liabilities	17	348.05	-
(b) Provisions	18	17.03	14.83
(c) Deferred Tax Liabilities (Net)	19	73.21	56.48
		<u>3,867.73</u>	<u>1,413.05</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1,224.46	2,690.36
(ii) Lease Liabilities	22	104.57	-
(iii) Trade Payables			
Due to micro and small enterprises	21	48.13	60.72
Due to other than micro and small enterpri	21	2,830.72	7,348.19
(iv) Other Financial Liabilities	22	94.89	633.49
(b) Provisions	23	1.59	4.76
(c) Current Tax Liabilities	24	-	129.55
(d) Other Current Liabilities	25	66.64	124.83
		<u>4,371.00</u>	<u>10,991.89</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>11,009.43</u>	<u>15,923.30</u>

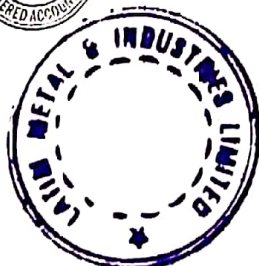
The accompanying notes 1 to 47 are an integral part of the Consolidated Financial Statements

"As per our report of even date attached"

For DHIRUBHAI SHAH & CO LLP  
Chartered Accountants  
Firm Registration Number: 102511W/W100298

Anik Sulaxbhai Shah  
Digitally signed by Anik Sulaxbhai Shah  
Date: 2023.05.29 13:38:51 +05'30'

Anik S Shah  
Partner  
Membership Number: 140594



Place: Ahmedabad  
Date: 29/05/2023

For & On Behalf Of The Board Of Directors

Kartik M. Timbadia  
Chairman  
DIN No. 00473057

VK Timbadia  
Sandip Timbadia  
Chief Financial Officer

Rahul M. Timbadia  
Managing Director  
DIN No. 00691457

Shruti Shukla  
Company Secretary

Place: Mumbai  
Date: 29/05/2023

LA TIM METAL & INDUSTRIES LIMITED

CIN:L99999MH1974PLC017951

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. in Lakhs except per equity share data)

	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
<b>INCOME</b>			
Revenue from operations	26	27,161.85	56,827.19
Other income	27	170.52	148.38
<b>TOTAL INCOME</b>		<b>27,332.37</b>	<b>56,975.57</b>
<b>EXPENSES</b>			
Costs of material consumed	28	12,704.90	47,056.84
Purchase of Stock-in-trade	29	9,614.75	10,230.30
Changes in inventories of Finished Goods & Stock-in-Trade	30	3,651.04	(5,087.87)
Employee benefits expense	31	401.56	385.17
Finance Costs	32	597.90	398.23
Depreciation and amortization expenses	33	243.50	204.90
Other expenses	34	856.75	1,456.20
<b>TOTAL EXPENSES</b>		<b>28,070.40</b>	<b>54,643.77</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(738.03)</b>	<b>2,331.80</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>(738.03)</b>	<b>2,331.80</b>
Tax items			
Current Tax Provision		-	563.04
Earlier Year Provisions		(4.83)	-
Deferred tax (asset) / liability		16.73	(29.61)
<b>Total tax items</b>		<b>11.90</b>	<b>533.43</b>
<b>Profit/(Loss) for the year</b>		<b>(749.93)</b>	<b>1,798.37</b>
Other Comprehensive Income for the year			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		2.28	(0.28)
<b>Other Comprehensive Income for the year</b>		<b>2.28</b>	<b>(0.28)</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>(747.65)</b>	<b>1,798.09</b>
<b>Profit for the year attributable to :</b>			
- Owners of the Company		(749.93)	1,798.09
- Non-Controlling Interests		-	-
<b>Other Comprehensive Income for the year attributable to :</b>			
- Owners of the Company		2.28	(0.28)
- Non-Controlling Interests		-	-
<b>Total Comprehensive Income for the year attributable to :</b>			
- Owners of the Company		(747.65)	1,798.09
- Non-Controlling Interests		-	-
		<b>(747.65)</b>	<b>1,798.09</b>
<b>Earnings Per Equity Share (Basic)</b>	35	<b>(0.85)</b>	<b>2.04</b>
<b>Earnings Per Equity Share (Diluted)</b>		<b>(0.85)</b>	<b>2.04</b>

The accompanying notes 1 to 47 are an integral part of the Consolidated Financial Statements

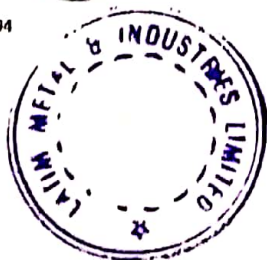
"As per our report of even date attached"

For DHIRUBHAI SHAH & CO LLP  
Chartered Accountants  
Firm Registration Number: 102511W/W100298

Anik Sulaxbhai Shah  
Digitally signed by Anik Sulaxbhai Shah  
Date: 2023.05.29 11:39:27 +05'30'

Anik S Shah  
Partner  
Membership Number: 140594

Place: Ahmedabad  
Date: 29/05/2023



For & On Behalf Of The Board Of Directors

*Kartik M. Timbadia*  
Kartik M. Timbadia  
Chairman  
DIN No. 00473057

*Sandip Timbadia*  
Sandip Timbadia  
Chief Financial Officer

Place: Mumbai  
Date: 29/05/2023

*Rahul M. Timbadia*  
Rahul M. Timbadia  
Managing Director  
DIN No. 00691457

*Shrutika Shukla*  
Shrutika Shukla  
Company Secretary



LA TIM METAL & INDUSTRIES LIMITED  
 CIN:L99999MH1974PLC017951  
 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

	Year ended 31st March, 2023 Rs. In Lakhs	Year ended 31st March, 2022 Rs. In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) Before Tax	(738.03)	2,331.80
Adjustments for:		
Depreciation and amortization	125.06	204.91
Interest Income	(133.45)	(8.93)
Interest and finance charges	719.13	396.86
Fair Valuation of Financial Instruments	2.64	-
Adjustment for Ind AS 116	29.06	-
Non-cash adjustment related to Investments	-	(34.20)
Non-cash adjustment related to Employee Benefits expense	4.88	3.65
Profit on sale of shares (Net)	(10.81)	(13.25)
Profit on sale of fixed assets (net)	(0.21)	0.74
Profit on Currency traded	(1.56)	-
Dividend Income	(2.30)	(1.10)
<b>Operating Profit before Working Capital Changes</b>	<b>(5.60)</b>	<b>2,880.46</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	791.42	2,150.35
(Increase)/decrease in other assets	(1,616.24)	334.53
(Increase)/decrease in inventories	4,094.88	(5,764.66)
Increase/(decrease) in Trade Payables	(4,530.06)	1,107.81
Increase/(decrease) in Other Current Liabilities and Provisions	1,018.91	(318.20)
Increase/(decrease) in Other Non Current Liabilities	-	22.74
<b>Cash Generated from Operations</b>	<b>(246.69)</b>	<b>413.05</b>
Income taxes paid	(74.44)	(520.44)
Dividend Paid	-	(88.31)
<b>Net Cashflow from Operating Activities</b>	<b>(321.13)</b>	<b>(195.70)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(18.46)	(36.48)
Sale of fixed assets	4.22	24.15
Purchase of currency	(4.93)	-
Sale of currency	6.49	-
Dividend Income	2.30	1.10
Sale of Investment	20.92	23.63
Purchase of Investment	(1.20)	(30.11)
Proceeds from deposits	197.80	-
(Investments)/Proceeds from Bank Deposits	-	(193.12)
Interest received	133.45	8.93
<b>Net Cashflow from Investing Activities</b>	<b>340.61</b>	<b>(201.89)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Loan	2,139.57	431.11
Repayment of Loan	(1,517.79)	(53.61)
Interest and finance charges	(719.13)	(396.86)
<b>Net Cashflow from Financing Activities</b>	<b>(97.34)</b>	<b>(19.36)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(77.87)</b>	<b>(416.96)</b>
Cash and bank balances at the beginning of the year	178.73	595.69
Cash and bank balances at the end of the year	100.86	178.73

NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

Details of cash and cash equivalents	As at 31st March, 2023 Rs. In Lakhs	As at 31st March, 2022 Rs. In Lakhs
Balances with banks		
-In current accounts	96.84	172.18
Earmarked Balance with Banks (Unpaid Dividend)	3.41	4.76
Cash on hand	0.61	1.79
	<b>100.86</b>	<b>178.73</b>

"As per our report of even date attached"

For DHIRUBHAI SHAH & CO LLP  
 Chartered Accountants  
 Firm Registration Number: 102511W/W100298

Anik Sulaxbhai Shah  
 Digitally signed by Anik Sulaxbhai Shah  
 Date: 2023.05.29 13:40:05 +05'30'



Anik S Shah  
 Partner  
 Membership Number: 140594

Place: Ahmedabad  
 Date: 29/05/2023

For & On Behalf Of The Board Of Directors

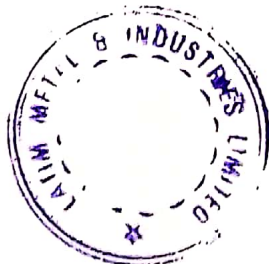
*Kartik M. Timbadia*  
 Kartik M. Timbadia  
 Chairman  
 DIN No. 00473057

*Sandip Timbadia*  
 Sandip Timbadia  
 Chief Financial Officer

Place: Mumbai  
 Date: 29/05/2023

*Rahul M. Timbadia*  
 Rahul M. Timbadia  
 Managing Director  
 DIN No. 00691457

*Shruti Shukla*  
 Shruti Shukla  
 Company Secretary



LA TIM METAL & INDUSTRIES LIMITED  
CIN:L99999MH1974PLC017951  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2023 (In lakhs)

Balance as at 1st April, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the year	Balance as at 31st March, 2023
883.14	-	883.14	-	883.14

For the year ended 31st March, 2022 (In lakhs)

Balance as at 1st April, 2021	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the year	Balance as at 31st March, 2022
883.14	-	883.14	-	883.14

(B) OTHER EQUITY

For the year ended 31st March, 2023

Particulars	Retained Earnings	Security Premium	Capital Reserve	General Reserve	FVOCI Reserve	Total Equity
Balance as at 1st April, 2022	1,441.63	1,059.45	123.89	13.81	(3.57)	2,635.22
Profit/(Loss) for the year	(749.93)	-	-	-	-	(749.93)
Remeasurement of employee benefits	-	-	-	-	2.28	2.28
Balance as at 31st March, 2023	691.70	1,059.45	123.89	13.81	(1.28)	1,887.56

For the year ended 31st March, 2022

Particulars	Retained Earnings	Security Premium	Capital Reserve	General Reserve	FVOCI Reserve	Total Equity
Balance as at 1st April, 2021	(268.42)	1,059.45	123.89	13.81	(3.29)	925.43
Profit/(Loss) for the year	1,798.37	-	-	-	-	1,798.37
Dividend Payable	(88.31)	-	-	-	-	(88.31)
Remeasurement of employee benefits	-	-	-	-	(0.28)	(0.28)
Balance as at 31st March, 2022	1,441.63	1,059.45	123.89	13.81	(3.57)	2,635.22

"As per our report of even date attached"

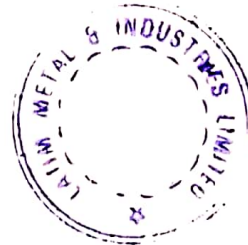
For DHIRUBHAI SHAH & CO LLP  
Chartered Accountants  
Firm Registration Number: 102511W/W100298

Anik  
Sulaxbhai  
Shah

Digitally signed by  
Anik Sulaxbhai Shah  
Date: 2023.05.29  
13:40:44 +05'30'

Anik S Shah  
Partner  
Membership Number: 140594

Place: Ahmedabad  
Date: 29/05/2023



For & On Behalf Of The Board Of Directors

*Kartik M. Timbadia*  
Kartik M. Timbadia  
Chairman  
DIN No. 00473057

*Sandip Timbadia*  
Sandip Timbadia  
Chief Financial Officer

Place: Mumbai  
Date: 29/05/2023

*Rahul M. Timbadia*  
Rahul M. Timbadia  
Managing Director  
DIN No. 00691457

*Shruti Shukla*  
Shruti Shukla  
Company Secretary

**LA TIM METAL & INDUSTRIES LIMITED**

**CIN:L99999MH1974PLC017951**

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**4 - PROPERTY, PLANT AND EQUIPMENT**

	TANGIBLE ASSETS							INTANGIBLE ASSETS			
	Buildings	Computer	Furniture & Fixtures	Office Equipments	Plant & Machinery	Vehicles	Road	Right-to-Use Asset	Total	Computer Software & Website	Total
<b>As at 1st April 2021</b>	<b>461.93</b>	<b>16.02</b>	<b>53.02</b>	<b>18.19</b>	<b>2,109.67</b>	<b>117.72</b>	<b>16.19</b>	<b>251.45</b>	<b>3,044.19</b>	<b>7.61</b>	<b>7.61</b>
Additions	8.28	0.89	2.37	0.32	10.79	-	3.17	-	25.83	-	-
Disposals / transfers	-	-	-	-	13.20	-	-	-	13.20	-	-
Add/(Less): Adjustments *	(1.04)	-	-	-	-	-	-	-	(1.04)	-	-
<b>As at 1st April 2022</b>	<b>469.17</b>	<b>16.91</b>	<b>55.39</b>	<b>18.51</b>	<b>2,107.26</b>	<b>117.72</b>	<b>19.36</b>	<b>251.45</b>	<b>3,055.78</b>	<b>7.61</b>	<b>7.61</b>
Additions	-	-	-	0.79	5.22	12.45	-	542.00	560.46	-	-
Disposals / transfers	-	-	-	-	-	7.91	-	-	7.91	-	-
Add/(Less): Adjustments *	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2023</b>	<b>469.17</b>	<b>16.91</b>	<b>55.39</b>	<b>19.30</b>	<b>2,112.48</b>	<b>122.26</b>	<b>19.36</b>	<b>793.45</b>	<b>3,608.33</b>	<b>7.61</b>	<b>7.61</b>
<b>Accumulated depreciation:</b>											
<b>As at 1st April 2021</b>	<b>108.34</b>	<b>13.22</b>	<b>38.75</b>	<b>10.26</b>	<b>810.63</b>	<b>83.22</b>	<b>1.10</b>	<b>172.73</b>	<b>1,238.26</b>	<b>5.12</b>	<b>5.12</b>
Depreciation charged during the year	12.70	1.50	2.25	1.35	99.31	6.05	1.74	78.72	203.62	1.28	1.28
Disposals / transfers	-	-	-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments *	-	-	-	-	-	-	-	-	-	-	-
<b>As at 1st April 2022</b>	<b>121.04</b>	<b>14.72</b>	<b>41.00</b>	<b>11.61</b>	<b>909.94</b>	<b>89.27</b>	<b>2.84</b>	<b>251.45</b>	<b>1,441.88</b>	<b>6.40</b>	<b>6.40</b>
Depreciation charged during the year	12.85	0.84	2.17	1.27	99.29	6.25	1.80	118.43	242.91	0.60	0.60
Disposals / transfers	-	-	-	-	-	3.90	-	-	3.90	-	-
Add/(Less): Adjustments *	-	(0.16)	0.26	(0.08)	-	-	-	-	0.01	-	-
<b>As at 31st March 2023</b>	<b>133.89</b>	<b>15.40</b>	<b>43.43</b>	<b>12.80</b>	<b>1,009.23</b>	<b>91.62</b>	<b>4.64</b>	<b>369.88</b>	<b>1,680.91</b>	<b>7.00</b>	<b>7.00</b>
<b>Net book value</b>											
<b>As at 1st April 2022</b>	<b>348.13</b>	<b>2.19</b>	<b>14.39</b>	<b>6.90</b>	<b>1,197.32</b>	<b>28.46</b>	<b>16.52</b>	<b>-</b>	<b>1,613.90</b>	<b>1.20</b>	<b>1.20</b>
<b>As at 31st March 2023</b>	<b>335.28</b>	<b>1.51</b>	<b>11.96</b>	<b>6.50</b>	<b>1,103.25</b>	<b>30.64</b>	<b>14.72</b>	<b>423.57</b>	<b>1,927.43</b>	<b>0.61</b>	<b>0.61</b>

- Right to Use which was on account of renting of premises now becomes NIL as the lease period have expired as on 31st March 2022. The Company have entered into a fresh lease agreement effective from 1st April 2022.

\* Adjustment is made due to change in rental payments during the year.



LA TIM METAL & INDUSTRIES LIMITED

CIN:L99999MH1974PLC017951

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

5 - INVESTMENTS - NON - CURRENT	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>Investments (Unquoted)</b>		
<b>(A) Investments at Cost</b>		
- Investment in Others	111.78	111.79
	<u>111.78</u>	<u>111.79</u>
	<u>111.78</u>	<u>111.79</u>

Details of Investments	Face value per unit in Rs.	No. of shares/units As at 31st March, 2023	Value As at 31st March, 2023 (Rs. In Lakhs)	Value As at 31st March, 2022 (Rs. In Lakhs)
<b>Unquoted Investments:</b>				
<b>Investment in equity instruments</b>				
<b>Investment in Others</b>				
1. CKP Co-op Bank Ltd	25	5,000	1.25	1.25
2. La tim Lifestyle & Resorts Ltd.	10	5,00,000	110.28	110.28
3. Punjab & Maharashtra Co-op. Bank Ltd.	10	300	0.25	0.25
4. Dombivali Nagari Sahkari Bank Ltd	50	30	-	0.02
<b>Total</b>			<u>111.78</u>	<u>111.79</u>

PARTICULARS	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
Aggregate amount of unquoted investments	111.78	111.79
Aggregate amount of impairment in the value of investment	-	-

6 - NON - CURRENT FINANCIAL ASSETS - OTHERS	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>Unsecured, considered good, unless otherwise stated</b>		
Security deposits	129.05	113.51
Bank Deposits (maturity period more than 12 months)	3.75	3.75
	<u>132.80</u>	<u>117.26</u>

7 - INVENTORIES	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
(valued at lower of cost and net realizable value)		
Raw Material		
- Steel	763.97	1,207.82
Stock in Trade		
- Steel	806.81	1,623.56
- Land*	3,478.91	3,533.03
Finished goods		
- Steel	1,110.82	3,890.99
	<u>6,160.51</u>	<u>10,255.40</u>

-As taken, valued and certified by the Management

\* Includes land purchased for trading purposes and land for developing industrial park.



	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>8 - CURRENT FINANCIAL ASSETS - INVESTMENTS</b>		
<b>Investments (Quoted)</b>		
<b>(A) Investments measured at Fair Value through Profit and Loss</b>		
- Investments in Equity Shares	46.43	57.98
	<u>46.43</u>	<u>57.98</u>

PARTICULARS	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
Aggregate amount of quoted investments at book value	20.85	29.76
Market Value of the quoted investments at FVTPL	46.43	57.98

	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>9 - TRADE RECEIVABLES</b>		
<b>Unsecured</b>		
Considered good	1,542.93	2,334.35
Less: Allowance for expected credit loss	-	-
	<u>1,542.93</u>	<u>2,334.35</u>

Trade receivable ageing schedule as at 31 March, 2023	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
i. Undisputed Trade Receivables - considered good	1,456.59	2.03	84.32	-	-	1,542.93
ii. Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
iii. Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables - considered good	-	-	-	-	-	-
v. Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	<u>1,456.59</u>	<u>2.03</u>	<u>84.32</u>	<u>-</u>	<u>-</u>	<u>1,542.93</u>

Trade receivable ageing schedule as at 31 March, 2022	< 6 months	6 months - 1 year	1-2 years	2-3 years	>3 years	Total
i. Undisputed Trade Receivables - considered good	2,092.84	236.56	3.70	0.83	-	2,333.93
ii. Undisputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	0.42	0.42
iii. Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
iv. Disputed Trade Receivables - considered good	-	-	-	-	-	-
v. Disputed Trade Receivables - which has significant increase in credit risk	-	-	-	-	-	-
vi. Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
	<u>2,092.84</u>	<u>236.56</u>	<u>3.70</u>	<u>0.83</u>	<u>-</u>	<u>2,334.35</u>

	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>10 - CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
- In current accounts	96.84	172.18
Cash on hand	0.61	1.79
	<u>97.45</u>	<u>173.97</u>

	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>11 - BANK BALANCES OTHER THAN ABOVE</b>		
Bank Deposits with less than 12 months maturity	213.80	411.60
Earmarked balances with banks (Unpaid Dividend)	3.41	4.76
	<u>217.20</u>	<u>416.36</u>

	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>12 - CURRENT FINANCIAL ASSETS - OTHERS</b>		
Accrued interest on Bank Deposits	17.53	24.21
Staff Advances	0.10	-
Other financial assets	4.55	-
	<u>22.17</u>	<u>24.21</u>



13 - CURRENT ASSETS - OTHERS Unsecured, considered good, unless otherwise stated	As at	As at
	31st March, 2023 (Rs. In Lakhs)	31st March, 2022 (Rs. In Lakhs)
Balance with Govt. Authorities	559.17	498.41
Prepaid Expenses	6.50	5.55
Advance Paid to supplier	75.46	187.25
Advance for expenses	-	5.00
Social Welfare Cess Receivable *	108.99	-
Other Receivables	-	10.67
Advance Tax	-	110.00
	<b>750.12</b>	<b>816.88</b>

\* Based on the judgement of Honorable Bombay High Court, all the assessee's were required to lodge their claim related to Social Welfare Cess as per Customs Duty Regulations. Accordingly, as per the requirement of the said regulations, the company has booked income of the said refund claim lodged in relation to Social Welfare Cess.

14 - SHARE CAPITAL Authorised:	As at	As at
	31st March, 2023 (Rs. In Lakhs)	31st March, 2022 (Rs. In Lakhs)
19,50,00,000 (As at March 31, 2022 : 1,95,00,000 of Rs. 10 Each) Equity Shares of Rs. 1 each	1,950.00	1,950.00
5,00,000 (As at March 31, 2022: 5,00,000) Preference Shares of Rs. 10 each	50.00	50.00
<b>Issued, Subscribed and paid-up:</b>		
8,83,14,300 (As at March 31, 2022: 88,31,430 of Rs. 10 Each) Equity Shares of Rs. 1 each fully paid up	883.14	883.14
	<b>883.14</b>	<b>883.14</b>

#### 14.1 - Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	(Rs. In Lakhs)	No. of Shares	(Rs. In Lakhs)
At the beginning of the year	88,31,430	883.14	88,31,430	883.14
Add: Shares issued	-	-	-	-
Add: Adjustment for sub-division of shares*	7,94,82,870	-	-	-
Shares outstanding at the end of the year	8,83,14,300	883.14	88,31,430	883.14

\* Pursuant to the approval of the shareholders at the Extra Ordinary General Meeting of the Company held on 9th May 2022, each equity share of face value of Rs. 10/- per share was sub-divided into ten equity shares of face value of Re. 1/- per share, with effect from the record date, i.e., 23rd May 2022.

#### 14.2 - Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 1 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.

#### 14.3 - Sub division of the equity shares

Board of Directors resolved in Board meeting dated 8th April 2022 that pursuant to provisions of Section 61(1)(d) read with Section 64 and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to approval of Shareholders of the Company and other consent(s), permission(s) and sanction(s) as may be necessary from the competent authorities or bodies, the sub-division of equity shares of the Company, the authorized, issued, subscribed and paid-up equity share capital of 1 (one) equity share of the face value of Rs. 10/- (Rupees ten only) each shall stand sub-divided into 10 (ten) equity shares having a face value of Re. 1/- (Rupees one only) each from record date as 23rd May 2022 as fixed by the Board of Director of the company and ranked pari-passu in all respects with each other and carry the same rights as to the existing fully paid-up equity share of Rs. 10/- (Rupees ten only) each of the Company.

#### 14.4 Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at		As at		% Changes
	31st March, 2023		31st March, 2022		
	No. of Shares	% of Holding	No. of Shares	% of Holding	
<b>Rahul Maganlal Timbadia</b>					
At the beginning of the year	7,52,250	8.52	7,52,250	8.52	-
Adjustment for Sub-Division of Equity Shares	67,70,250	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>75,22,500</b>	<b>8.52</b>	<b>-</b>	<b>8.52</b>	<b>-</b>





<b>Karna Kartik Timbadia</b>					
At the beginning of the year	6,64,000	7.52	6,64,000	7.52	-
Adjustment for Sub-Division of Equity Shares	59,76,000	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>66,40,000</b>	<b>7.52</b>	<b>-</b>	<b>7.52</b>	<b>-</b>
<b>Almitra Ballal Chandrachud</b>					
At the beginning of the year	8,45,714	9.58	8,45,714	9.58	-
Adjustment for Sub-Division of Equity Shares	76,11,426	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>84,57,140</b>	<b>9.58</b>	<b>-</b>	<b>9.58</b>	<b>-</b>
<b>Parth Rahul Timbadia</b>					
At the beginning of the year	8,22,875	9.32	8,22,875	9.32	-
Adjustment for Sub-Division of Equity Shares	74,05,875	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>82,28,750</b>	<b>9.32</b>	<b>-</b>	<b>9.32</b>	<b>-</b>
<b>Jalpa Karna Timbadia</b>					
At the beginning of the year	6,72,201	7.61	6,72,201	7.61	-
Adjustment for Sub-Division of Equity Shares	60,49,809	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>67,22,010</b>	<b>7.61</b>	<b>-</b>	<b>7.61</b>	<b>-</b>
<b>Kartik Maganlal Timbadia</b>					
Biharisaran Babulal Khandelwal	6,88,460	7.80	6,88,460	7.80	-
At the beginning of the year	5,40,210	6.12	5,40,210	6.12	-
Adjustment for Sub-Division of Equity Shares	48,61,890	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>54,02,100</b>	<b>6.12</b>	<b>-</b>	<b>6.12</b>	<b>-</b>

#### 14.5 Details of Equity Shares held by Promoter :

	As at 31st March, 2023			As at 31st March, 2022		
	No. of Shares	% of total shares	% Change during year	No. of Shares	% of total shares	% Change during year
<b>Rahul Maganlal Timbadia</b>						
At the beginning of the year	7,52,250	8.52	-	7,52,250	8.52	-
Adjustment for Sub-Division of Equity Shares	67,70,250	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>75,22,500</b>	<b>8.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Karna Kartik Timbadia</b>						
At the beginning of the year	6,64,000	7.52	-	6,64,000	7.52	-
Adjustment for Sub-Division of Equity Shares	59,76,000	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>66,40,000</b>	<b>7.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Almitra Ballal Chandrachud</b>						
At the beginning of the year	8,45,714	9.58	-	8,45,714	9.58	-
Adjustment for Sub-Division of Equity Shares	76,11,426	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>84,57,140</b>	<b>9.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Parth Rahul Timbadia</b>						
At the beginning of the year	8,22,875	9.32	-	8,22,875	9.32	-
Adjustment for Sub-Division of Equity Shares	74,05,875	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>82,28,750</b>	<b>9.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Jalpa Karna Timbadia</b>						
At the beginning of the year	6,72,201	7.61	-	6,72,201	7.61	-
Adjustment for Sub-Division of Equity Shares	60,49,809	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>67,22,010</b>	<b>7.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Kartik Maganlal Timbadia</b>						
At the beginning of the year	5,40,210	6.12	-	5,40,210	6.12	-
Adjustment for Sub-Division of Equity Shares	48,61,890	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>54,02,100</b>	<b>6.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Radhika Rahul Timbadia</b>						
At the beginning of the year	4,00,000	4.53	-	4,00,000	4.53	-
Adjustment for Sub-Division of Equity Shares	36,00,000	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>40,00,000</b>	<b>4.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Amita Rahul Timbadia</b>						
At the beginning of the year	4,00,000	4.53	-	4,00,000	4.53	-
Adjustment for Sub-Division of Equity Shares	36,00,000	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>40,00,000</b>	<b>4.53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Suchita Kartik Timbadia</b>						
At the beginning of the year	4,00,000	4.53	-	4,00,000	4.53	-
Purchase of the shares	6,200	0.01	-	-	-	-
Adjustment for Sub-Division of Equity Shares	36,00,000	-	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>40,06,200</b>	<b>4.54</b>	<b>0.01%</b>	<b>-</b>	<b>-</b>	<b>-</b>



	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>15 - OTHER EQUITY</b>		
<b>Securities Premium Account</b>		
Opening balance	1,059.45	1,059.45
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>1,059.45</b>	<b>1,059.45</b>
<b>Capital Reserve</b>		
Opening balance	123.89	123.89
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>123.89</b>	<b>123.89</b>
<b>General Reserve</b>		
Opening balance	13.81	13.81
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>13.81</b>	<b>13.81</b>
<b>Profit and Loss</b>		
Opening balance	1,441.63	(268.42)
Add: Net Profit/(Net Loss) For the current year	(749.93)	1,798.37
Less : Dividend Payable	-	(88.31)
<b>Closing Balance</b>	<b>691.71</b>	<b>1,441.63</b>
<b>FVOCI Reserve</b>		
Opening Balance	(3.57)	(3.29)
Add/(Less): Movement during the year	2.28	(0.28)
<b>Closing Balance</b>	<b>(1.28)</b>	<b>(3.57)</b>
<b>Total of other equity</b>	<b>1,887.56</b>	<b>2,635.22</b>

#### Notes to other equity

##### **Securities Premium Account**

Securities premium is created due to premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

##### **Capital Reserve**

Represent a non-distributable reserve.

##### **General Reserve**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

##### **FVOCI Reserve**

Components of other equity include remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>16 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
<b>Secured</b>		
a. Term Loans		
From Banks	4,481.97	1,794.64
Less: Current Maturities of Long Term Debts	(1,058.33)	(495.91)
	<b>3,423.64</b>	<b>1,298.74</b>
b. Vehicle loan		
-From Banks	9.18	9.86
Less: Current Maturities of Long Term Debts	(3.38)	(9.16)
	<b>5.80</b>	<b>0.70</b>
c. Loan from Directors and their relatives	-	42.30
	<b>3,429.44</b>	<b>1,341.74</b>

#### **Nature of Security and terms of repayment for secured non-current financial liability - Borrowings of the Subsidiary Company:**

1. With reference to our request to restructure existing credit facilities, the new lender i.e. Unity Small Finance Bank Limited has approved the restructuring of loans and all earlier outstandings (in form of term loans, LCs, outstanding interest) have been converted into fresh loans as a part of this restructuring activity. Accordingly, outstanding balance of total borrowings have significantly increased during the year.



## 2.Unity Small Finance Bank Limited term loans are secured by-

-Registered mortgage of Office No.201, 2nd Floor, Bajaj Road, Vile parle(W), Mumbai owned by M/s La Tim Sourcing (India) Pvt Ltd  
-Registered mortgage of Flat 601, 6, 7th Crystal Apartment, vallahnagar CHS, Plot No 31, CTS No 191, NS Road , JVPD Scheme, Vileparle (W) owned by Mr. Rahul Timbadia, Mr. Parth Timbadia, Mrs.Almitra R Timbadia, Mrs. Amita P Timbadia.  
-Registered mortgage of Land & Building at Survey no.18, Hissa no.2A within village Metgutad, Tal Mahabaleshwar owned by M/s Saj Hotels Pvt Ltd.  
-Registered mortnagne of Land & Building at NA Plot at Survey no.171/12, 173/1A, 173/18 and 173/211, Malshej, Karanjale, taluka Junnar, Dist Pune owned by M/s Saj Hotels Pvt Ltd.  
-Personal guarantees of all the promoters/directors i.e., Mr.Kartik Maganlal Timbadia, Mr.Rahul Maganlal Timbadia, Mr.Parth Rahul Timbadia, Mr.Karna Kartik Timbadia, Ms. Arnita R Timbadia, Ms. Almitra P. Timbadia, M/s. Saj Hotel Pvt. Ltd., M/s La Tim Metal & Industries Ltd.

-Rate of interest- 14.50% p.a.

3. Punjab and Maharashtra Co-operative Bank Limited - Buyers Credit / Rupee Term Loan for Import of Machinery (carried interest rate 12.5% p.a.) are secured by first pari passu charge of Machinery ; Fisrt pari passu charge on Land and Building at Survey no 18, Hissa no 2/A, within Village: Metgutad, Tal, Mahabaleshwar, Sub- Dist Wai, Dist Satara owned by M/s Saj Hotels Pvt. Ltd.; First pari passu charge on building at Office No. 201, 2nd Floor, Navkar Plaza Premises Coop Soc. Ltd., Vile Parle(W), Mumbai-400056 owned by M/s, La Tim Sourcing India Pvt Ltd.: first pari passu charge on residential building Flat No. 601, 6th and 7th Floor, Crystal Apartment, Vallabhngar CHS, Plot No. 31, C.T.S. No. 191, N.S. Road No. 3, JVPD Scheme, Vile Parle (West), Mumbai-400056 owned by Mr. Rahul M. Timbadia, Mrs. Amita R. Timbadia, Mr. Parth R. Timbadia & Almitra P. Timbadia.: Fisrt pari passu charge on land and building N.A. Plot at Survey No. 171/2, 173/1A, 173/1B and 173/2A Malshej, Village Karanjale, Ta: Junnar, Dist. Pune admeasuring 17611.20 mtrs: Fisrt pari passu charge on entire fixed assets (both present and future) of the company. The term loan is repayable in 77 monthly installments till Sep, 2024. The said credit facility has been classified as NPA.As per Note 10 below, the said facility has now been transferred to Unity Small Finance Bank Limited.

4. Punjab and Maharashtra Co-operative Bank Limited - Buyers Credit / Rupee Term Loan for Import of Machinery (carried interest rate 12.5% p.a.) are secured by first pari passu charge of Machinery ; Fisrt pari passu charge on Land and Building at Survey no 18, Hissa no 2/A, within Village: Metgutad, Tal, Mahabaleshwar, Sub- Dist Wai, Dist Satara owned by M/s Saj Hotels Pvt. Ltd.; First pari passu charge on building at Office No. 201, 2nd Floor, Navkar Plaza Premises Coop Soc. Ltd., Vile Parle(W), Mumbai-400056 owned by M/s, La Tim Sourcing India Pvt Ltd.: first pari passu charge on residential building Flat No. 601, 6th and 7th Floor, Crystal Apartment, Vallabhngar CHS, Plot No. 31, C.T.S. No. 191, N.S. Road No. 3, JVPD Scheme, Vile Parle (West), Mumbai-400056 owned by Mr. Rahul M. Timbadia, Mrs. Amita R. Timbadia, Mr. Parth R. Timbadia & Almitra P. Timbadia.: Fisrt pari passu charge on land and building N.A. Plot at Survey No. 171/2, 173/1A, 173/1B and 173/2A Malshej, Village Karanjale, Ta: Junnar, Dist. Pune admeasuring 17611.20 mtrs: Fisrt pari passu charge on entire fixed assets (both present and future) of the company. The project term loan is repayable in 83 monthly installments till Sep, 2024. The said credit facility has been classified as NPA.As per Note 10 below, the said facility has now been transferred to Unity Small Finance Bank Limited.

5. Punjab and Maharashtra Co-operative Bank Limited - Buyers Credit / Rupee Term Loan for Import of Machinery (carried interest rate 12.5% p.a.) are secured by first pari passu charge of Machinery ; Fisrt pari passu charge on Land and Building at Survey no 18, Hissa no 2/A, within Village: Metgutad, Tal, Mahabaleshwar, Sub- Dist Wai, Dist Satara owned by M/s Saj Hotels Pvt. Ltd.; First pari passu charge on building at Office No. 201, 2nd Floor, Navkar Plaza Premises Coop Soc. Ltd., Vile Parle(W), Mumbai-400056 owned by M/s, La Tim Sourcing India Pvt Ltd.: first pari passu charge on residential building Flat No. 601, 6th and 7th Floor, Crystal Apartment, Vallabhngar CHS, Plot No. 31, C.T.S. No. 191, N.S. Road No. 3, JVPD Scheme, Vile Parle (West), Mumbai-400056 owned by Mr. Rahul M. Timbadia, Mrs. Amita R. Timbadia, Mr. Parth R. Timbadia & Almitra P. Timbadia.: Fisrt pari passu charge on land and building N.A. Plot at Survey No. 171/2, 173/1A, 173/1B and 173/2A Malshej, Village Karanjale, Ta: Junnar, Dist. Pune admeasuring 17611.20 mtrs: Fisrt pari passu charge on entire fixed assets (both present and future) of the company. The project term loan is repayable in 83 monthly installments till Dec, 2024. The said credit facility has been classified as NPA.As per Note 10 below, the said facility has now been transferred to Unity Small Finance Bank Limited.

6. Punjab and Maharashtra Co-operative Bank Limited - Buyers Credit / Rupee Term Loan for Import of Machinery (carried interest rate 12.5% p.a.) are secured by first pari passu charge of Machinery ; Fisrt pari passu charge on Land and Building at Survey no 18, Hissa no 2/A, within Village: Metgutad, Tal, Mahabaleshwar, Sub- Dist Wai, Dist Satara owned by M/s Saj Hotels Pvt. Ltd.; First pari passu charge on building at Office No. 201, 2nd Floor, Navkar Plaza Premises Coop Soc. Ltd., Vile Parle(W), Mumbai-400056 owned by M/s, La Tim Sourcing India Pvt Ltd.: first pari passu charge on residential building Flat No. 601, 6th and 7th Floor, Crystal Apartment, Vallabhngar CHS, Plot No. 31, C.T.S. No. 191, N.S. Road No. 3, JVPD Scheme, Vile Parle (West), Mumbai-400056 owned by Mr. Rahul M. Timbadia, Mrs. Amita R. Timbadia, Mr. Parth R. Timbadia & Almitra P. Timbadia.: Fisrt pari passu charge on land and building N.A. Plot at Survey No. 171/2, 173/1A, 173/1B and 173/2A Malshej, Village Karanjale, Ta: Junnar, Dist. Pune admeasuring 17611.20 mtrs: Fisrt pari passu charge on entire fixed assets (both present and future) of the company. The project term loan is repayable in 71 monthly installments till Aug, 2024. The said credit facility has been classified as NPA.As per Note 10 below, the said facility has now been transferred to Unity Small Finance Bank Limited.

7. ICICI Bank Limited - Car Loan ( Carried Interest Rate 11.51%) are secured by first pari passu charge of Car. The loan is repayble in 60 monthly installmetns till June, 2023.

8. ICICI Bank Limited - Car Loan ( Carried Interest Rate 9.10%) are secured by first pari passu charge of Car. The loan is repayble in 60 monthly installmetns till June, 2023.

9. The Company had received letters from Punjab and Maharashtra Co-Operative Bank Limited ("PMC Bank") having reference no. PM/CO/RD/2217/2218/2219/2019-20 dated 2nd January, 2020 in respect of the company's account being classified as NPA on account of non- payment of principal and interest dues. The Reserve Bank of India had imposed sudden restrictions with effect from September 2019 on the PMC bank and this resulted in constraints in the operations of the company as the funds given by the bank were already blocked in operational activities. Considering the prudent norms of accounting, the company has made provision of the interest cost on the outstanding principal amount in the previous year i.e FY 2020-21 even if the bank has not charged any interest as the accounts are classified as NPA. The Compapny has provided for the interest during current year i.e FY 2021-22 on basis of bank statements received and the Company has classified borrowings into current and non-current portion as per the statement of the bank. Also the company has repaid loan amounting to 233.72 Lakhs.As per Note 10 below, the said facility has now been transferred to Unity Small Finance Bank Limited

10.Punjab and Maharashtra Co-operative Bank Limited ("PMC Bank") has been amalgamated with Unity Small Finance Bank Limited ("USFB") with effect from January 25, 2022 in accordance with the scheme sanctioned and notified by Central Government(Ministry of Finance) through the notification in official gazette dated 25th January 2022 read with RBI press released of no. : 2021-2022/1616. The Scheme stated that the Loans of PMC Bank will be transferred to Unity Small Finance Bank Limited ("USFB") with same terms & conditions. Giving effect of such scheme the Loans from PMC Bank of the company stands transferred to Unity Small Finance Bank.



**11 . (a) Vehicle Loan of Holding Company:**

Primary Security:

Hypothecated against respective Vehicle

Rate of Interest:

Fixed rate of Interest i.e. 8.10%

**17 - OTHER FINANCIAL LIABILITIES - NON-CURRENT**

Lease Liability

As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
---------------------------------------------	---------------------------------------------

348.05	-
--------	---

<b>348.05</b>	<b>-</b>
---------------	----------

**18 - NON CURRENT PROVISIONS****Provision for Employee Benefits**

- Gratuity

As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
---------------------------------------------	---------------------------------------------

17.03	14.83
-------	-------

<b>17.03</b>	<b>14.83</b>
--------------	--------------

**19 - DEFERRED TAX ASSETS/(LIABILITIES) (NET)**

Opening Balance

Adjustments during the year

Closing Balance

As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
---------------------------------------------	---------------------------------------------

56.48	85.40
-------	-------

16.73	(28.92)
-------	---------

<b>73.21</b>	<b>56.48</b>
--------------	--------------

**20 - CURRENT FINANCIAL LIABILITIES - BORROWINGS****Secured**

a. Loans repayable on demand

From Banks

- Overdraft facility

As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
---------------------------------------------	---------------------------------------------

142.77	2,017.18
--------	----------

<b>142.77</b>	<b>2,017.18</b>
---------------	-----------------

Current Maturity of long term loans

1,061.72	505.07
----------	--------

**Unsecured**

From related parties\*\*

19.97	168.12
-------	--------

<b>1,224.46</b>	<b>2,690.36</b>
-----------------	-----------------

\*\* The Company has taken a loan from Directors of the company.

**Nature of Security and terms of repayment for secured current financial liability - Borrowings:**

1. IICI overdraft facility is secured against fixed deposit lien with bank

2. Punjab and Maharashtra Co-operative Bank Limited: Working Capital Loan is carried at the interest rate of 12.5% p.a. (floating).The collateral security for the Working capital loans is as under:

a. Office no. 201, Bajaj road, Vileparle (W), Mumbai owned by M/s La Tim Sourcing (India) Pvt Ltd.

b. Land &amp; Building at Survey no. 18, Hissa no. 2/A within village Metguted Tal, Mahabaleshwar standing owned by M/s Saj Hotels P Ltd.

c. Residential duplex flat no. 601, 6th &amp; 7th Floor, Crystal Apartment, Vallabh Nagar, CTS no. 191, NS Road, JVPD Scheme, Vile Parle (W), Mumbai owned by Mr. Rahul Timbadia, Mr. Parth Timbadia, Mrs. Amita R. Timbadia &amp; Mrs. Almitra P. Timbadia.

d. Land &amp; building at Survey no. 171/12, 173/1A, 173/1B and 173/2A Malshej, Karanjale, Taluka Junnar, District Pune owned by M/s Saj Hotels Pvt Ltd.

(aforesaid properties are already mortgaged for various facilities sanctioned to La Tim group)

e. Hypothecation of entire fixed assets of the Company (both present &amp; future).

The said credit facility were classified as NPA. As per Note 4 below, the said facility has now been transferred to Unity Small Finance Bank Limited.

3. The Company had received letters from Punjab and Maharashtra Co-Operative Bank Limited ("PMC Bank") having reference no.

PM/CO/RD/2217/2218/2219/2019-20 dated 2nd January, 2020 in respect of the company's account being classified as NPA on account of non- payment of principal and interest dues. The Reserve Bank of India had imposed sudden restrictions with effect from September 2019 on the PMC bank and this resulted in constraints in the operations of the company as the funds given by the bank were already blocked in operational activities. Considering the prudent norms of accounting, the company has made provision of the interest cost on the outstanding principal amount in the previous year i.e FY 2020-21 even if the bank has not charged any interest as the accounts are classified as NPA. The Company has provided for the interest during current year i.e FY 2021-22 on basis of bank statements received. As the overdraft facility is repayable on demand , the same has been kept under current liability.As per Note 4 below, the said facility has now been transferred to Unity Small Finance Bank Limited.

4.Punjab and Maharashtra Co-operative Bank Limited ("PMC Bank") has been amalgamated with Unity Small Finance Bank Limited ("USFB") with effect from January 25, 2022 in accordance with the scheme sanctioned and notified by Central Government(Ministry of Finance) through the notification in official gazette dated 25th January 2022 read with RBI press released of no. : 2021-2022/1616. The Scheme stated that the Loans of PMC Bank will be transferred to Unity Small Finance Bank Limited ("USFB") with same terms & conditions. Giving effect of such scheme the Loans from PMC Bank of the company stands transferred to Unity Small Finance Bank.



21 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES	As at	As at
	31st March, 2023 (Rs. In Lakhs)	31st March, 2022 (Rs. In Lakhs)
Due to micro and small enterprises	48.13	60.72
Due to other than micro and small enterprises	2,830.72	7,348.19
	<u>2,878.85</u>	<u>7,408.91</u>

Trade payables ageing schedule as at 31 March, 2023	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	48.13	-	-	-	48.13
Others	2,373.18	453.43	4.11	-	2,830.72
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	<u>2,421.31</u>	<u>453.43</u>	<u>4.11</u>	<u>-</u>	<u>2,878.85</u>

Trade payables ageing schedule as at 31 March, 2022	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	60.72	-	-	-	60.72
Others	6,077.30	15.89	1,255.01	-	7,348.19
Disputed dues (MSME)	-	-	-	-	-
Disputed dues (Others)	-	-	-	-	-
	<u>6,138.01</u>	<u>15.89</u>	<u>1,255.01</u>	<u>-</u>	<u>7,408.91</u>

The disclosure pursuant to the said Act is as under:

DISCLOSURE UNDER MSMED ACT, 2006	As at	As at
	31st March, 2023 (Rs. In Lakhs)	31st March, 2022 (Rs. In Lakhs)
(a) Principal amount due to suppliers under MSMED Act, 2006	48.07	60.26
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	0.06	0.46
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

22 - CURRENT - OTHER FINANCIAL LIABILITIES	As at	As at
	31st March, 2023 (Rs. In Lakhs)	31st March, 2022 (Rs. In Lakhs)
Salary & Bonus Payable	19.27	3.82
Interest provision on NPA bank accounts	-	593.79
Unpaid dividends*	3.41	4.76
Other Financial Liabilities #	72.21	31.11
Lease Liabilities	104.57	-
	<u>199.46</u>	<u>633.49</u>

\*There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2022 (March 31, 2021 : Nil).

# Includes stamp duty payable.

a. The subsidiary company had received letters from Punjab and Maharashtra Co-Operative Bank Limited ("PMC Bank") having reference no. PM/CO/RD/2217/2218/2219/2019-20 dated 2nd January, 2020 in respect of the company's account being classified as NPA on account of non-payment of principal and interest dues. The Reserve Bank of India had imposed sudden restrictions with effect from September 2019 on the PMC bank and this resulted in constraints in the operations of the company as the funds given by the bank were already blocked in operational activities. Considering the prudent norms of accounting, the company has made provision of the interest cost on the outstanding principal amount in the previous year i.e FY 2020-21 even if the bank has not charged any interest as the accounts are classified as NPA. The Company has provided for the interest during current year i.e FY 2021-22 on basis of bank statements. The said facility has now been transferred to Unity Small Finance Bank Limited.

b. Interest provision on NPA represents simple interest provision accounted by the company considering prudent norms of accounting (term loan and working capital facilities). The said provision also includes the certain amount of penal charges levied by the bank for which exact quantification has not been provided by the bank hence the Company is of the view that the said penal charges are subject to review by the bank and the same may change / reduce on a later date.

23 - CURRENT - PROVISIONS	As at	As at
	31st March, 2023 (Rs. In Lakhs)	31st March, 2022 (Rs. In Lakhs)
<u>Provision for Employee Benefits</u>		
- Gratuity	1.59	1.19
- Leave Encashment	-	3.57
	<u>1.59</u>	<u>4.76</u>



	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>24 - CURRENT TAX LIABILITIES</b>		
Provision for Taxation	-	129.55
	<u>-</u>	<u>129.55</u>

	As at 31st March, 2023 (Rs. In Lakhs)	As at 31st March, 2022 (Rs. In Lakhs)
<b>25 - OTHER CURRENT LIABILITIES</b>		
Advances received from Customers	44.24	40.15
Statutory liabilities	22.41	26.24
Others	-	58.43
	<u>66.64</u>	<u>124.83</u>

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
<b>26 - REVENUE FROM OPERATIONS</b>		
Sale of Products	27,161.85	56,827.19
	<u>27,161.85</u>	<u>56,827.19</u>

#### 26.1 Disaggregation of Revenue

Disaggregation of revenue into various categories to depict the nature, amount, timing and uncertainty of revenue and cash flows

Particulars	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
<b>Revenue by Product type</b>		
- Goods	26,270.00	56,827.19
- Land	891.84	-
<b>Revenue by time of Recognition</b>		
- At a point in time*	26,270.00	56,827.19

\*Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
<b>27 - OTHER INCOME</b>		
Interest Received / Receivable		
- Interest from Banks	11.05	8.93
- Others	1.17	59.45
Job work charges income	0.71	1.03
Misc. Balance Written off	5.02	-
Dividend Income	2.30	1.10
Profit on sale of shares (Net)	10.81	13.25
MEIS - Social Welfare Cess Income *	108.97	-
Profit on sale of fixed assets (net)	0.21	-
Profit On Licence Purchase	27.17	23.62
Profit on Currency traded	1.56	-
Miscellaneous Income	1.55	6.79
Unrealised Gain on fair value of investment	-	34.20
	<u>170.52</u>	<u>148.38</u>

\* Based on the judgement of Honorable Bombay High Court, all the assessee's were required to lodge their claim related to Social Welfare Cess as per Customs Duty Regulations. Accordingly, as per the requirement of the said regulations, the company has booked income of the said refund claim lodged in relation to Social Welfare Cess.

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
<b>28 - COST OF MATERIALS CONSUMED</b>		
Cost of materials consumed	12,704.90	47,056.84
	<u>12,704.90</u>	<u>47,056.84</u>

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
<b>29 - PURCHASES OF STOCK IN TRADE</b>		
<b>Cost of raw material consumed</b>		
Purchase of Steel	9,492.12	8,869.72
Purchase of Land	122.63	1,360.58
	<u>9,614.75</u>	<u>10,230.30</u>



**30 - CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-TRADE****Inventories at the end of the year:**

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
-Steel	4,742.82	8,217.13
-Land	653.72	830.45
	<u>5,396.54</u>	<u>9,047.58</u>

**Inventories at the beginning of the year:**

-Steel	8,217.13	3,174.26
-Land	830.45	785.45
	<u>9,047.58</u>	<u>3,959.72</u>
<b>Total</b>	<u><u>3,651.04</u></u>	<u><u>(5,087.87)</u></u>

**31 - EMPLOYEE BENEFITS EXPENSES**

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
Salaries, Wages and Bonus*	391.76	380.90
Staff Welfare & benefits expenses	9.80	4.27
	<u>401.56</u>	<u>385.17</u>

\*Includes Directors Remuneration

**32 - FINANCE COSTS**

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
Interest expenses	596.38	395.80
Other borrowing costs	1.46	1.98
MSME interest Payable	0.06	0.46
	<u>597.90</u>	<u>398.23</u>

**33 - DEPRECIATION**

Depreciation of Property, Plant &amp; Equipments (Refer Note No. 4.1)

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
	243.50	204.92
	<u>243.50</u>	<u>204.92</u>

**34 - OTHER EXPENSES****OPERATING, ADMINISTRATION AND GENERAL EXPENSES**

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
Commission	53.46	119.32
Advertisement Expense	50.70	21.68
Repairs and Maintenance	36.20	58.25
Power & Fuel Expenses	188.62	374.70
Insurance	12.80	7.47
Rent , Rates and Taxes	1.89	11.09
Donation	0.95	3.36
Loading & unloading charges	17.04	48.12
Transportation Expenses	117.54	130.43
Legal & Professional Charges	71.14	39.21
Loss on Foreign Exchange Fluctuations (Net)	31.81	66.49
Travelling Expenses	3.99	3.58
Printing and Stationery	0.92	0.64
Payment to Auditors **	6.50	6.50
Miscellaneous Expense	44.42	54.50
Miscellaneous Balances written off	-	103.05
CSR Expenses	19.97	3.35
Director's Sitting Fees	0.70	0.60
Loss on sale of Fixed asset (Net)	-	0.74
Fair Valuation of Financial Instruments	2.64	-
Operating rental charges	5.64	18.59
Spares and Consumables	53.85	85.35
Packing Material	135.97	299.17
	<u>856.75</u>	<u>1,456.20</u>

\*\*Payments to the auditors for

- Statutory audit	5.10	5.10
- Taxation Matters	1.40	1.40
	<u>6.50</u>	<u>6.50</u>

**35 - EARNING PER SHARE**

Net Profit / (Loss) after tax available for equity shareholders.  
 Weighted average number of Shares for Calculating Basic EPS  
 Nominal Value of Ordinary Shares  
**Basic / Diluted Earnings per Ordinary Share**

	Year ended 31st March, 2023 (Rs. In Lakhs)	Year ended 31st March, 2022 (Rs. In Lakhs)
	(749.93)	1,798.37
	8,83,14,300	8,83,14,300
	1.00	1.00
	(0.85)	2.04



**LA TIM METAL & INDUSTRIES LIMITED**

CIN:L99999MH1974PLC017951

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

	As at 31st March, 2023	As at 31st March, 2022
	(Rs. In Lakhs)	(Rs. In Lakhs)
<b>36 - CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>CONTINGENT LIABILITIES</b>		
(a) Claims against the company not acknowledged as Debt*	926.81	915.66
(b) Guarantees given (Net)	-	-
<b>CAPITAL COMMITMENTS</b>	-	-

**NOTES:**

- (i) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above, pending resolution of the proceedings.
- (ii) INR 914.01 Lakhs: Amount of contingent liability relates to one matter related to Custom Duty wherein the subsidiary company has won the appeal proceedings and against that, the Customs department has preferred an appeal in the Hon'able Supreme Court of India for which outcome is pending as on the balance sheet date. Even though, the Company expects favourable outcome of this appeal, the said amount has continued to be disclosed as a contingent liability until the decision of the Apex Court.
- (iii) The Holding company is one the sureties for the credit facilities taken by the subsidiary i.e., La Tim Sourcing India Private Limited related to Term Loan. The amount of the above contingent liability is not separately identifiable.

**37 - SEGMENT REPORTING**

During the year, the Group has purchased land as stock-in-trade along with transactions related to Manufacturing & Trading of Goods hence there are two reporting segments of the group which are as follows :

1. Manufacturing & Trading of Goods
2. Real Estate Development Activity

During the year, the Group have not generated any revenue from Real Estate Development Segment. Segment wise reporting details are as follows :

Particulars	Year ended on 31/03/2023 (Rs in Lakhs)	Year ended on 31/03/2022 (Rs in Lakhs)
<b>Segment Revenue ( Sales and other operating income)</b>		
Manufacturing & Trading of Goods	27,161.85	56,827.19
Real Estate Development	-	-
<b>Total Segment Revenue</b>	<b>27,161.85</b>	<b>56,827.19</b>

<b>Segment Results</b>		
Manufacturing & Trading of Goods	(749.93)	1,798.37
Real Estate Development	-	-
<b>Total Segment Results</b>	<b>(749.93)</b>	<b>1,798.37</b>

<b>Segment Assets</b>		
Manufacturing & Trading of Goods	4,996.51	9,943.45
Real Estate Development	2,835.20	2,702.57
Unallocated corporate assets	3,177.72	3,277.28
<b>Total Segment Assets</b>	<b>11,009.43</b>	<b>15,923.30</b>

<b>Segment Liabilities</b>		
Manufacturing & Trading of Goods	2,947.02	7,452.06
Real Estate Development	41.15	91.35
Unallocated corporate liabilities	8,021.25	8,379.89
<b>Total Segment Liabilities</b>	<b>11,009.43</b>	<b>15,923.30</b>





**38 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS**

For the holding company, Short-term employee benefits are recognized as expenses at the undiscounted amount in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognized at the present value. The holding company did not have any eligible employees for the payment of Gratuity. The employees are required to exhaust their leave entitlement during the Financial year itself due to which there was no accumulated earned leave to the credit of any employee. Hence the provision has been made for the Retirement Benefits as required by Ind AS 19 and actuarial valuation report is not obtained accordingly.

**- For subsidiary company :****a) Defined contribution plans****- Provident fund**

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. **8.99 Lakhs** (Previous Year Rs. **7.31 Lakhs**)

**b) Leave Obligations**

The leave obligations cover the Company's liability for sick and earned leave. The company has made payment of Rs. **0.6 lakhs** (31st March 2022 – Rs. **3.95 lakhs**), since the Company does not have an unconditional right to defer settlement for any of these obligations.

**c) Defined benefit plans****- Gratuity**

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

**Economic Assumptions**

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

**Discount Rate**

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.51% p.a. (Previous Year 7.38% p.a.) compound has been used.

**Salary Escalation Rate**

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

Short-term employee benefits are recognized as expenses at the undiscounted amount in the statement of profit and loss for the year in which the employee has rendered services. The expenses are recognized at the present value. Provision for Gratuity has been made on a discounted basis as per the Actuarial Valuation Report. The employees are required to exhaust their leave entitlement during the Financial year itself due to which there was no accumulated earned leave to the credit of any employee.

The assumptions used are summarized in the following table:

Sr. No.	Particulars	31st March, 2023	31st March, 2022
		(Rs. In Lakhs)	(Rs. In Lakhs)
1	Assumptions		
	Mortality Rate		
	Discount Rate	7.51%	7.38%
	Salary Escalation	6.00%	6.00%
	Expected Return on Plan assets	N.A.	N.A.
2	Expenses recognised in Statement of Profit and Loss		
	Current Service cost	3.70	2.80
	Interest Cost	1.18	0.84
	Expected return on plan assets	-	-
	Net Actuarial (gain)/ loss recognized in the year	(2.28)	0.28
	Past Service Liability	-	-
	Expenses/(Income) recognized in statement of Profit and loss	2.60	3.92
3	Change in present Value of defined benefit obligation		
	Present value of obligations as at beginning of year	16.02	12.10
	Interest cost	1.18	0.84
	Current Service Cost	3.70	2.80
	Benefits Paid	-	-
	Benefits Payable	-	-
	Actuarial (gain)/ loss on obligations - Due to change in financial assumptions	(0.37)	(1.17)
	Actuarial (gain)/ loss on obligations - Due to change in demographic assumptions	-	(0.02)
	Actuarial (gain)/ loss on obligations - Due to experience	(1.91)	1.46
	Past Service Liability	-	-
	Present value of obligations as at end of year	18.62	16.02
4	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(2.28)	0.28
	Actuarial (gain)/ loss for the year - plan assets	-	-
	Actuarial (gain)/ loss recognized in the year	(2.28)	0.28
5	Amount recognized in the balance sheet		
	Present value of obligations as at the end of year	18.62	16.02
	Fair value of plan assets as at the end of the year	-	-
	(Net asset)/liability recognized in balance sheet	18.62	16.02
6	Maturity analysis of the benefit payments from the fund		
	1st following year	1.59	1.19
	2nd following year	0.49	0.41
	3rd following year	0.53	0.44
	4th following year	0.57	0.48
	5th following year	0.60	0.51
	Sum of Years 6 To 10	3.45	2.93
	Sum of Years 11 and above	74.34	67.83
7	Quantitative sensitivity analysis for significant assumption is as below:		
	Delta Effect of +1% Change in Rate of Discounting	(2.53)	(2.30)
	Delta Effect of -1% Change in Rate of Discounting	3.17	2.91
	Delta Effect of +1% Change in Rate of Salary Increase	3.19	2.92
	Delta Effect of -1% Change in Rate of Salary Increase	(2.58)	(2.34)
	Delta Effect of +1% Change in Rate of Employee Turnover	0.51	0.32
	Delta Effect of -1% Change in Rate of Employee Turnover	(0.61)	(0.41)

**39 - HEDGED AND UNHEDGED DERIVATIVE INSTRUMENTS & OPERATING LEASES**

(a) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2023 and 31st March, 2022 are as under:

	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency (In USD)	(Rs. In Lakhs)	Foreign Currency (In USD)	(Rs. In Lakhs)
<b>Payables</b>				
Trade payables	16,77,821.00	1387.22	39,67,395.23	3025.54



**LA TIM METAL & INDUSTRIES LIMITED**

**CIN:L99999MH1974PLC017951**

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**40 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24**

**40.1 Name of the Related Parties and Nature of the Related Party Relationship with whom transactions have taken place during the reported period :**

**1 Key Management Personnel of Parent Company :**

<b>Name</b>	<b>Designation</b>
Rahul Timbadia	Managing Director
Kartik Timbadia	Chairman
Ramesh Khanna	Director
Sandeep Ohri	Independent Director (Appointed w.e.f 28th June, 2021)
Ragini Chokshi	Independent Director
Subir Kumar Banerjee	Independent Director (Resigned w.e.f 16th December, 2021)
Sandip Timbadia	Chief Financial Officer
Swati Gupta	Company Secretary (Resigned w.e.f 16th June, 2022)
Maheshchandra Nagpal	Independent Director (Resigned w.e.f 12th November 2021)
Shruti Shukla	Company Secretary (Appointed w.e.f 12th August, 2022)
Ravi Kumar Kishan Chand Seth	Independent Director (Appointed w.e.f 12th August, 2022)

**Key Management Personnel of Subsidiary Company :**

<b>Name</b>	<b>Designation</b>
Rahul Timbadia	Director
Kartik Timbadia	Director
Parth Timbadia	Director
Karna Timbadia	Director
Sandip Timbadia	Chief Financial Officer

**2 Other Related Parties:**

**Relatives of Key Management Personnel of Parent Company :**

Amita Timbadia  
Almitra Timbadia  
Radhika Timbadia  
Jalpa Timbadia  
Suchita Timbadia  
Parth Timbadia  
Karna Timbadia

**Relatives of Key Management Personnel of Subsidiary Company :**

Amita Timbadia  
Almitra Timbadia  
Radhika Timbadia  
Jalpa Timbadia  
Suchita Timbadia

**Enterprise over which Key Managerial Personnel are able to exercise significant influence of subsidiary company :**

Latim Lifestyle & Resorts Limited  
Saj Hotels Private Limited  
Ira Latim Farms LLP

**40.2 Transactions with related parties:**

( Rs. In Lakhs)

<b>Nature of Transaction</b>	<b>Key Management Personnel and their relatives</b>		<b>Enterprise over which KMPs have significant influence</b>		<b>Total</b>	
	<b>2022-23</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2021-22</b>
	<b>Remuneration and Salary</b>	<b>116.63</b>	<b>114.60</b>	-	-	<b>116.63</b>
<b>Interest Charged</b>	-	<b>3.83</b>	-	-	-	<b>3.83</b>
<b>Advances Taken</b>	<b>537.59</b>	<b>522.23</b>	<b>100.00</b>	<b>13.05</b>	<b>637.59</b>	<b>535.28</b>
<b>Advances Repaid</b>	<b>728.05</b>	<b>317.65</b>	<b>100.00</b>	<b>13.05</b>	<b>828.05</b>	<b>330.70</b>
<b>Sale of Goods</b>	-	-	<b>202.93</b>	<b>876.98</b>	<b>202.93</b>	<b>876.98</b>
<b>Purchase of Goods</b>	-	-	<b>477.19</b>	-	<b>477.19</b>	-
<b>Director Sitting Fees</b>	<b>0.70</b>	<b>0.60</b>	-	-	<b>0.70</b>	<b>0.60</b>
<b>Advance Given</b>	-	<b>1,845.50</b>	-	-	-	<b>1,845.50</b>
<b>Advance Recovered / Adjusted</b>	-	<b>1,845.50</b>	-	-	-	<b>1,845.50</b>
<b>Purchase of Land</b>	-	<b>1,142.00</b>	-	-	-	<b>1,142.00</b>
<b>Sale of Land</b>	-	-	<b>760.00</b>	-	<b>760.00</b>	-

<b>Particulars</b>	<b>Payable</b>		<b>Receivable</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2023</b>	<b>31<sup>st</sup> March, 2022</b>
<b>Balance with KMP</b>				
Rahul Timbadia	<b>9.97</b>	<b>210.42</b>	-	-
Parth Timbadia	<b>10.00</b>	-	-	-
<b>Balance with Enterprise over which KMPs have significant influence</b>				
Ira Latim Farms LLP	-	-	<b>280.00</b>	-
Saj Hotels Private Limited	-	-	-	<b>13.42</b>
Latim Lifestyle & Resorts Limited	<b>529.27</b>	-	-	<b>0.10</b>



40.3 Breakup of compensation to Key Management Personnel & their relatives:

Nature of Transaction	Key Management Personnel & their relatives	2022-23	2021-22
1. Managerial Remuneration	Rahul Timbadia	30.00	30.00
	Kartik Timbadia	30.00	30.00
	Parth Timbadia	7.50	9.00
	Karna Timbadia	7.50	9.00
2. Salary	Sandip Timbadia	24.00	24.00
	Shruti Shukla	5.03	-
	Almitra Timbadia	9.00	9.00
	Radhika Timbadia	3.60	3.60
3. Sitting Fees	Ragini Chokshi	0.20	0.20
	Sandeep Ohri	0.30	0.20
	Subir Kumar Banerjee	-	0.20
	Ravi Seth	0.20	-

40.4 Disclosures in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year:

Nature of Transaction	Related Party	2022-23	2021-22
1. Sitting fees	Ragini Chokshi	0.20	0.20
	Sandeep Ohri	0.30	0.20
	Subir Kumar Banerjee	-	0.20
	Ravi Seth	0.20	-
2. Purchase of Land	Almitra Timbadia	-	392.00
	Parth Timbadia	-	272.00
	Jalpa Timbadia	-	112.00
	Karna Timbadia	-	194.00
	Radhika Timbadia	-	172.00
3. Advance Given	Karna Timbadia	-	628.00
	Parth Timbadia	-	591.00
	Kartik Timbadia	-	40.00
	Almitra Timbadia	-	392.00
	Jalpa Timbadia	-	21.00
4. Advance Recovered / Adjusted	Radhika Timbadia	-	173.50
	Karna Timbadia	-	628.00
	Parth Timbadia	-	591.00
	Kartik Timbadia	-	40.00
	Almitra Timbadia	-	392.00
5. Advance Taken	Jalpa Timbadia	-	21.00
	Radhika Timbadia	-	173.50
	Rahul Timbadia	500.40	294.73
	Latim Lifestyle & Resorts Ltd.	100.00	13.05
6. Advance Repaid	Rahul Timbadia	658.55	128.12
	Latim Lifestyle & Resorts Ltd.	100.00	13.05
7. Sale of Land	Ira Latim Farms LLP	760.00	-



**41. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's Financial Instruments.

**I. Figures as at March 31, 2023**

(Rs. In Lakhs)

Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	5	-	-	-	111.78	111.78	-	-	-	-
(ii) Others	6	-	-	-	132.80	132.80	-	-	-	-
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	8	46.43	-	-	46.43	46.43	46.43	-	-	46.43
(ii) Trade Receivables	9	-	-	-	1,542.93	1,542.93	-	-	-	-
(iii) Cash and Cash Equivalents	10	-	-	-	97.45	97.45	-	-	-	-
(iv) Bank balances other than above (iii)	11	-	-	-	217.20	217.20	-	-	-	-
(v) Others	12	-	-	-	22.17	22.17	-	-	-	-
		<b>46.43</b>	-	-	<b>2,170.75</b>	<b>2,170.75</b>	<b>46.43</b>	-	-	<b>46.43</b>
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	16	-	-	-	3,429.44	3,429.44	-	-	-	-
(ii) Lease Liability	17	-	-	-	348.05	348.05	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	20	-	-	-	1,224.46	1,224.46	-	-	-	-
(ii) Lease Liabilities	22	-	-	-	104.57	104.57	-	-	-	-
(ii) Trade Payables	21	-	-	-	2,878.85	2,878.85	-	-	-	-
(iii) Other Financial Liabilities	22	-	-	-	94.89	94.89	-	-	-	-
		-	-	-	<b>8,080.25</b>	<b>8,080.25</b>	-	-	-	-

**I. Figures as at March 31, 2022**

(Rs. In Lakhs)

Financial Instrument	Note No.	Carrying Amount					Fair value			
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	5	-	-	-	111.79	111.79	-	-	111.79	111.79
(ii) Others	6	-	-	-	117.26	117.26	-	-	117.26	117.26
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	8	57.98	-	57.98	-	57.98	57.98	-	-	57.98
(ii) Trade Receivables	9	-	-	-	2,334.35	2,334.35	-	-	2,334.35	2,334.35
(iii) Cash and Cash Equivalents	10	-	-	-	173.97	173.97	-	-	173.97	173.97
(iv) Bank balances other than above (iii)	11	-	-	-	416.36	416.36	-	-	416.36	416.36
(v) Others	12	-	-	-	24.21	24.21	-	-	24.21	24.21
		<b>57.98</b>	-	<b>57.98</b>	<b>3,177.94</b>	<b>3,235.92</b>	<b>57.98</b>	-	<b>3,177.94</b>	<b>3,235.92</b>
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	16	-	-	-	1,341.74	1,341.74	-	-	1,341.74	1,341.74
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	20	-	-	-	2,690.36	2,690.36	-	-	2,690.36	2,690.36
(ii) Trade Payables	21	-	-	-	7,408.91	7,408.91	-	-	7,408.91	7,408.91
(iii) Other Financial Liabilities	22	-	-	-	633.49	633.49	-	-	633.49	633.49
		-	-	-	<b>12,074.50</b>	<b>12,074.50</b>	-	-	<b>12,074.50</b>	<b>12,074.50</b>



**42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The group's financial risk management is an integral part of how to plan and execute its business strategies.

**Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The majority of the group's sales come from the steel manufacturing and trading business, and fluctuations in the demand for or supply of steel could have an impact on earnings. In addition, at a time of fierce competition, any changes in the group's competitiveness in terms of technology, cost, quality, or other aspects could have an impact on earnings.

**Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the group's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Interest Rate Sensitivity**

Interest expense	2022-23		2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Amount (in Lakhs)	5.98	(5.98)	3.98	(3.98)
<b>Total</b>	<b>5.85</b>	<b>(5.85)</b>	<b>3.60</b>	<b>(3.60)</b>

Refer Note to accounts for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

**Foreign currency risk**

The group imports steel from international market, consequently, the group is exposed to foreign exchange risk in foreign currencies. The group has laid down procedures to de-risk itself against currency volatility and out sources expert advice whenever required.

The group evaluates exchange rate exposure arising from foreign currency transactions and the group follows established risk management policies.

**I. Foreign Currency Exposure**

Refer Note related to foreign exchange exposure as at 31st March, 2023 and 31st March, 2022 respectively.

**II. Foreign Currency Sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax - loss / (profit)

Currency	2022-23		2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	13.87	(13.87)	30.26	(30.26)
<b>Total</b>	<b>13.87</b>	<b>(13.87)</b>	<b>30.26</b>	<b>(30.26)</b>

**Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the group compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation,
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty.
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the group. The group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than reasonable period of time decided by the Management. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.



## 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

## Liquidity Risk

Liquidity Risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at reasonable price. The group is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecast on the basis of expected cash flows.

**Maturity profile of financial liabilities**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	3,429.44	3,429.44	-	1,341.74	1,341.74
Non-current financial liabilities - Lease Liabilities	-	348.05	348.05	-	-	-
Current financial liabilities - Borrowings	1,224.46	-	1,224.46	2,690.36	-	2,690.36
Current financial liabilities - Trade Payables	2,878.85	-	2,878.85	7,408.91	-	7,408.91
Current financial liabilities - Lease Liabilities	104.57	-	104.57	-	-	-
Current financial liabilities - Others	94.89	-	94.89	633.49	-	633.49
<b>Total</b>	<b>4,302.77</b>	<b>3,777.48</b>	<b>8,080.25</b>	<b>10,732.76</b>	<b>1,341.74</b>	<b>12,074.50</b>

## Capital management

For the purposes of the group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the group's Capital Management is to maximise shareholder value. The group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The group monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Debt	4,653.90	4,032.11
Equity	2,770.70	3,518.36
<b>Capital and net debt</b>	<b>7,424.60</b>	<b>7,550.46</b>
<b>Capital Gearing ratio (in times)</b>	<b>0.63</b>	<b>0.53</b>



Note: 43

La Tim Metal & Industries Limited i.e. the Holding Company has filed an application before NCLT in the matter of Scheme of Merger by absorption of this company i.e. La Tim Sourcing (India) Pvt. Ltd. (wholly owned subsidiary) by La Tim Metal & Industries Limited and the same is lying before NCLT as on date.

Note: 44

Previous period figures have been regrouped, re-classified and re-arranged wherever considered necessary to confirm to the current year's classification.

Note: 45

Balances of Other Current Liabilities, Trade Receivables and Trade Payables are subject to confirmation, reconciliation and adjustments if any.

Note: 46

In the opinion of the Management, current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

Note 47-The Subsidiaries considered in Consolidated Financial Statements :

Particulars	Country of origin	Proportionate ownership interest	Proportionate ownership interest
		2022-23	2021-22

Subsidiaries:

1.La Tim Sourcing (India) Private Limited	India	100.00%	100.00%
-------------------------------------------	-------	---------	---------

Additional Information As Required By Schedule III To Companies Act, 2013 as at 31st March, 2023

(Rs. In Lakhs)

Name of Entity	Net Assets		Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	% in consolidated Net assets	Amount	% in consolidated Profit and Loss	Amount	% in consolidated Other Comprehensive Income	Amount	% in consolidated Total Comprehensive Income	Amount
<b>As on 31st March, 2023</b>								
<b>Parent</b>								
La Tim Metal Industries Limited	67.30%	1,864.72	71.31%	(534.81)	0.00%	-	71.53%	(534.81)
<b>Parent Total</b>	<b>67.30%</b>	<b>1,864.72</b>	<b>71.31%</b>	<b>(534.81)</b>	<b>0.00%</b>	<b>-</b>	<b>71.53%</b>	<b>(534.81)</b>
<b>Subsidiaries</b>								
La Tim Sourcing (India) Private Limited	53.11%	1,471.60	28.69%	(215.12)	100.00%	(2.28)	28.47%	(212.84)
<b>Subsidiaries Total</b>	<b>53.11%</b>	<b>1,471.60</b>	<b>28.69%</b>	<b>(215.12)</b>	<b>100.00%</b>	<b>(2.28)</b>	<b>28.47%</b>	<b>(212.84)</b>
Adjustment in Consolidated Accounts	(0.20)	(565.61)	-	(0.00)	-	-	-	(0.00)
<b>Total</b>	<b>100.00%</b>	<b>2,770.70</b>	<b>100.00%</b>	<b>(749.93)</b>	<b>100.00%</b>	<b>(2.28)</b>	<b>100.00%</b>	<b>(747.65)</b>

The accompanying notes 1 to 47 are an integral part of the Consolidated Financial Statements

"As per our report of even date attached"

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration Number: 102511W/W100298

Anik Sulaxbhai Shah  
Digitally signed by Anik Sulaxbhai Shah  
Date: 2023.05.29 13:42:34 +05'30'

Anik S Shah  
Partner  
Membership Number: 140594



For & On Behalf Of The Board Of Directors

Kartik M. Timbadia  
Chairman  
DIN No. 00473057

Sandip Timbadia  
Chief Financial Officer

Place: Mumbai  
Date: 29/05/2023

Rahul M. Timbadia  
Managing Director  
DIN No. 00691457

Shruti Shukla  
Company Secretary

Place: Ahmedabad  
Date: 29/05/2023

## CAPITALISATION STATEMENT

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, please see “**Terms of the Issue**” beginning on page 172 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE by letter dated [●]. Our Company will also make application to BSE to obtain the trading approvals from the stock exchange for the Rights Entitlements as required under the SEBI ICDR Master Circulars.

The following table sets forth our capitalization statement for the Issue:

(Rs. in Lakhs)

Particulars	Pre-Issue As at March 31, 2023	As adjusted for the Issue*
<b>Total Borrowings</b>		
Current Borrowings	1,224.46	-
Non-Current Borrowings	3,429.44	-
<b>Total Borrowings(A)</b>	<b>4,653.90</b>	-
<b>Total Equity</b>		
Equity Share Capital	883.14	-
Other Equity	1,887.56	-
<b>Total Funds(Excluding Borrowings) (B)</b>	<b>2770.70</b>	-
<b>Total Capitalisation (A+B)</b>	<b>7,424.60</b>	-
<b>Long Term Borrowings/Equity</b>	<b>1.24x</b>	
<b>Total Borrowings/Equity</b>	<b>1.68x</b>	

\*Shareholders fund post Issue can be calculated only on the conclusion of the Issue and has not been adjusted for estimated Issue related expenses.

Notes: Short-Term borrowings represent debts which are due within 12 months March 31, 2023

# The amounts disclosed above are based on the Consolidated Audited Financial Statements of the Company.



## OTHER FINANCIAL INFORMATION

Sr.No	Particulars	For the year ended 31st March	
		2023	2022
A	Net Worth as Audited (₹ in Lakhs)	2,770.70	3,518.36
B	Profit attributable to equity shareholders for Basic and Diluted Earnings Per Equity Share (₹ in Lakhs)	(749.93)	1,798.37
C	Weighted average number of equity shares outstanding during the year		
	For Basic & Diluted Earnings Per Equity Share	8,83,14,300	8,83,14,300
D	Earnings Per Equity Share	(0.85)	2.04
E	Return on Net Worth (%) (B/A * 100)	(27.07%)	51.11%
F	Number of Equity Shares outstanding at the end of the Year	8,83,14,300	88,31,430
G	Net asset value per equity share of ₹ 1 each (A/G)	3.14	39.84
H	Face Value of Equity Shares (₹)	1.00	10.00
I	Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA) (₹ in Lakhs)	103.36	2,934.94

The ratios have been computed as under:

1. Basic and diluted earnings per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
2. Return on Net Worth ratio: Profit/ (loss) for the period attributable to Equity Shareholders divided by the Net Worth of our Company at the end of the year/period.
3. NAV: Net Worth divided by the outstanding number of equity shares at the end of the period.
4. EBITDA: Aggregate of profit before share of net profit of associate and joint ventures, exceptional items and tax, finance cost and depreciation and amortisation for the year/ period.
5. Net Worth: Net worth is computed in accordance with Section 2(hh) of SEBI ICDR Regulations. “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited consolidated Financial Information for the period ending March 31, 2023, March 31, 2022 and March 31, 2021. For further details please refer to the section titled '*Financial Information*' beginning on page 113.

Particulars	2023**	2022**	2021**
Basic and Diluted Earnings per Equity Share (₹)	(0.85)	2.04	1.99
Return on Net Worth (%)	(26.98%)	51.11%	97.34%
Net Asset Value per Equity Share (₹)	3.14	3.98	2.05
EBITDA (₹ in Lakhs)	103.36	2934.93	2715.83

\*\*Based on the Audited Financial Statements for the Financial Year ending March 31

The formula used in the computation of the above ratios is as follows:

Particular	Computation Of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/ (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth)/ (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss;

(Amount in ₹ Lakhs)

Particulars	2023**	2022**	2021**
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (A)	(747.65)	1798.09	1760.55
Net worth at the end of the year (B)	2,770.70	3,518.36	1,808.58
<b>Return on Net Worth (%) [(A)/(B)]</b>	(26.98%)	51.11%	97.34%

\*\*Based on the Audited Financial Statements for the Financial Year ending March 31

(Amount in ₹ Lakhs)

Particulars	2023**	2022**	2021**
Net Worth (A)	2,770.70	3,518.36	1,808.58
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	8,83,14,300	8,83,14,300	8,83,14,300
<b>Net Asset Value per Equity Share (₹) [(A)/(B)]</b>	3.14	3.98	2.05

\*\*Based on the Audited Financial Statements for the Financial Year ending March 31

(Amount in ₹ Lakhs)

Particulars	2023**	2022**	2021**
Equity Share capital (A)	883.14	883.14	883.14
Reserves and Surplus (B)	1887.56	2635.22	925.44
<b>Net Worth (₹) [(A)+(B)]</b>	<b>2770.7</b>	<b>3518.36</b>	<b>1808.58</b>

\*\*Based on the Audited Financial Statements for the Financial Year ending March 31

(Amount in ₹ Lakhs)

Particulars	2023**	2022**	2021**
Net Profit/ (loss) after tax (A)	-749.93	1798.09	1760.55
Income tax expenses (B)	11.9	533.43	113.67
Finance Cost (C)	597.9	398.23	630.35
Depreciation and Amortization expense (D)	243.5	204.89	211.03
<b>EBITDA (A+B+C+D)</b>	<b>103.36</b>	<b>2934.64</b>	<b>2715.6</b>

\*\*Based on the Audited Financial Statements for the Financial Year ending March 31

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

You should read the following discussion of our financial condition and results of operations together with our Audited Consolidated Financial Statements as of and for the Fiscal 2023 and Fiscal 2022 included in this Draft Letter of Offer. Our Audited Financial Statements for Fiscal 2023 & Fiscal 2022 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to La Tim Metal & Industries Limited, our Company. Unless otherwise indicated, financial information included herein are based on our ‘**Financial Information**’ for the period ended on Financial Years 2023 and 2022 included in this Draft letter of offer beginning on page 113.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be “Forward Looking Statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### Business Overview:

La Tim Metal and Industries Limited is a dynamic company specializing in pre-painted steel products and trading in the metals industry. Our offerings include pre-painted galvanized iron steel, pre-painted galvalume steel, and pre-painted cold roll sheets, alongside trading activities in galvalume steel, galvanized steel, and more. With a strong focus on quality, innovation, and safety, La Tim's products find applications in diverse sectors like construction, automotive fabrication, and furniture production. The recent merger of La Tim Sourcing (India) Private Limited with La Tim Metal and Industries Limited reinforces their commitment to operational efficiency and growth. Additionally, La Tim is expanding its portfolio with the introduction of stone-coated steel roofing and self-drilling screws. Their upcoming Industrial Park aims to offer strategic land parceling opportunities, capitalizing on a prime location for industrial development.

For further details, please refer to the chapter titled ‘**Business overview**’ beginning on page 78.

### Financial Performance:

The financial performance of our Company for the year ended on as on March 31, 2023 and March 31, 2022 is as follows:

(Amount in ₹ Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	27,161.85	56,827.19
EBITDA	103.36	2934.94
Profit / (loss) after tax from continuing operation	(747.65)	1798.09
Profit / (loss) after tax from discontinuing operation	-	-
<b>Total Profit / (loss)</b>	<b>(747.65)</b>	<b>1798.09</b>

### Significant Factors Affecting Our Results of Operations:

Our business is subject to various risks and uncertainties, including those discussed in the section titled ‘**Risk Factors**’ on page 22

Our Company's future results of operations could be affected potentially by the following factors:

1. Company's ability to successfully implement our strategy, our growth and expansion, technological changes;
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
5. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
6. Changes in laws and regulations relating to the industries in which we operate;
7. Intensified competition in industries/sector in which we operate;
8. Our ability to attract, retain and manage qualified personnel;
9. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
11. Our ability to expand our geographical area of operation.

#### **Significant Changes in Accounting Policies:**

Except as mentioned in section titled *Financial Information* beginning on page 113 there has been no change in accounting policies during the Fiscal years 2023 and 2022.

#### **Reservations, Qualifications, Matter of Emphasis, Adverse Remarks/Other Observations in CARO:**

The auditor didn't have any reservations, qualifications, emphasis of matters, adverse remarks or other observations in CARO. The auditor's opinion is as mentioned below:

*"We have audited the accompanying consolidated financial statements of La Tim Metal & Industries Limited (hereinafter referred to as the "Holding Company") and its Subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")."*

*In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs (consolidated financial position) of the Group as at 31st March, 2023, the consolidated loss (consolidated financial performance including consolidated other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date."*

#### **Principal Components of Our Statement of Profit and Loss:**

##### **Revenue**

Our revenue comprises of:

##### **i. Revenue from operations**

Revenue from operations comprises revenue from sale of products, consisting of sale of purchased/imported finished product: Pre-painted Galvalume/Galvanized Steel coils and other operating income including export incentives.

## ii. Other Income

The key components of other income are gains on foreign exchange fluctuations and other income in the nature of MEIS- Social welfare cess income, interest income, gain on sale of investments and assets, and other miscellaneous income.

## Expenses

Our expenditure consists of the following-

### i. Cost of material consumed

The Cost of material consumed comprises of changes in raw material (including stores) & purchase of raw material like Galvalume/Galvanised Steel coils, paints, etc.

### ii. Purchase of stock-in-trade

Purchase of stock-in-trade consist of finished goods purchased primarily consisting of steel and land.

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

Changes in inventories of finished goods, stock-in-trade and work-in-progress mainly consists of changes in opening and closing inventories of stock-in-trade i.e. steel and land.

### iv. Employee benefit expense

Employee benefit expenses consist of salaries, wages, bonus and staff welfare expenses.

### v. Finance cost

Finance costs include interest expenses and other borrowing costs.

### vi. Depreciation and Amortization Expense

Depreciation expenses consists primarily of depreciation on various assets like buildings, computer, furniture and fixtures, motor car, computer, right-to-use asset and other office equipment etc.

### vii. Other expenses

Other expenses pertain to operating, administration and general expenses consisting of, amongst others, advertisement, legal and professional charges, commission expenses, loss on foreign exchange fluctuations, payment to auditors, miscellaneous expense, etc.

### viii. Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

## Results of Our Operations

Particulars	For The Year Ended March 31, 2023		For The Year Ended March 31, 2022	
	Amount In ₹ Lakhs	% Of Total Revenue	Amount In ₹ Lakhs	% Of Total Revenue
I. Revenue from operations	27,161.85	99.38%	56,827.19	99.74%
II. Other Income	170.52	0.62%	148.38	0.26%
<b>III. Total Revenue (I +II)</b>	<b>27,332.37</b>	<b>100.00%</b>	<b>56,975.57</b>	<b>100.00%</b>
<b>IV. Expenses</b>				
Cost of materials consumed	12,704.90	46.48%	47,056.84	82.59%
Purchase of Stock-in-trade	9,614.75	35.18%	10,230.30	17.96%

Change in Inventory of finished goods and Work in Progress	3,651.04	13.36%	-5,087.87	-8.93%
Employee Benefits expense	401.56	1.47%	385.17	0.68%
Finance Costs	597.90	2.19%	398.23	0.70%
Depreciation and amortization expenses	243.50	0.89%	204.90	0.36%
Other expenses	856.75	3.13%	1,456.20	2.56%
<b>Total Expenses</b>	<b>28,070.40</b>	<b>102.70%</b>	<b>54,643.78</b>	<b>95.91%</b>
<b>V. Profit / (Loss) before Exceptional Item (III –IV)</b>	<b>-738.03</b>	<b>-2.70%</b>	<b>2,331.79</b>	<b>4.09%</b>
VI. Exceptional Item	-	0.00%	-	0.00%
<b>VII. Profit / (Loss) after Exceptional Item (V-VI)</b>	<b>-738.03</b>	<b>-2.70%</b>	<b>2,331.79</b>	<b>4.09%</b>
VIII. Tax expenses	11.89	<b>0.04%</b>	533.43	<b>0.94%</b>
a. Current tax	-	0.00%	563.04	0.99%
b. Earlier year provision	-4.83	-0.02%	-	0.00%
c. Deferred tax	16.73	0.06%	-29.61	-0.05%
<b>IX. Profit / (Loss) for the period (VII-VIII)</b>	<b>-749.93</b>	<b>-2.74%</b>	<b>1,798.36</b>	<b>3.16%</b>

### Comparison of Financial Year Ended March 31, 2023 with Financial Year Ended March 31, 2022:

#### A) Total Revenue

Our total revenue for the Fiscal 2023 was ₹27,332.37 Lakhs as compared to ₹56,975.57 Lakhs for the Fiscal 2022, representing a decrease of 52.20%.

Total revenue comprises of:

#### i) Revenue from Operations

In Fiscal 2023, our operations generated revenue of ₹27,161.85 Lakhs, down from ₹56,827.19 Lakhs in Fiscal 2022. This decline can be attributed to a significant drop in steel prices, decreasing by around 40% to ₹57,000 per tonne in the domestic market. The iron and steel demand has fallen sharply across the globe owing to several factors such as global economic slowdown, high energy prices, ongoing Ukraine-Russia crisis, and a sharp downturn in China. This dip in prices resulted from subdued export orders due to a 15% export levy, affecting the export market adversely. While vertically integrated large companies absorbed the impact due to their buffer, the export slowdown led them to release surplus raw material in the domestic market, causing further price reduction.

#### ii) Other income

Other income for the Fiscal 2023 was ₹170.52 Lakhs as compared to ₹148.38 Lakhs for the Fiscal 2022, representing an increase of 14.92%. The increase in other income is based on judgment of Honorable High Court, wherein all assesseees were required to lodge their claim related to Social Welfare Cess as per Customs Duty Regulations; hence, company has booked income of the said refund claim lodged in relation to Social Welfare Cess.

#### B) Expenses

Our total expenditure for the Fiscal 2023 was ₹28,070.40 Lakhs as compared to ₹54,643.78 Lakhs for the Fiscal 2022, representing a decrease of 48.63%.

Total expenditure comprises of:

#### i) Cost of Material Consumed

The Cost of Material Consumed for the Fiscal 2023 was ₹ 12,704.90 Lakhs as compared to ₹ 47,056.84 Lakhs for

the Fiscal 2022, representing a decrease of 73.00%. The substantial decline in steel prices, driven by global factors including economic slowdown, energy price volatility, geopolitical tensions, and China's market dynamics, directly influences the cost of goods sold for our company. With steel prices falling by about 40% to ₹57,000 per tonne in the domestic market, the cost of procuring raw materials for our production process also reduces. Consequently, this results in a corresponding decrease in the cost of goods sold, which has implications for our financial calculations and bottom-line considerations.

**ii) Purchase of stock-in-trade**

The Purchase of stock-in-trade for the Fiscal 2023 were ₹9,614.75 Lakhs as compared to ₹10,230.30 Lakhs for the Fiscal 2022, primarily due increase in closing stock of raw materials and finished goods.

**iii) Changes in Inventories of finished goods, stock-in-trade and work-in-progress**

The amount of changes in inventories of finished goods, stock-in-trade and work-in-progress for the Fiscal 2023 were ₹3,651.04 Lakhs as compared to (₹5,087.87) Lakhs for the Fiscal 2022, primarily due to increase in closing stock of finished goods and work in progress.

**iv) Employee benefit expenses**

Employee benefit expense for the Fiscal 2023 was ₹401.56 Lakhs as compared to ₹385.17 Lakhs for the Fiscal 2022, representing an increase of 4.26%. This increase was due to increase in salary, wages, bonus and staff welfare expense.

**v) Finance cost**

Finance cost for the Fiscal 2023 was ₹597.90 Lakhs as compared to ₹398.23 Lakhs for the Fiscal 2022, representing an increase of 50.14%. The increase in finance cost is due to restructuring of the existing loan and further increase in term loans.

**vi) Depreciation and Amortization Expenses**

Depreciation and amortization expense for the Fiscal 2023 was ₹243.50 Lakhs as compared to ₹204.90 Lakhs for the Fiscal 2022, representing an increase of 18.83%. The increase is due to addition in Vehicles during the year which further resulted in increase in depreciation charge.

**vii) Other expenses**

Other expenses for the Fiscal 2023 were ₹856.75 Lakhs as compared to ₹1,456.20 Lakhs for the Fiscal 2022, representing a decrease of 41.17%. The decrease was mainly due to decrease in operations in terms of both revenue and expenses.

**C) Profit/(loss) before exceptional and extra-ordinary item**

Profit/(loss) before exceptional and extra-ordinary item for Fiscal 2023 was ₹(738.03) Lakhs as compared to ₹2,331.79 Lakhs for Fiscal 2022. This decrease in profits was primarily due to decrease in revenue from operations.

**D) Profit/(loss) before Tax**

The profit/(loss) before tax for Fiscal 2023 was ₹(749.93) Lakhs as compared to ₹1,798.36 Lakhs for Fiscal 2022.

**E) Tax expenses**

Total tax expense for the Fiscal 2023 was ₹11.89 Lakhs as compared to ₹533.43 Lakhs for Fiscal 2022. This is because we have incurred losses during Fiscal 2023 due to decrease in operations.

**F) Profit/(loss) after tax**

For the reasons discussed above, the profit/(loss) after tax for the Fiscal 2023 was ₹(749.93) Lakhs as compared to ₹ 1798.37 Lakhs for the Fiscal 2022.

**CASH FLOW**

The table below summarizes our cash flow from Audited Consolidated Financial Information for the period ended March 31, 2023 and March 31, 2022:



(Amount in ₹ Lakhs)

Particulars	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
Net Cash (used in)/generated from operating activities	(321.13)	(195.70)
Net Cash (used in)/generated from investing activities	340.61	(201.89)
Net Cash (used in)/generated from financing activities	(97.34)	(19.36)
Cash and cash equivalents at the beginning of the period	178.73	595.69
Cash and cash equivalents at the end of the period	100.86	178.73

### Operating Activities

#### **Financial Year 2022-2023**

Our net cash flow generated from operating activities was ₹ (321.13) Lakhs for the year ended March 31, 2023. Our operating profit before working capital changes amounted to ₹ (5.60) Lakhs for the year ended March 31, 2023. This was primarily adjusted against decrease in trade receivables by ₹ 791.42 Lakhs, increase in other assets by ₹ 1,616.24 Lakhs, decrease in inventories by ₹ 4,094.88 Lakhs, decrease in trade payables by ₹ 4,530.06 Lakhs and increase in current liabilities and provisions by ₹ 1,018.91 Lakhs.

#### **Financial Year 2021-2022**

Our net cash flow generated from operating activities was ₹ (195.70) Lakhs for the year ended March 31, 2022. Our operating profit before working capital changes amounted to ₹ 2,880.46 Lakhs for the year ended March 31, 2022. This was primarily adjusted against decrease in trade receivables by ₹ 2,150.35 Lakhs, decrease in other assets by ₹ 334.53 Lakhs, increase in inventories by ₹ 5,764.66 Lakhs, increase in trade payables by ₹ 1,107.81 Lakhs, decrease in other current liabilities and provisions by ₹ 318.20 Lakhs and increase in other non-current liabilities by ₹ 22.74 Lakhs.

### Investing Activities

#### **Financial Year 2022-2023**

Our net cash flow generated from investing activities was ₹ 340.61 Lakhs for the year ended March 31, 2023. This was on account of purchase and sale of fixed assets of ₹ 18.46 Lakhs and ₹ 4.22 Lakhs respectively, purchase and sale of currency of ₹ 4.93 Lakhs and ₹ 6.49 Lakhs respectively, sale and purchase of investments of ₹ 1.20 Lakhs and ₹ 20.92 Lakhs respectively, dividend income of ₹ 2.30 Lakhs, interest income of ₹ 133.45 Lakhs and proceeds from deposits amounting to ₹ 197.80 Lakhs.

#### **Financial Year 2021-2022**

Our net cash flow generated from investing activities was ₹ (201.89) Lakhs for the year ended March 31, 2022. This was on account of purchase and sale of fixed assets of ₹ 36.48 Lakhs and ₹ 24.15 Lakhs respectively, sale and purchase of investments of ₹ 23.63 Lakhs and ₹ 30.11 Lakhs respectively, Investments in bank deposits amounting to ₹ 193.12 Lakhs, dividend income of ₹ 1.10 Lakhs and interest income of ₹ 8.93 Lakhs.

### Financing Activities

#### **Financial Year 2022-2023**

Our net cash flow from financing activities was ₹ (97.34) Lakhs for the year ended March 31, 2023. This was primarily on account of proceeds from loan of ₹ 2,139.57 Lakhs, repayment of loan of ₹ 1,517.79 Lakhs and interest and finance charges of ₹ 719.13 Lakhs.

#### **Financial Year 2021-2022**

Our net cash flow from financing activities was ₹ (416.96) Lakhs for the year ended March 31, 2022. This was primarily on account of proceeds from loan of ₹ 431.11 Lakhs, repayment of loan of ₹ 53.61 Lakhs and interest and finance charges of ₹ 396.86 Lakhs.

## **INFORMATION REQUIRED AS PER ITEM SCHEDULE VI TO THE SEBI REGULATIONS:**

### **i) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the chapter titled '**Risk Factors**' and chapter titled 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page 22 and 148, respectively, of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

### **ii) Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

### **iii) Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the chapter titled '**Risk Factors**' and chapter titled '**Management's Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page 22 and 148 respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

### **iv) Significant dependence on Related Party Transactions a Single or Few Suppliers or Customers**

Other than as described in this Draft Letter of Offer, particularly in chapter titled '**Risk Factors**' on page 22 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

For details, please see the chapter titled '**Financial Information**' beginning on page 113.

## MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchange pursuant to the Issue. For further details, please see “Terms of the Issue” beginning on page 172 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE by letter dated [●]. Our Company will also make applications to BSE to obtain the trading approvals from the stock exchange for the Rights Entitlements as required under the SEBI ICDR Master Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily opening & closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.

### Stock Market Data of the Equity Shares

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

Fiscal	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹)
2023	218.3	11 April 2022	322018	5.4	29 March 2023	136840	34.67
2022	214	25 March 2022	129016	38.7	12 April 2021	5788	98.24
2021	48.65	17 March 2021	1530	29.2	11 November 2020	533	37.74

(Source: [www.bseindia.com](http://www.bseindia.com))

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

Month	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹)
March 2023	9.04	02 March 2023	45,831	5.4	29 March 2023	136,840	7.55
April 2023	10.5	24 April 2023	82,652	7.45	03 April 2023	388,119	9.72
May 2023	10.9	18 May 2023	77,421	9.56	30 May 2023	71,708	10.24
June 2023	14.25	12 June 2023	378,999	9.75	01 June 2023	42,798	12.15
July 2023	13.00	26 July 2023	78,239	12.00	13 July 2023	132,427	12.53
August 2023	13.66	24 August 2023	341,868	12.2	02 August 2023	165,812	12.78

(Source: [www.bseindia.com](http://www.bseindia.com))

The total number of days trading during the past six months was 119. The average volume of Equity Shares traded on the BSE was 1,15,349 Equity Shares per day.

## SECTION VIII – LEGAL AND OTHER INFORMATION

---

### OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the materiality threshold adopted pursuant to the Board resolution dated June 29, 2023, in each case involving our Company, Promoters and Directors ("Relevant Parties").

For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Letter of Offer pursuant to the Board resolution dated June 29, 2023. Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been included.

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary actions including any penalty imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including any outstanding actions, would be considered 'material' in the following circumstances:

1. Any outstanding litigation involving monetary amount of claim made by or against the Company exceeds 1.00% (One percent) of the consolidated revenue from operations of the Company as per the latest Audited Balance Sheet.
2. All outstanding litigation which may not meet the monetary threshold, or wherein a monetary liability is not quantifiable, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation or prospects of our Company and as determined by our Company.

Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by the SEBI or the Stock Exchanges against our Promoters in the last five Financial Years including any outstanding action.

It is clarified that for the above purposes, pre-litigation notices received by the Relevant Parties from third-parties (excluding statutory or regulatory or tax authorities) have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial forum or arbitral forum.

#### A. LITIGATION INVOLVING OUR COMPANY

##### I. Litigation against our Company:

- (i) Litigation involving Criminal Laws: Nil
- (ii) Litigation involving Civil Laws: Nil
- (iii) Litigation involving actions by Statutory / Regulatory Authorities: Nil
- (iv) Litigation involving Direct / Indirect Tax matters: 1

##### *Indirect tax*

The company is involved in the trading of clour coated coils and profile sheets. The petitioner submitted Bill of Entry No.6532249 dated January 18, 2020, and Bill of Entry No. 2485287 dated September 17, 2022. The designated officer assessed both the Basic Customs Duty (BCD) and Additional Customs Duty (ACD) as zero or nil. However, the same officer notionally evaluated the Social Welfare Surcharge (SWS) and collected an amount of Rs 914.01 lakhs in cash from our company.

This matter has been brought before the High Court of Judicature at Bombay under Writ Petition No. 12183 of 2022. In an order dated November 15, 2022, the court directed a refund of Rs. 22,56,760 that the petitioner had paid as Notional Social Welfare Surcharge. The refund was to be completed within 8 weeks from the date of the order. However, the respondent, specifically the "Ministry of Finance, Department of Revenue," has filed a review application in response to the order. As of now, the case pending.

Thereafter, the Appellant filed an appeal before the High Court against the order of the CESTAT and the matter is presently pending.

**(iii) Other Pending Litigations: Nil**

**II. Litigation by our Company**

**(i) Litigation involving Criminal Laws: 1**

Our Company filed before the Metropolitan Magistrate, Andheri Mumbai, under section 138 of the Negotiable Instruments Act, 1881, This case was filed by our the Company – Dilmax Tradres and Partners of Dilmax Tradres Mr. K.R. Sudharshan. The case was filed against the Company on 28<sup>th</sup> February, 2017.

Our company filed for recovery of ₹21,93,885 [Rupees Twenty one Lakh Ninety three Thousand Eight hundred and eighty five Only] due for which 4 cheque were issued in favor in our company name having been dishonored. In addition, if any adverse order is passed against the Company, such outcome may have an adverse impact on the reputation of director of our company and may also affect the business prospects of our Company.

**(ii) Litigation involving Civil Laws: Nil**

**(iii) Litigation involving actions by Statutory / Regulatory Authorities: Nil**

**(iv) Litigation involving Direct / Indirect Tax matters: Nil**

**(v) Other Pending Litigations: Nil**

**B. LITIGATION INVOLVING OUR DIRECTORS.**

**I. Litigation against our Directors: - Nil**

**(i) Litigation involving Criminal Laws: Nil**

**(ii) Litigation involving Civil Laws: Nil**

**(iii) Litigation involving actions by Statutory / Regulatory Authorities: Nil**

**(iv) Litigation involving Direct / Indirect Tax matters: Nil**

**(v) Other Pending Litigations: Nil**

**II. Litigation by our Directors**

**(i) Litigation involving Criminal Laws: Nil**

**(ii) Litigation involving Civil Laws: Nil**

**(iii) Litigation involving actions by Statutory/Regulatory Authorities: Nil**

**(iv) Litigation involving Direct / Indirect Tax Matters: Nil**

**(v) Others pending litigations: Nil**

**C. LITIGATION INVOLVING OUR PROMOTERS**

**I. Litigation against our Promoters:**

**(i) Litigation involving Civil Laws: Nil**

**(ii) Litigation involving Criminal Laws: Nil**

- (iii) Litigation involving actions by statutory or regulatory authorities: Nil
- (iv) Litigation involving Direct / Indirect Tax Matters: Nil
- (v) Other Pending Litigations: Nil

## **II. Litigation by our Promoters:**

- (i) Litigation involving Criminal Laws: Nil
- (ii) Litigation involving Civil Laws: Nil
- (iii) Litigation involving actions by statutory or regulatory authorities: Nil
- (iv) Litigation involving Direct / Indirect Tax Matters: Nil
- (v) Other Pending Litigations: Nil

## **D. LITIGATION INVOLVING GROUP COMPANIES**

### **I. Litigation against our Group Company:**

- (i) Litigation involving Criminal Laws: Nil
- (ii) Litigation involving Civil Laws: 1

Mr. Surendra M Khandar ("Plaintiff") initiated legal proceedings on the 7th of November, 2012. This action involved filing a Plaint before the Hon'ble Civil Judge Senior Division Panvel. The Plaint was directed against Latim Lifestyle and Resorts Ltd and another ("Respondents"). The purpose of this legal action was to assert a claim under the Specific Relief Act of 1963, specifically for the enforcement of a specific performance of a contract for the property claim Office No. 401 to 408, encompassing an area of approximately 1823.46 Sq. Ft. of carpet space. This property is located on the 4th Floor of the building named "SHUBHAM COMPLEX," which is situated on Plot No. 1 & 3, Sector 11, in the area known as Node New Panvel East, Tal. Panvel, District Raigad.

As of now, the legal matter remains unresolved and is currently under the jurisdiction of the Hon'ble Civil Judge Senior Division Panvel. If any adverse order is passed against the our Company, such outcome may have an adverse impact on the reputation of director of our company and may also affect the business prospects of our Company

- (iii) Litigation involving actions by statutory or regulatory authorities: Nil
- (iv) Litigation involving Direct / Indirect Tax Matters: Nil
- (v) Other Pending Litigations: Nil

### **II. Litigation by our Group Company:**

- (i) Litigation involving Criminal Laws: Nil
- (ii) Litigation involving Civil Laws: 1

On the 18th of January 2020, La Tim Lifestyle and Resort Ltd. ("Plaintiff") initiated a Summary Suit. This legal proceeding was commenced before the Hon'ble City Civil Judge and Additional Session Judge in Dindoshi, Mumbai. The suit was directed against Haresh Dharam Patil ("Respondent") for the retrieval of a security deposit amounting to 5,40,000 rupees. This deposit was provided in connection with the property identified as Group Grampanchayat Dev-Nhave, situated within the revenue village of Sangde, in the Taluka of Khalapur, District Raigad. The property is specified by survey No. 8/9/A, featuring a house with the number 116. The property encompasses an open space measuring approximately 75 x 40 square feet and boasts a buildable area of 3000 square feet. The open area corresponds to the frontage of the Plot and is an integral part of the property, hereafter referred to as the "Suit Property."

Furthermore, the suit includes a claim for interest at a rate of 24% per annum, in addition to an extra amount of 10,00,000 rupees for losses pertaining to a business opportunity and the endured harassment. The suit has been instituted under the provisions of Section 9 of the Code of Civil Procedure.

As of now, the legal matter remains pending before the Hon'ble City Civil Court at Dindoshi, Mumbai. A scheduled hearing for this case is set for the 3rd of October, 2023. If any adverse order is passed against the our Company, such outcome may have an adverse impact on the reputation of director of our company and may also affect the business prospects of our Company

(iii) Litigation involving actions by statutory or regulatory authorities: Nil

(iv) Litigation involving Direct / Indirect Tax Matters: Nil

(v) Other Pending Litigations: Nil

### **LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS, OUR GROUP COMPANIES, OUR SUBSIDIARIES AND OUR DIRECTORS**

There are no legal notices received by Our Company, Our Promoters, Our Group Companies, and Our Directors as on the date of filing this draft Letter of offer.

### **MATERIAL VIOLATIONS OF THE STATUTORY REGULATIONS BY OUR COMPANY**

There are no material violations of the statutory regulations by our Company as on the date of this draft Letter of offer.

### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

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

### **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

- AGAINST THE PROMOTERS - NIL

- AGAINST THE COMPANY - NIL

### **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY RBI IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

- AGAINST THE PROMOTERS - NIL

- AGAINST THE COMPANY -NIL

As on the date of the Letter of offer, except as stated above, there have been no disciplinary action including penalty imposed by SEBI or RBI or Stock Exchanges against our Company and Promoters in the last five financial years including outstanding action.

### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Letter of offer, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies, and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

## **NON-PAYMENT OF STATUTORY DUES**

As on the date of the Letter of offer there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

## **OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2023 as Micro, Small or Medium Enterprises. Consequently, the amount paid / payable to these parties during the year is Rs. 48.13 lakhs Further, there is no small- scale undertaking or any other creditor to whom the Company owes a sum exceeding Rs. 1 lakh which is outstanding for more than thirty (30) days.



## GOVERNMENT AND OTHER APPROVALS

Our Company has obtained the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other Government Agencies/Regulatory Authorities/Certification Bodies required to undertake the Issue or continue our business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Letter of offer.

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

- 1) Incorporation details of our Company Certificate of incorporation dated November 28, 1974 issued by the RoC, Mumbai in the name of Drillco Metal Carbides Limited
- 2) Certificate of commencement of business dated November 28, 1974 issued by the RoC.
- 3) Fresh certificate of incorporation dated October 10, 2013 issued by the RoC, Mumbai consequent upon change of name to La Tim Metal & Industries Limited.
- 4) Our Company's corporate identification number is **L99999MH1974PLC017951**.
- 5) Shop and Establishment certificate No 820013098 Registered under The Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017.

### Tax Related Approvals

- 6) The PAN (Permanent The permanent account number of our Company is **AAACD6619H** issued by Income Tax Department under the Income Tax Act, 1961.
- 7) The tax deduction account number of our Company is **MUMD17380G** issued by Income Tax Department under the Income Tax Act, 1961.
- 8) The GST registration number of our Company is **27AAACD6619H1ZO** issued by Government of India under the Goods and Service Tax Act, 2017.

## APPROVALS FOR THE ISSUE


The following approvals have been obtained or will be obtained in connection with the Issue:

### 9) Approvals in Relation to the Issue

- a. The Board of Directors in pursuance of Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on June 29, 2023, have authorized the Issue.
- b. In-principle approval from the BSE bearing reference number '[•]' dated [•] to use the name of BSE for listing of the Equity Shares issued by our Company pursuant to the Issue;
- c. The ISIN of the Company is INE501N01020.

## INTELLECTUAL PROPERTY RIGHTS

Our Company owns/applied for the following Intellectual property rights under its name:

Sr. No	Trademark	Class	Applicant Name	Application no. and Date	Status
1.	 LATIM	6	La Tim Metal and Industries Ltd.	6051127 August 3, 2023	Pending for approval
2.	LATIM – Copyright	-	La Tim Metal and Industries Ltd.	126113 August 3, 2023	Pending for approval

### Note :-

Following licenses is name of the La Tim Sourcing (India) Private Limited which is wholly owned subsidiary due to NCLT order dated 04<sup>th</sup> August 2023 merger La Tim Sourcing (India) Private Limited with our company La Tim Metal and Industries Ltd all below stated licenses is the name of La Tim Sourcing (India) Private Limited company is under process of the updating of licenses on the La Tim Metal and Industries Ltd.

1. The PAN (Permanent The permanent account number of our Company is AAACL6240N issued by Income Tax Department under the Income Tax Act, 1961
2. The GST registration number of our Company is 27AAACL6240N1ZA issued by Government of India under the Goods and Service Tax Act, 2017 for Mumbai, registered office.
3. The GST registration number of our Company is 24AAACL6240N1ZG issued by Government of India under the Goods and Service Tax Act, 2017 for Umbergaon, Valsad, Gujarat factory.
4. The GST registration number of our Company is 08AAACL6240N1ZA issued by Government of India under the Goods and Service Tax Act, 2017 for branch Jaipur, Rajasthan,
5. The GST registration number of our Company is 33AAACL6240N1ZH issued by Government of India under the Goods and Service Tax Act, 2017 for branch Chennai, Tamil Nadu.
6. The GST registration number of our Company is 32AAACL6240N1ZJ issued by Government of India under the Goods and Service Tax Act, 2017 for Ernakulam, Kerala.
7. Shop and Establishment certificate No 820012091 Registered under The Maharashtra Shops and Establishment (Regulation of Employment and Condition of Service) Act, 2017.
8. Consent to operate as Steel manufacturer the Gujarat Pollution Control Board under the Air (Prevention & Control of Pollution) Act and Authorization under the Hazardous and Other Waste (Management and Transboundary Movement) Rules 2016, framed under the EP Act-1986. The consent is valid till 15<sup>th</sup> October 2024.
9. License to run a factory bearing number 35841 dated 07<sup>th</sup> May 2018 issued to our Company under the Factories Act.
10. Zero Duty EPCG Scheme license/Authorisation No: 0330047707 and registration number 881/SIA/IMO/17 issued by the Ministry of Commerce and Industry Additional Director.

11. Gujarat State Registration for Incentive to industries Scheme and Registration No. IC/ItoI/Reg./1008157-2019/N/000112/2020

12. Certificate of registration bearing number 35000710270001099 issued to our Company under the Employees State Insurance Act, 1948.

13. Certificate of registration bearing number 10000228992BAN dated 07/02/2019 issued to our Company by Assistant Provident Fund Commissioner under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 for registered office Mumbai.

14. Certificate of registration bearing number 10000215258VAP dated 31/12/2018 issued to our Company by Assistant Provident Fund Commissioner under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 for Factory located Umbergaon Gujarat.

**MATERIAL LICENSES / APPROVALS FOR WHICH OUR COMPANY IS YET TO APPLY FOR:**

Certificate of Registration and Certificate of Enrolment under the following acts:

- a. Branch offices Shops and Establishment Licenses accordingly applicable state act.
- b. A fire no-objection certificate.
- c. Industrial entrepreneurs memorandum section for proposed capacity 90000.00 MT issued by the ministry of commerce and industry.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on June 29, 2023.

The Right issue committee of our Company in their meeting conducted on August 29, 2023, approved this Issue inter-alia on the following terms.

<b>ISSUE SIZE</b>	Upto ₹ 3753.36 Lakhs
<b>ISSUE PRICE</b>	₹ 8.50/- (Eight Rupees Fifty Paise Only) including a premium of ₹ 7.50/- (Seven Rupees Fifty Paise Only) Per Rights Share. On Application, the Investors will have to pay ₹ 4.25 per Rights Equity Share which constitutes 50% of the Issue Price and the balance ₹ 4.25 per Rights Equity Share which constitutes 50 % of the Issue Price, will be required to be paid on one or more subsequent Call(s), as determined by our Board and, or, the Rights Issue Committee, at its sole discretion, from time to time, in compliance with SEBI ICDR Regulations.
<b>ISSUE ENTITLEMENT RATIO</b>	1 Rights Equity Shares for every 2 Equity shares held by the Eligible Equity Shareholders as on the Record Date i.e., April 14, 2022. Record Date [•];
<b>RECORD DATE</b>	[•]

This Draft Letter of Offer has been approved by our Right issue committee pursuant to their resolutions dated August 29, 2023.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference '[•]' dated [•], [•]. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;

Our Company has been allotted the ISIN [•] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company. Our Company has been allotted the ISIN [•] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled '*Terms of the Issue*' beginning on page 172.

### PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, the Promoters and the members of Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling, or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Company, the Promoters and members of the Promoter Group and the Directors of our Company have not been declared as fugitive economic offenders.

There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies.

None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange.

### **Prohibition by RBI:**

Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI.

Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Fraudulent Borrowers by the RBI.

### **Directors Associated with the Securities Market:**

None of our Directors are associated with the securities market in any manner.

### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018:**

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

### **ELIGIBILITY FOR THE ISSUE**

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE. Our Company is eligible to offer and issue Right Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations.

Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE for listing of the Right Shares to be issued pursuant to this Issue.

### **COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS**

The present Issue being of less than ₹ 3753.36 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. [www.sebi.gov.in](http://www.sebi.gov.in);

Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE and NSE for listing of the Right Shares to be issued pursuant to this Issue;

### **COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Stock Exchange and until date.
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE.
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders 'Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.
4. As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

## **DISCLAIMER CLAUSE OF SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹ 3753.36 Lakhs.

## **DISCLAIMER CLAUSES FROM OUR COMPANY**

Our Company and Advisor to issue accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company, Advisor to issue and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company, the Advisor to issue and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

## **CAUTION**

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Right Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

## **DISCLAIMER WITH RESPECT TO JURISDICTION**

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

## **DESIGNATED STOCK EXCHANGE**

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

## **DISCLAIMER CLAUSE OF BSE**

As required, a copy of this Draft Letter of Offer has been submitted to the BSE. BSE has given vide its '[•]' dated [•], to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE.

Further, BSE does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer that our Company's Equity Shares will be listed or will continue to be listed on BSE; or
2. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company; and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever

by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue does not exceed ₹5000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the BSE for obtaining in-principle approval.

## LISTING

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

## CONSENTS

Consents in writing of our Promoter, Directors, Auditors, Banker to the Company, Banker to Issue, Advisor to issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

## EXPERT OPINION

Except for the reports in the section *Financial Information*’ on page 113 respectively from the Statutory Auditors, our Company has not obtained any expert opinions.

## PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

## STOCK MARKET DATA OF THE EQUITY SHARES

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled *Market Price information*’ on page 155.

## SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the issue and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Advisor to issue to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Advisor to issue, and the BSE Limited. Accordingly, our Company, the Advisor to issue and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements.

Accordingly, persons receiving a copy of the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Advisor to issue or their respective affiliates to any filing or registration requirement (other than in India). If the Draft Letter of Offer, this Draft Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Advisor to issue or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form nor any sale or offer hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or date of such information.



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

## **NO OFFER IN THE UNITED STATES**

The rights entitlements and the right shares have not been and will not be registered under the United States securities act, 1933, as amended, or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. Persons" (as defined in regulations under the securities act, except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and right shares referred to in this draft letter of offer are being offered in India and in jurisdictions where such offer and sale of the right shares and/or rights entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the draft letter of offer, this draft letter of offer, and abridged letter of offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, the draft letter of offer, this draft letter of offer, the abridged letter of offer, entitlement letter, and application form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

**We, the Registrar, the Advisor to issue or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form. The Rights Entitlements may not be transferred or sold to any person in the United States.

## **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

### **1. Mechanism for Redressal of Investor Grievances**

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the

corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint. The average time taken by the Registrar to the Issue, for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

## **2. Investor Grievances arising out of this Issue**

Our Company's investor grievances arising out of the Issue will be handled by Skyline Financial Services Pvt Limited, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renounce should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on page 172.

The contact details of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary And Compliance Officer	Registrar To The Issue
<p><b>MS. SHRUTI SHUKLA</b>            Address: 901, Vaibhav Chambers, Bandra-Kurla, Complex 9th Floor, Opp. Income Tax, Office, Bandra (East), Maharashtra,, Mumbai, 40005            Tel: 022- 26203399, 26203434            Email: cs.latimmetal@gmail.com            Website: www.latimmetal.com</p>	<p>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED            D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi- 110020            Contact Number: +91-11-40450193-197            Email Address: ipo@skylinerta.com            Investor Grievance Email Address: grievances@skylinerta.com            Contact Person: Mr. Anuj Kumar            Website: www.skylinerta.com            SEBI Registration No.: INR000003241            CIN: U74899DL1995PTC071324</p>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at [www.skylinerta.com](http://www.skylinerta.com) Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are ([grievances@skylinerta.com](mailto:grievances@skylinerta.com) or +91-11-40450193-197)

## SECTION IX – ISSUE INFORMATION

---

### TERMS OF THE ISSUE

*This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this draft Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see ‘Terms of issue’ beginning on page 172.*

*This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.*

#### **I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS**

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at ; [www.latimmetal.com](http://www.latimmetal.com)

- (ii) the Registrar at [www.skylinerta.com](http://www.skylinerta.com); and
- (iii) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.latimmetal.com](http://www.latimmetal.com)).

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of this Letter of offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

## **II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Eligible Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Eligible Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see 'Making of an Application through the ASBA Process' beginning on page 172 of this Letter of offer.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouces, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demataccount in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “*Grounds for Technical Rejection*” below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” below.

#### • Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part);  
or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or renounce its Rights Entitlements in full.

#### **Making of an Application through the ASBA process**

Eligible Shareholders, wishing to participate in this Issue through the ASBA facility, are required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Shareholders may apply for the Issue Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders while applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

***Do's for Shareholders applying through ASBA:***

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on

application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

***Don'ts for Shareholders applying through ASBA:***

- (a) Do not apply if you are not eligible to participate in the Issue under securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.

**• Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being La Tim Metal & Industries Limited;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;



- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;
- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid at the rate of ₹ 8.5 per Equity Share;
- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:  
*“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulations, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholder submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at [www.skylinerta.com](http://www.skylinerta.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders’ ASBA Accounts on or before the Issue Closing Date.

### **Acceptance of this Issue**

Eligible Equity Shareholders may accept this Issue and apply for the Issue Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected. Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Terms of issue*' on page 172.

- **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

### **Application for Additional Equity Shares**

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange.

Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” mentioned below.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.**

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

*Additional general instructions for Shareholders in relation to making of an application*

- a. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.
- d. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain

Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

**The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity**

**Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- h. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q. Do not pay the Application Money in cash, by money order, pay order or postal order.
- r. Do not submit multiple Applications.
- s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the

government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

- t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

• **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- (o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.

- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

- **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- **Procedure for Applications by certain categories of Shareholders Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that maybe issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against 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 registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

### **Procedure for Applications by AIFs, FVCIs, VCFs and FDI route**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general

body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Shareholders**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Last date for Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [•] *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “*terms of issue*” mentioned on page 172.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the



Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Issue Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

- **CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**
- **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, <https://www.latimmetal.com/>).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [•]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing

Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* [www.skylinerta.com](http://www.skylinerta.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send this the Letter of Offer and the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

This the Letter of Offer the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Issue Shares under the laws of any jurisdiction which apply to such person.

### **Credit of Rights Entitlements in Dematerialised account**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars,

the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and clientmaster sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

### III. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

#### • Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

#### • Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

#### • Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax

advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

### Payment Schedule of Issue Equity Shares

Rs. 8.5 per Issue Share (including premium of Rs. 7.5 per Issue Share) shall payable as stated below

Amount Payable per Rights Equity Shares	Face Value (₹)	Premium (₹)	Total (₹)
On Application	0.50	3.75	4.25
One or more subsequent Call(s) as determined by our Board and, or, the Rights Issue Committee at its sole discretion, from time to time	0.50	3.75	4.25
<b>Total (₹)</b>	1	7.5	8.50

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.**

#### (a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [•] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [•] to [•] (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [•] and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### (b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be

transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE986W20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

#### **IV. MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agree to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **Mode of payment for Resident Shareholders**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

#### **Mode of payment for Non-Resident Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility

and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

#### • **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 2 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 1 Equity Shares or is not in the multiple of 1 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 2 Equity Shares, such Equity Shareholder will be entitled to 1 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than two Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

#### • **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number **LOD/RIGHT/CP/FIP/47/2023-24**. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 505693) under the ISIN: [•]. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within seven days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

## **VII. GENERAL TERMS OF THE ISSUE**

### **• Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Issue Shares in dematerialised mode is one Equity Share.

### **• Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

### **• Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### **• Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 Equity Share and hence, no arrangements for disposal of odd lots are required.

### **• Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation, where our Registered Office is situated.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

### **• Offer to Non-Resident Eligible Equity Shareholders/Shareholders**



As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non- resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [www.skylinerta.com](http://www.skylinerta.com). It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non- resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non- Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at [www.skylinerta.com](http://www.skylinerta.com)

## **ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.**

## VIII. ISSUE SCHEDULE:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[•]
ISSUE OPENING DATE	[•]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[•]
ISSUE CLOSING DATE*	[•]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[•]
DATE OF ALLOTMENT (ON OR ABOUT)	[•]
DATE OF CREDIT (ON OR ABOUT)	[•]
DATE OF LISTING (ON OR ABOUT)	[•]

# Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [•] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [•].

The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

## IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renounee (s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making

full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c)
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

#### **X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will issue/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the issue closing date. In case of failure to do so, our Company and our Directors who are officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the ASBA facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalization of Basis of allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of

Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Separate ISIN for Rights Equity Shares**

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares. **Credit and Transfer of the Rights Equity Shares in case of the Eligible Equity Shareholders holding the Equity Shares in physical form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner**

In case of allotment to the Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- b. Within 6 months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client mastersheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- d. In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;
- e. Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updating the details of demat account

under any circumstances, including in case of failure to sell such Rights Equity Shares; After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of netbrokerage, taxes and administrative and incidental charges;

- f. If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law; and
- g. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

**Notes:**

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold the Equity Shares in physical form as on at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

## **XI. PAYMENT OF REFUND**

### **• Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

### **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

### **• Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the IssueClosing Date or such other timeline in accordance with applicable laws.

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form.

**SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

### **XIII. IMPERSONATION**

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 Lakhs or with both.

### **XIV. UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- All monies received out of this Issue shall be transferred to a separate bank account;
- Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue 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;
- Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **XV. UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be

made available to the Registrar by our Company.

- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount incase of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi. Adequate arrangements shall be made to collect all ASBA Applications.
- vii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- ix. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

## **XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

- 1) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
- 2) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**La Tim Metal & Industries Limited – Rights Issue**” on the envelope and post marked in India or in the e- mail) to the Registrar at the following address:

**Name** : Skyline Financial Services Private Limited.  
**Address** : A/506 Dattani Plaza, Andheri Kurla Road,  
Safed Pool, Mumbai – 400 072.  
**Tel No.** : +91 9920722410  
**Toll Free No.** : 18001202077  
**Email Id** : subhashdhingreja@skylinerta.com  
**Investor grievance e-mail** : grievances@skylinerta.com  
  
**Contact Person** : Mr. Subhash Dhingreja  
**Website** : [www.skylinerta.com](http://www.skylinerta.com)  
**SEBI Registration No.** : INR000003241

- 3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar [www.skylinerta.com](http://www.skylinerta.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22- 28511022/62215779
- 4) The Shareholders can visit [www.skylinerta.com](http://www.skylinerta.com) for the below-mentioned purposes also:
  - i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.



- ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by theRegistrar or our Company.
- iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.
- iv. Submission of self-attested PAN, client master sheet and demat account details by non-resident EligibleEquity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the 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. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the “Department of Industrial Policy and Promotion”) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary

approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

## SECTION X – OTHER INFORMATION

---

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/ reversed /failed.

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 A.M. and 5 P.M. on all working days from the date of filing of the Letter of Offer until the Issue Closing Date. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at [www.latimmetal.com](http://www.latimmetal.com) from the date of this Draft Letter of Offer until the Issue Closing Date.

#### MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated 26th August, 2023 between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated [•] amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).
3. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
4. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;

#### MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of Incorporation of our Company;
3. Copies of Audited Financial Statement and the Annual Report of our Company for the last 3 (Three) Financial Years for the Financial Year ending March 31, 2023, March 31, 2022 and March 31, 2021 and Reviewed Financial Information for the period from April 1, 2022 to March 31<sup>st</sup> 2023;
4. Resolution of our Board of Directors dated June 29, 2023 approving the Rights Issue;
5. Copy of the Resolutions of our right issue committee dated August 29th, 2023 approving and adopting the draft Letter of offer.
6. Resolution of our Board of Directors dated [•], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
7. Resolution of our Board of Directors dated [•], approving the Letter of Offer;
8. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Letter of offer to act in their respective capacities.

9. Report on Statement of Special Tax Benefits dated August 28, 2023 for our Company from the Statutory Auditors of our Company;
10. Copy of audited reports for the last 3 financial years.
11. Copy of the Limited Review Report for period ended June 2023.
12. In-principle approval issued by BSE Limited dated '[•]' dated [•];

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time ifso required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013, and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<b>Sd/-</b>  _____ <b>Mr. RAHUL TIMBADIA</b> Managing Director	<b>Sd/-</b>  _____ <b>Mr. KARTIK TIMBADIA</b> Chairman
<b>Sd/-</b>  _____ <b>Mr. RAMESH KHANNA</b> Non Executive Director	<b>Sd/-</b>  _____ <b>Mrs. RAGINI CHOKSI</b> Independent & Non Executive Director
<b>Sd/-</b>  _____ <b>Mr. SANDEEP N OHRI</b> Independent & Non Executive Director	<b>Sd/-</b>  _____ <b>Mr. RAVI SETH</b> Independent & Non Executive Director
<b>Sd/-</b>  _____ <b>MR. SANDEEP TIMBADIA</b> Chief Finance Officer	

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY

**Sd/-**

\_\_\_\_\_  
**Mrs. Shruti Shukla**  
Company Secretary & Compliance Officer

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_