



Date: February 26, 2025

To,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai– 400051.

Dear Sir/Madam,

Ref.: In-principle Approval for Initial Public Offer of ANB Metal Cast Limited (“Issuer”) upto 32,00,000 Equity Share of Face Value INR 10 /- each (“Issue”).

Sub.: Note Explaining the Process of Due Diligence Carried out in the Issue.

We, Sun Capital Advisory Services Private Limited, have been appointed as the Book Running Lead Manager to the Issue for the proposed SME IPO of the Issuer.

Please find enclosed a brief note explaining the process of due diligence that has been exercised by us including in relation to the business of the Issuer, the risks in relation to the business, experience of the Promoter and that the related party transactions entered into by the Company for the period disclosed in the Draft Offer Document.

Thanking you,

For and on behalf of Sun Capital Advisory Services Private Limited



Authorised Signatory

Name: Ajesh Dalal

Designation: Managing Partner & Head - Merchant Banking

Encl.: a brief note explaining the process of due diligence

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Brief Note Explaining the Process of Due Diligence Carried out in the proposed SME IPO of ANB Metal Cast Limited ("Company")

I. Process followed for preliminary check before accepting our engagement as the Book Running Lead Manager:

- A. We had asked for and studied the following information of the Issuer:
1. Brief Profile or Presentation about the Issuer covering its Management, Promoter(s), Business and Corporate Structure;
 2. Annual Reports of the Company for latest three Financial Years
 3. Checked information available on the website of the Issuer;
 4. Other available information of the Issuer in public domain
- B. Post completing the preliminary due diligence and analysis of the basic information about the Issuer, we had checked the eligibility of the proposal.
- C. We had a concall with the Top Management of the Issuer to discuss about their background, business in detail and asked queries based on our observation and understanding of studied information.
- D. Post finding that the proposal was worthy enough to take it forward, we invited the Top Management of the Issuer in our office for meeting and discussions on SME IPO listing and further detail discussions on business and their future plan and funds requirements.
- E. Then, we visited the registered office of the Issuer and their office infrastructure and met the Promoter and other management team. We also explained Top Management team of the Issuer about the process of SME IPO, various key activities needed to be taken in future, key role of CFO, CS & Promoter required during the process of proposed IPO, regulatory requirements of Companies Act and SEBI Acts and specially, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018, as amended etc.
- F. Once we were convinced about the quality of the Promoter, quality and feasibility of the proposal, then, our engagement as Book Running Lead Manager to the Issue was finalized on the mutually agreed terms.
- G. We ensured that internal evaluation process of accepting an assignment and KYC was followed before our engagement with the Company as a Merchant Banker was entered.

II. Process followed for Due Diligence in relation to the Business of Issuer and Risk involved

- A. The prime business of the Issuer is specializing in manufacturing a wide range of aluminum extrusion products, including motor bodies, various profiles, round bars, solar profiles, railings and sliding windows



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etc. The brief business is explained as under:

The Company specializes in manufacturing a wide range of aluminum extrusion products, including motor bodies, various profiles, round bars, solar profiles, railings and sliding windows etc. Companies products cater to electronics, automotive, mechanical, solar and architectural etc. industries in India. Companies owned manufacturing unit is located in Rajkot, Gujarat, spanning about 50,000 sq. ft., and is dedicated to the production of aluminum extrusions and non-ferrous metal alloys. The large variety of dies used in manufacturing are custom-made and owned by the Company. Companies primary raw material is aluminium-based metal scrap, which they source from both domestic and international markets.

- B. During our various discussions held time to time with the Promoter and Management of the Company, we ensured to bring into the notice of them about the various applicable provisions of the Company Act, 2013 and the SEBI ICDR Regulations.
- C. We had various concall and meetings (along with Legal Advisors team) with Top Management of the Issuer (some in our office and some in the Issuer's office). We had asked for, obtained from the Company and studied various documents / information for our due diligence purpose, including –
- i. Various business-related documents, the processes they follow, their market and products, their various bills & other documents, business related agreements and other relevant material documents etc.
 - ii. Memorandum and Articles of the Association of the Company
 - iii. Annual Reports for past five years of the Company
 - iv. The Statutory Registers
 - v. Various Minutes of AGM / EGM/ Board Meetings
 - vi. Annual Reports for past three years of its group companies
 - vii. Various RoC Forms, Annual RoC Filings, Board Resolutions, Shareholders Resolutions, Bank Account Statements for changes took place relating to the shareholding pattern of the Company.
 - viii. Employees related documents



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- ix. Various documents related to GST and Income Tax
- x. Copies of approvals and licenses of the Company
- xi. Business and other agreements
- xii. Copy of CDSL / NSDL Agreements
- xiii. Documents related to insurance
- xiv. Documents related to Trade marks
- xv. Documents related to factory / assembly unit
- xvi. Documents related to Registered Office
- xvii. Qualification and experiences documents for Management, Directors and Promoter
- xviii. Documents related to Litigations of the Company, Directors and Promoter
- xix. NoC and Consent letters from the lenders
- xx. Consent Letters from Peer Reviewed Auditors, Bankers to the Issue, Bankers to the Company, Directors and other intermediaries
- xxi. Various Undertakings from the Company
- xxii. Various Certificates from Peer Reviewed Auditor
- xxiii. Various declaration from the Promoter, Promoter Group and Group Companies

Post understanding the Company's business operations, the same has been depicted in the Chapter titled **"Our Business"** of the Draft Offer Document.

Along with the team of Legal Advisors to the Issue, we had various discussions and tried to understand and assess about the various industry regulations applicable on the Issuer, legal and business related risk involved in the Issuer's business. We have studied the sector in which the Issuer operates in and the risks associated with it. While risks are an inherent part



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of any system, we have put forth the risks associated with the Issuer and its business operations and other general risks. We believe that the risks (which we are aware of and have been made aware of and have discovered during the Due Diligence process) have been put forth in the Chapter titled “**Risk Factors**” of the Draft Offer Document.

III. Listing and SEBI LODR Requirements:

We helped the Company and ensured that various Policies are formed, adopted and implemented in the Company. We also insured that Independent Directors are appointed and various corporate governance committees are formed in the Company. We also assisted the Company to make adequate financial disclosures in the restated financial statements as per the required of SEBI (ICDR) Regulations.

IV. Due Diligence followed for the Background and Experience of the Promoter and Directors:

The Promoter of the Issuer is Mr. Avnishkumar Dhirajlal Gajera aged 37 years is Promoter and Managing Director of the Company. He holds Bachelor of Commerce Degree from Saurashtra University, Rajkot. He is having experience of 11 years in the field of Import Export, Metal Casting and in the aluminum Industry.

We have various meetings and concalls with the Promoter and have discussions on his business vision, other business interests, past performance of the Company and also how he foresees the business growth more particularly after the Issue. We have as a part of our diligence exercise, have perused various documents relating to the Promoter, Directors (including Independent Directors), Promoter Group, KMP including:

- i. Brief profiles along with supporting documents
- ii. Educational qualification certificates
- iii. Work experience proof / documents / certificates
- iv. List of companies where they are directors (including past directorships)
- v. List of companies where they have been appointed as KMPs (including past appointments)
- vi. Copy of latest Form MBP-1 of the Director
- vii. Income Tax returns
- viii. Screenshots from the Income Tax website for checking:
 - a. Response to outstanding tax demand
 - b. Response to notice u/s 139 (9)
 - c. e-proceedings
- ix. Details of any litigation, whether filed by/ against them
- x. Details of any notices received / actions taken by any statutory / regulatory authorities
- xi. Confirmations on the following matters:
 - a. Whether the Director is/were director of any listed company whose shares have been or were suspended from being traded
 - b. Whether the Director is or was a director of any listed company which has been or was delisted



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- from any recognised stock exchange in India during the term of their directorship in such company
- c. Whether the Director is / has been mentioned on RBI's list as a willful defaulter
 - d. Whether the Director is / has been classified as fugitive economic offender
- xii. Copy of latest CIBIL Reports
- xiii. The following KYC documents, as applicable:
- a. PAN Card
 - b. Aadhar Card
 - c. Passport
 - d. Driving License
 - e. Voter ID

Post studying and checking various relevant information, the same is disclosed in the Chapter titled “**Our Management**” and “**Our Promoters and Promoter Group**”.

V. Due Diligence followed for the related party transactions:

We have sought for and studied various information including their financials related to Group entities of the Issuer and Promoter Group of the Issuer. We had various discussions and meetings with Promoter, finance head of the Company on financial matters including various investment and transactions on Related Parties entered by the Promoter, Promoter Group, Group Companies etc. We also had few concalls with Auditor of the Company.

We believed that the same is covered by the Auditors in their Reports and disclosed in the Chapter titled “**Related Party Transactions**” of the Draft Offer Document.

VI. History, Track Record and Other Matters of the Issuer:

Disclosures in the Draft Offer Document on the track record of the Company, its evolution and history are based on the verification of the Memorandum and Articles of Association, Audited Financial Statements, Annual Returns, Minutes of Meeting, loan and business agreements etc. We also have some independent verifications of information and facts from publicly available sources. The Company does not have any group companies or subsidiary or associate entity etc. Further, there is no joint venture, trademarks etc. We also collected and studied other material, as applicable, while finalizing the Draft Offer Document.

VII. IPO Objects:

We checked and found that the main objects and the objects incidental and ancillary to the main objects of the Memorandum of Association enable the Issuer to undertake their existing business activities and to undertake the activities for which the funds are being raised in the Issue.



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The net proceeds of the Issue, i.e. gross proceeds of the Issue less the issue expenses to the extent applicable to the Issue ("**Net Proceeds**") are proposed to be utilized for the following objects:

1. Funding capital expenditure requirements for the proposed expansion in existing manufacturing facilities of our Company by constructing additional floor and installation of additional plant and machineries.
2. Part funding long-term working capital requirement
3. General corporate purposes

VIII. Records and Documents

We have kept softcopies, emails and physical copies of various information and our working during the complete process of the SME IPO. Further, we have kept all material agreement and documents for inspections, various undertakings and declarations and other backups for our due diligences and drafting of draft offer document.



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