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# EARTHSTAHL & ALLOYS LIMITED

Our Company was originally incorporated as "Earthstahl & Alloys Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 09, 2009 bearing registration No. 021487 issued by Registrar of Companies, Madhya Pradesh and Chhattisgarh and CIN No. U27310CT2009PTC021487. Subsequently our Company was converted into a public limited company vide special resolution passed by the shareholders at the Annual General Meeting held on August 27, 2022 and the name of our Company was changed from "Earthstahl & Alloys Private Limited" to "Earthstahl & Alloys Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated September 21, 2022 by the Registrar of Companies, Chhattisgarh bearing Corporate Identification Number U27310CT2009PLC021487. For further details please refer to chapter titled "History and Corporate Structure" beginning on page 113 of the Red Herring Prospectus dated January 20, 2023 filed with Registrar of Companies (RoC).

Registered Office: Merlin Jayshree Vihar, Mohani 5 B, Pandri Tarai, Mandi Gate Raipur, Chhattisgarh- 492001 India.

Contact Person: Rahul Kumar Sinha, Company Secretary & Compliance Officer

Tel No: +91-8120009626; E-mail: secretarial@earthstahl.com; Website: www.earthstahl.com; CIN: U27310CT2009PLC021487

## OUR PROMOTERS: Ravi Thakurdasji Laddha, Rajesh Somani, Prawin Somani and Padam Kumar Jain

### THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 32,40,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH (THE "EQUITY SHARES") OF EARTHSTAHL & ALLOYS LIMITED ("OUR COMPANY" OR "ESAL" OR "THE ISSUER") AT AN ISSUE PRICE OF Rs. [•] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO Rs. [•] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,68,000 EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH, AT AN ISSUE PRICE OF Rs. [•] PER EQUITY SHARE FOR CASH, AGGREGATING Rs. [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 30,72,000 EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH, AT AN ISSUE PRICE OF Rs. [•] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO Rs. [•] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.09% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- QIB PORTION: NOT MORE THAN 30.00% OF THE NET ISSUE • RETAIL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE • MARKET MAKER PORTION: UPTO 1,68,000 EQUITY SHARES OR 5.19% OF THE ISSUE

PRICE BAND: RS. 38 TO RS. 40 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH.  
THE FLOOR PRICE IS 3.8 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 4 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.  
BIDS CAN BE MADE FOR A MINIMUM OF 3,000 EQUITY SHARES AND IN MULTIPLES OF 3,000 EQUITY SHARES THEREAFTER.

### Risks to Investors:

- Our company defaulted in servicing its debt obligations during FY 15-16 and FY 16-17 and such debt was settled as at March 31, 2018. Due to delay in commissioning and stabilisation of foundry for manufacturing ductile iron pipe fittings and fall in the steel prices the company had shut down its operations from March 2015 till March 2018. If such circumstances re-occur disrupting the operational and financial margin, the company may close its operations again if not financially feasible.
- The Merchant Banker associated with the Issue has handled 21 public issue in the past three years out of which 1 Issue closed below the Issue Price on Listing date
- Average cost of acquisition of Equity Shares held by the Promoters is

| Sr No | Name of Promoter        | Average cost of acquisition per equity share | Sr No | Name of Promoter | Average cost of acquisition per equity share |
|-------|-------------------------|--|-------|------------------|--|
| 1     | Ravi Thakurdasji Laddha | Rs. 7.79                                     | 3     | Prawin Somani    | Rs. 11.24                                    |
| 2     | Rajesh Somani           | Rs. 10.92                                    | 4     | Padam Kumar Jain | Rs. 7.86                                     |

and the Issue Price at the upper end of the Price Band is Rs. 40 per Equity Share.

- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2022 for the company at the upper end of the Price Band is 4.83
- Weighted Average Return on Net worth for Fiscals 2022, 2021 and, 2020 is 51.25%
- The Weighted average cost of acquisition of all Equity Shares transacted in the last three years and one year from the date of Red Herring Prospectus is as given below:

| Period                   | Weighted Average Cost of Acquisition (in Rs.) | Upper end of the Price Band (Rs. 40) is 'X' times the weighted Average cost of Acquisition | Range of acquisition price: Lowest Price – Highest Price (in Rs.) |
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| Last 1 year/Last 3 years | 1.56  | 25.64 times  | 28.00 - 50.55   |

## BID / ISSUE PROGRAM

**BID / ISSUE OPENS ON: FRIDAY, JANUARY 27, 2023**

**BID / ISSUE CLOSES ON: TUESDAY, JANUARY 31, 2023**

In case of any revisions in the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSBs, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 30% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"). Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" beginning on page 218 of this Red Herring Prospectus.

**Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/ Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/ Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/ Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk. Bidders/ Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors must ensure that their PAN is linked with AADHAR and are in compliance with CBDT Notification dated February 13, 2020 and press release dated June 25, 2021.**

**CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS:** For information on the main objects and other objects of our Company, see "History and Corporate Structure" on page 113 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 253 of the Red Herring Prospectus.

**LIABILITY OF MEMBERS AS PER MOA:** The Liability of the members of the Company is limited.  
**AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE:** The Authorized share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Rs. 10/- each. The issued, subscribed and paid-up share capital of the Company before the issue is Rs. 9,00,00,000 divided into 90,00,000 Equity Shares of Rs. 10 each. For details of the Capital Structure, see "Capital Structure" on the page 55 of the Red Herring Prospectus.

**NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM:** Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company: Prawin Somani - 5,000 Equity Shares and Rajesh Somani - 5,000 Equity Shares aggregating to 10,000 Equity Shares of Rs. 10/- each. Details of the main objects of the Company as contained in the Memorandum of Association, see "History and Corporate Structure" on page 113 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 55 of the Red Herring Prospectus.

**LISTING:** The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE SME (SME Platform of BSE). Our Company has received an 'in-principle' approval from the BSE for the listing of the Equity Shares pursuant to letter dated January 19, 2023. For the purposes of the Issue, the Designated Stock Exchange shall be BSE Limited (BSE). A signed copy of the Red Herring Prospectus has been delivered for registration to the ROC on January 20, 2023 and Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 253 of the Red Herring Prospectus.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"):** Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 197 of the Red Herring Prospectus.

**DISCLAIMER CLAUSE OF BSE (THE DESIGNATED STOCK EXCHANGE):** It is to be distinctly understood that the permission given by BSE Limited ("BSE") should not in any way be deemed or construed that the contents of the Prospectus or the price at which the equity shares are offered has been cleared, solicited or approved by BSE, nor does it certify the correctness, accuracy or completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause pertaining to BSE.

**GENERAL RISK:** Investments in equity and equity-related securities involve 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 the Issuer and this Issue, including the risks involved. The Equity 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 the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 24 of the Red Herring Prospectus.

## ASBA\*

Simple, Safe, Smart way of Application- Make use of it!!!

\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.

Mandatory in Public Issues from January 01, 2016.  
No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)\*\*

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

Investors have to apply through the ASBA process. "ASBA has to be available by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 218 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document. \*ASBA forms can be downloaded from the website of BSE ("SME Portal of BSE") \*\*List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. Axis Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number- 18001201740 and Mail Id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: Hem Securities Limited-Mrs. Roshni Lahoti(+91 22-49060000) (Email id: lb@hemsecurities.com)

| BOOK RUNNING LEAD MANAGER TO THE ISSUE  | REGISTRAR TO THE ISSUE  | COMPANY SECRETARY AND COMPLIANCE OFFICER   |
|---|---|--|
| <p><b>Hem Securities Ltd.</b><br/>Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India<br/>Tel No.: +91-22-4906 0000, Email: lb@hemsecurities.com, Investor Grievance Email: redressal@hemsecurities.com, Website: www.hemsecurities.com, Contact Person: Mrs. Roshni Lahoti, SEBI Reg. No.: INM000010981</p> | <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b><br/>Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India. Tel No.: +91 22 6263 8200, Facsimile: +91 22 6263 8299, Email: ipo@bigshareonline.com<br/>Contact Person: Mr. Babu Rappheal, Website: www.bigshareonline.com<br/>SEBI Registration Number: MB/INR00001385</p> | <p><b>RAHUL KUMAR SINHA</b><br/>Address: Merlin Jayshree Vihar, Mohani 5 B, Pandri Tarai, Mandi Gate Raipur, Chhattisgarh-492001 India.<br/>Tel No: +91-8120009626; E-mail: secretarial@earthstahl.com<br/>Website: www.earthstahl.com, CIN: U27310CT2009PLC021487<br/>Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-credit of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.</p> |

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at www.earthstahl.com, the website of the BRLMs to the Issue at www.hemsecurities.com the website of BSE SME at https://www.bsesme.com/PublicIssues/SMEIPODRH.aspx, respectively. AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Earthstahl & Alloys Limited, Telephone: +91-8120009626; BRLMs: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finlease Private Limited, Telephone: +91 022-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of BSE SME and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI. ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: Axis Bank Limited.

UPI: Retail Individual Bidders can also Bid through UPI Mechanism. LINK TO DOWNLOAD ABRIDGED PROSPECTUS: <http://earthstahl.com/wp-content/uploads/2023/01/Abridged-Prospectus.pdf>

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

Place: Raipur, Chhattisgarh  
Date: January 21, 2023

On behalf of Board of Directors  
For Earthstahl & Alloys Limited  
Sd/- Rahul Kumar Sinha  
Company Secretary & Compliance Officer

Disclaimer: Earthstahl & Alloys Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Chhattisgarh on January 20, 2023 and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of BSE SME at https://www.bsesme.com/PublicIssues/SMEIPODRH.aspx and is available on the websites of the BRLMs at www.hemsecurities.com Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled "Risk Factors" beginning on page 24 of the Red Herring Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and unless so registered, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in 'offshore transactions' in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.



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**NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM:** Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association of our Company: Prawin Somani - 5,000 Equity Shares and Rajesh Somani - 5,000 Equity Shares aggregating to 10,000 Equity Shares of Rs. 10/- each. Details of the main objects of the Company as contained in the Memorandum of Association, see "History and Corporate Structure" on page 113 of the Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 55 of the Red Herring Prospectus.

**LISTING:** The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE SME (SME Platform of BSE). Our Company has received an 'in-principle' approval from the BSE for the listing of the Equity Shares pursuant to letter dated January 19, 2023. For the purposes of the Issue, the Designated Stock Exchange shall be BSE Limited (BSE). A signed copy of the Red Herring Prospectus has been delivered for registration to the ROC on January 20, 2023 and Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 253 of the Red Herring Prospectus.

**DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"):** Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the Red Herring Prospectus has been filed with SEBI. In terms of the SEBI Regulations, the SEBI shall not issue any observation on the Offer Document. Hence there is no such specific disclaimer clause of SEBI. However, investors may refer to the entire Disclaimer Clause of SEBI beginning on page 197 of the Red Herring Prospectus.

**DISCLAIMER CLAUSE OF BSE (THE DESIGNATED STOCK EXCHANGE):** It is to be distinctly understood that the permission given by BSE Limited ("BSE") should not in any way be deemed or construed that the contents of the Prospectus or the price at which the equity shares are offered has been cleared, solicited or approved by BSE, nor does it certify the correctness, accuracy or completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause pertaining to BSE.

**GENERAL RISK:** Investments in equity and equity-related securities involve 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 the Issuer and this Issue, including the risks involved. The Equity 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 the contents of the Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 24 of the Red Herring Prospectus.

## ASBA\*

Simple, Safe, Smart way of Application- Make use of it!!!

\*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.

Mandatory in Public Issues from January 01, 2016.  
No cheque will be accepted



UPI-Now available in ASBA for Retail Individual Investors (RII)\*\*

Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for RIIs applying through Registered Brokers, DPs & RTAs. RIIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

Investors have to apply through the ASBA process. \*ASBA has to be availed by all the investors except anchor investor. UPI may be availed by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 218 of the Red Herring Prospectus.

The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and in the General Information Document. \*ASBA forms can be downloaded with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-18001201740 and Mail Id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: Hem Securities Limited-Mrs. Roshni Lahoti(+91 22-49060000) (Email Id: ib@hemscrities.com)

| BOOK RUNNING LEAD MANAGER TO THE ISSUE   | REGISTRAR TO THE ISSUE  | COMPANY SECRETARY AND COMPLIANCE OFFICER   |
|--|---|--|
| <p><b>Hem Securities Ltd.</b><br/>HEM SECURITIES LIMITED<br/>Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India<br/>Tel No.: +91-22-4906 0000, Email: ib@hemsecrities.com, Investor Grievance Email: redressal@hemsecrities.com, Website: www.hemsecrities.com, Contact Person: Mrs. Roshni Lahoti, SEBI Reg. No.:INM000010981</p> | <p><b>Bigshare Services Pvt. Ltd.</b><br/>BIGSHARE SERVICES PRIVATE LIMITED<br/>Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai - 400093, India. Tel No.: +91 22 6263 8200, Facsimile: +91 22 6263 8299, Email: ipo@bigshareonline.com<br/>Contact Person: Mr. Babu Rapheal, Website: www.bigshareonline.com<br/>SEBI Registration Number: MB/INR000001385</p> | <p><b>RAHUL KUMAR SINHA</b><br/>Address: Merlin Jayshree Vihar, Mohani 5 B, Pandri Tarai, Mandi Gate Raipur, Chhattisgarh- 492001 India.<br/>Tel No: +91-8120009626; E-mail: secretarial@earthstahl.com<br/>Website: www.earthstahl.com, CIN: U27310CT2009PLC021487<br/>Investors can contact the Company Secretary and Compliance Officer or the BRLMs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.</p> |

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at www.earthstahl.com, the website of the BRLMs to the Issue at www.hemsecrities.com the website of BSE SME at https://www.bsesme.com/PublicIssues/SMEIPODRH.aspx, respectively. AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Earthstahl & Alloys Limited, Telephone: +91-8120009626; BRLMs: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finlease Private Limited, Telephone: +91 022-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of BSE SME and the designated branches of SCSBs, the list of which is available at websites of the stock exchanges and SEBI. ESCROW COLLECTION BANK/ REFUND BANK/ PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: Axis Bank Limited.

UPI: Retail Individual Bidders can also Bid through UPI Mechanism. LINK TO DOWNLOAD ABRIDGED PROSPECTUS: <http://earthstahl.com/wp-content/uploads/2023/01/Abridged-Prospectus.pdf>

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

Place: Raipur, Chhattisgarh  
Date: January 21, 2023

Disclaimer: Earthstahl & Alloys Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the Registrar of Companies, Chhattisgarh on January 20, 2023 and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of BSE SME at https://www.bsesme.com/PublicIssues/SMEIPODRH.aspx and is available on the websites of the BRLMs at www.hemsecrities.com Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, please refer to the RHP including the section titled "Risk Factors" beginning on page 24 of the Red Herring Prospectus. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States, and may not be issued or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. State Securities laws. The Equity Shares are being issued and sold outside the United States in 'offshore transactions' in reliance on Regulation "S" under the Securities Act and the applicable laws of each jurisdiction where such issues and sales are made. There will be no public offering in the United States.

On behalf of Board of Directors  
For Earthstahl & Alloys Limited

Sd/- Rahul Kumar Sinha  
Company Secretary & Compliance Officer



THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT. THIS DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. THIS PUBLIC ANNOUNCEMENT IS NOT INTENDED FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA.



# EARTHSTAHL & ALLOYS LIMITED

Our Company was originally incorporated as "Earthstahl & Alloys Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 09, 2009 bearing registration No. 021487 issued by Registrar of Companies, Madhya Pradesh and Chhattisgarh and CIN No. U27310CT2009PLC021487. Subsequently our Company was converted into a public limited company vide special resolution passed by the shareholders at the Annual General Meeting held on August 27, 2022 and the name of our Company was changed from "Earthstahl & Alloys Private Limited" to "Earthstahl & Alloys Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated September 21, 2022 by the Registrar of Companies, Chhattisgarh bearing Corporate Identification Number U27310CT2009PLC021487. For further details please refer to chapter titled "History and Corporate Structure" beginning on page 113 of the Red Herring Prospectus dated January 20, 2023 filed with Registrar of Companies (RoC).

Registered Office: Merlin Jayshree Vihar, Mohani 5 B, Pandri Tarai, Mandi Gate Raipur, Chhattisgarh- 492001 India.  
Contact Person: Rahul Kumar Sinha, Company Secretary & Compliance Officer  
Tel No: +91-8120009626; E-mail: secretarial@earthstahl.com; Website: www.earthstahl.com; CIN: U27310CT2009PLC021487

## OUR PROMOTERS: Ravi Thakurdasji Laddha, Rajesh Somani, Prawin Somani and Padam Kumar Jain

### THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 32,40,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH (THE "EQUITY SHARES") OF EARTHSTAHL & ALLOYS LIMITED ("OUR COMPANY" OR "ESAL" OR "THE ISSUER") AT AN ISSUE PRICE OF RS. [•] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO RS. [•] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,68,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF RS. [•] PER EQUITY SHARE FOR CASH, AGGREGATING RS. [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 30,72,000 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF RS. [•] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO RS. [•] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.47% AND 25.09% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

• QIB PORTION: NOT MORE THAN 30.00% OF THE NET ISSUE • RETAIL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE  
• NON-INSTITUTIONAL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE • MARKET MAKER PORTION: UPTO 1,68,000 EQUITY SHARES OR 5.19% OF THE ISSUE

PRICE BAND: RS. 38 TO RS. 40 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH.  
THE FLOOR PRICE IS 3.8 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 4 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.  
BIDS CAN BE MADE FOR A MINIMUM OF 3,000 EQUITY SHARES AND IN MULTIPLES OF 3,000 EQUITY SHARES THEREAFTER.

### Risks to Investors:

- Our company defaulted in servicing its debt obligations during FY 15-16 and FY 16-17 and such debt was settled as at March 31, 2018. Due to delay in commissioning and stabilisation of foundry for manufacturing ductile iron pipe fittings and fall in the steel prices the company had shut down its operations from March 2015 till March 2018. If such circumstances re-occur disrupting the operational and financial margin, the company may close its operations again if not financially feasible.
- The Merchant Banker associated with the Issue has handled 21 public issue in the past three years out of which 1 Issue closed below the Issue Price on Listing date
- Average cost of acquisition of Equity Shares held by the Promoters is

| Sr No | Name of Promoter        | Average cost of acquisition per equity share | Sr No | Name of Promoter | Average cost of acquisition per equity share |
|-------|-------------------------|--|-------|------------------|--|
| 1     | Ravi Thakurdasji Laddha | Rs. 7.79                                     | 3     | Prawin Somani    | Rs. 11.24                                    |
| 2     | Rajesh Somani           | Rs. 10.92                                    | 4     | Padam Kumar Jain | Rs. 7.86                                     |

and the Issue Price at the upper end of the Price Band is Rs. 40 per Equity Share.

- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2022 for the company at the upper end of the Price Band is 4.83
- Weighted Average Return on Net worth for Fiscals 2022, 2021 and, 2020 is 51.25%
- The Weighted average cost of acquisition of all Equity Shares transacted in the last three years and one year from the date of Red Herring Prospectus is as given below:

| Period                   | Weighted Average Cost of Acquisition (in Rs.) | Upper end of the Price Band (Rs. 40) is 'X' times the weighted Average cost of Acquisition | Range of acquisition price: Lowest Price – Highest Price (in Rs.) |
|--------------------------|---|--|---|
| Last 1 year/Last 3 years | 1.56  | 25.64 times  | 28.00 - 50.55   |

## BID / ISSUE PROGRAM

**BID / ISSUE OPENS ON: FRIDAY, JANUARY 27, 2023**  
**BID / ISSUE CLOSES ON: TUESDAY, JANUARY 31, 2023**

In case of any revision in the Price Band, the Bid / Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid / Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid / Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Managers and the terminals of the other members of the Syndicate and by intimation to SCSEB, the Sponsor Bank, Registered Brokers, Collecting Depository Participants and Share Transfer Agents. The Issue to be made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 30% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), the "QIB Portion". Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds subject to valid bids being received at or above the Issue Price. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid bids being received at or above the Issue Price. All potential Bidders are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RBIs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" beginning on page 218 of the Red Herring Prospectus.

Bidders/ Applicants should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidders/ Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidders/ Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Bidders/ Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicant's sole risk. Bidders/ Applicants should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Investors must ensure that their PAN is linked with AADHAR and are in compliance with CDDT Notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects and other objects of our Company, see "History and Corporate Structure" on page 113 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 253 of the Red Herring Prospectus.

**LIABILITY OF MEMBERS AS PER MOA:** The Liability of the members of the Company is limited.  
**AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE:** The Authorized share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakh) Equity Shares of Rs. 10/- each. The Issued, subscribed and paid-up share capital of the Company before the issue is Rs. 9,00,00,000 divided into 90,00,000 Equity Shares of Rs. 10/- each. For details of the Capital Structure, see "Capital Structure" on page 55 of the Red Herring Prospectus.

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**DISCLAIMER CLAUSE OF BSE (THE DESIGNATED STOCK EXCHANGE):** It is to be distinctly understood that the permission given by BSE Limited ("BSE") should not be deemed or construed that the contents of the Prospectus or the price at which the equity shares are offered has been ascertained or approved by BSE, nor does it certify the correctness, accuracy or completeness of any of the contents of the Prospectus. The investors are advised to refer to the Prospectus for the full text of the Disclaimer clause pertaining to BSE.

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Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.  
Mandatory in Public Issues from January 01, 2016.  
No cheque will be accepted.



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Investors are required to ensure that the bank account used for bidding is linked to their PAN. UPI - Now available in ASBA for RBIs applying through Registered Brokers, DPs & RTAs. RBIs also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investor. UPI may be applied by Retail Individual Investors. For details on the ASBA and the UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 218 of the Red Herring Prospectus. The process is also available on the website of Association of Investment Bankers of India ("AIBI"), the Stock Exchanges and the General Information Document. \*ASBA forms can be downloaded from the website of BSE ("SME Portal of BSE"). \*\*List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. Axis Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI circular dated November 1, 2018, as amended. For UPI related queries, investors can contact NPCI at the toll free number-1800121740 and Mail id- ipo.upi@npci.org.in. For the list of UPI Apps and Banks live on IPO, please refer to the link www.sebi.gov.in. For issue related grievance investors may contact: Hem Securities Limited- Mrs. Roshni Lahoti + 91 22 49060000. (Email id: rb@hemsecurities.com)

### BOOK RUNNING LEAD MANAGER TO THE ISSUE

**Hem Securities Ltd.**  
Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India  
Tel No. : +91-22-4906 0000, Email: rb@hemsecurities.com, Investor Grievance Email: redressal@hemsecurities.com, Website: www.hemsecurities.com, Contact Person: Mrs. Roshni Lahoti, SEBI Reg. No. INM000010981

**Bighshare Services Pvt. Ltd.**  
Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakal Caves Road, Andheri (East) Mumbai - 400093, India. Tel No.: +91 22 6263 8200, Facsimile: +91 22 6263 8299, Email: ipo@bighshareonline.com  
Contact Person: Mr. Babu Raghav, Website: www.bighshareonline.com  
SEBI Registration No: MFL/R000001385

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**RAHUL KUMAR SINHA**  
Address: Merlin Jayshree Vihar, Mohani 5 B, Pandri Tarai, Mandi Gate Raipur, Chhattisgarh-492001 India.  
Tel No: +91-8120009626; E-mail: secretarial@earthstahl.com  
Website: www.earthstahl.com; CIN: U27310CT2009PLC021487  
Investors can contact the Company Secretary and Compliance Officer or the RBIs or the Registrar to the Issue in case of any pre-issue or post-issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc.

AVAILABILITY OF RED HERRING PROSPECTUS: Investors are advised to refer to the Red Herring Prospectus and the Risk Factors contained therein before applying in the Issue. Full copy of the Red Herring Prospectus is available on the website of the Company at www.earthstahl.com, the website of the RBRLMs to the Issue at www.hemsecurities.com the website of BSE SME at https://www.bsesme.com/PublicIssues/SMEIPO/RHP.aspx, respectively AVAILABILITY OF BID-CUM-APPLICATION FORMS: Bid-Cum-Application forms can be obtained from the Registered Office of the Company: Earthstahl & Alloys Limited, Telephone: +91-8120009626; RBRLMs: Hem Securities Limited, Telephone: +91-22-4906 0000 and the Syndicate Members: Hem Finance Private Limited, Telephone: +91-022-49060000 and at the selected locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-application Forms will also be available on the websites of BSE SME and the designated branches of SCSEB, the list of which is available at websites of the stock exchanges and SEBI.

ESCROW COLLECTION BANK/ REFUND BANK/PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK: Axis Bank Limited.  
UPI: Retail Individual Bidders can also bid through UPI Mechanism. LINK TO DOWNLOAD ABRIDGED PROSPECTUS: <http://earthstahl.com/wp-content/uploads/2023/01/Abridged-Prospectus.pdf>  
All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Red Herring Prospectus.

Place: Raipur, Chhattisgarh  
Date: January 21, 2023

### On behalf of Board of Directors

Ravi Thakurdasji Laddha

Sd/- Rahul Kumar Sinha  
Company Secretary & Compliance Officer