

SITE VISIT REPORT

Site Visit Report: Shri Kanha Stainless Limited

Date of Visit: 09th & 10th July

This report is being prepared to provide a comprehensive overview of the Site Visit conducted by Kreo Capital Private Limited (KCPL), the lead manager, in relation to Shri Kanha Stainless Limited, which is proposing for an initial public offering (IPO). The Due Diligence Report focuses on Corporate Structure, Company's financial data, Information about business operations and sales and marketing analysis. It also includes data about management staff, risks, legal issues, etc.



Index of Content

SR. NO.	PARTICULARS
1.	Introduction
2.	Business Background
3.	Infrastructure Assessment
4.	Organization Structure
5.	Risk Factor:
➤	Competitors
➤	Litigations against Company, its Directors and Promoters by various regulators
➤	Identifying suppliers and assessing company dependency on them
➤	Ownership of Registered Office of the company
➤	Execution of growth strategies of the company
➤	Insurance Coverage
6.	Restated Financial Statement
7.	Promoter/Key Managerial Personnel (KMP) Background
8.	Company's History and track record
9.	Advising on good corporate governance to the company as Lead Manager
10.	Site visit Observation
11.	Acknowledgement



1. **Introduction:**

As part of our due diligence process, I, Ayush Parakh, representing our firm (Kreo Capital Private Limited) as the merchant banker, visited the office of Shri Kanha Stainless Limited in Jaipur, Rajasthan on July 9th & 10th, 2025. The objective of this visit was to gain a comprehensive understanding of the company's business model, financial performance, operational strategies, and future growth plans. During this visit, I had the opportunity to meet with the Managing Director, Mr. Jai Bhagwan Agarwal and the Whole Time Director, Mr. Shashank Agrawal. This report provides detailed insights gathered from the discussions and observations made during the visit.

2. **Business Background:**

- For a comprehensive understanding of the business operations of Shri Kanha Stainless Limited, as the lead manager, Kreo Capital Private Limited (KCPL) has engaged directly with the company's promoters, Mr. Jai Bhagwan Agarwal, Mrs. Kavita Agarwal, Mr. Shashank Agrawal and Mrs. Neha Agarwal. Additionally, KCPL has interacted with the company's directors, Key Managerial Personnel (KMP), and Statutory Auditor to assess the company's financial and operational standing.
- Reviewed the Object Clause of the Memorandum of Association (MOA) of Shri Kanha Stainless Limited to ensure alignment with its stated business activities and proposed IPO objectives.
- Reviewed the company's business processing units across its primary operational sectors i.e Processing of high-quality precision stainless steel cold rolled strips. Additionally, conducted a detailed assessment of the company's, ongoing and planned orders to evaluate their feasibility, execution strategy, and overall viability.
- Performed a detailed assessment of the company's website to gain a comprehensive understanding of its infrastructure projects, services, and market positioning.
- Engaged in direct discussions with key employees who interact with clients and stakeholders to assess the company's operational efficiency and customer engagement practices.

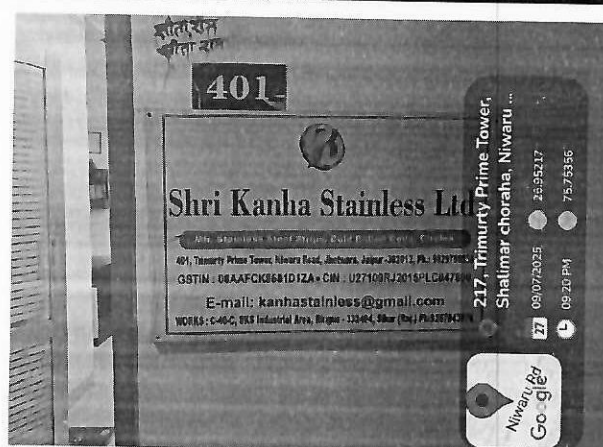
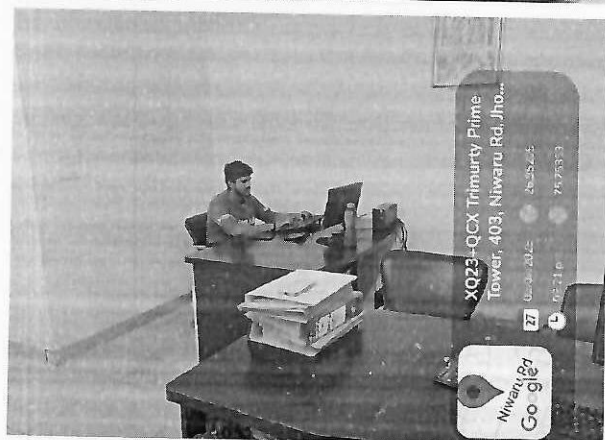


CIN : U65999MH2018PTC307425

3. Infrastructure Assessment:

KCPL conducted an on-site inspection of the company's registered office and reviewing key documents to ensure ownership and alignment with the business activities outlined in the Draft Prospectus. The assessment covered the age, condition, and maintenance of buildings and facilities, the type, condition, and utilisation of machinery and equipment, the availability and reliability of essential utilities such as electricity and water.

a) Registered Office of Shri Kanha Stainless Limited



Registered Office : 2nd Floor, VCA Complex, Near Gate No. 8, Civil Lines, Nagpur- 440001

+91-712-6641111 (Ext-250/251)

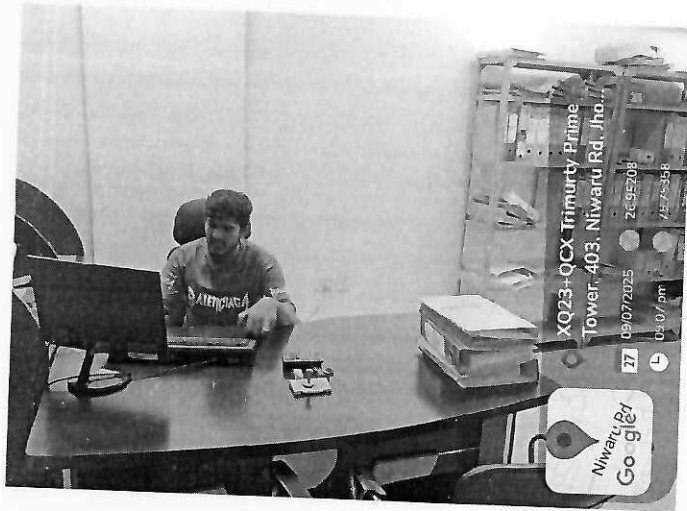
www.kreocapital.com

info@kreocapital.com

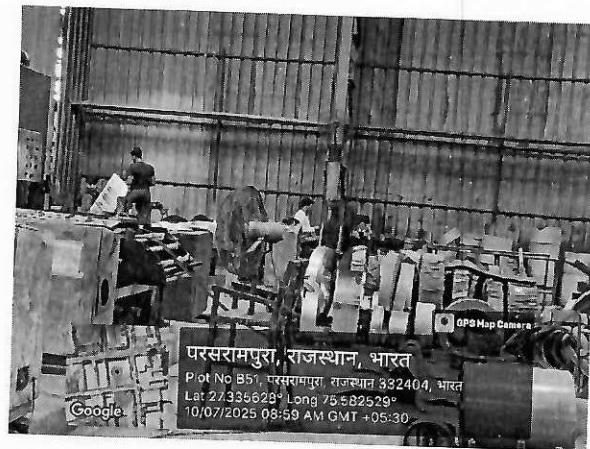
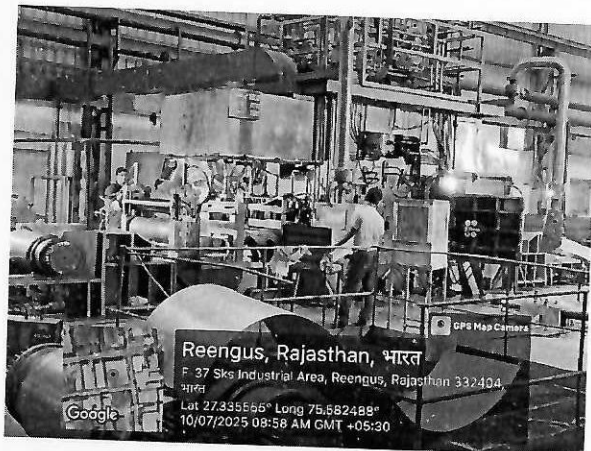
SEBI Merchant Banking Registration No. : INM000012689

Kreo Capital Private Limited

CIN : U65999MH2018PTC307425



b) Steel Plant



Registered Office : 2nd Floor, VCA Complex, Near Gate No. 8, Civil Lines, Nagpur- 440001

+91-712-6641111 (Ext-250/251)

www.kreocapital.com

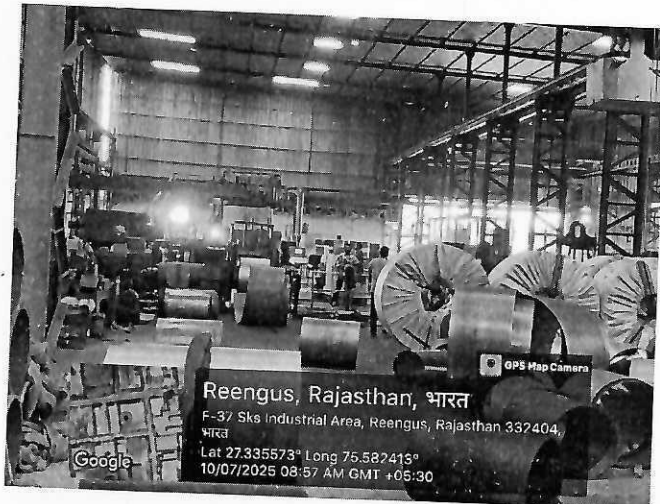
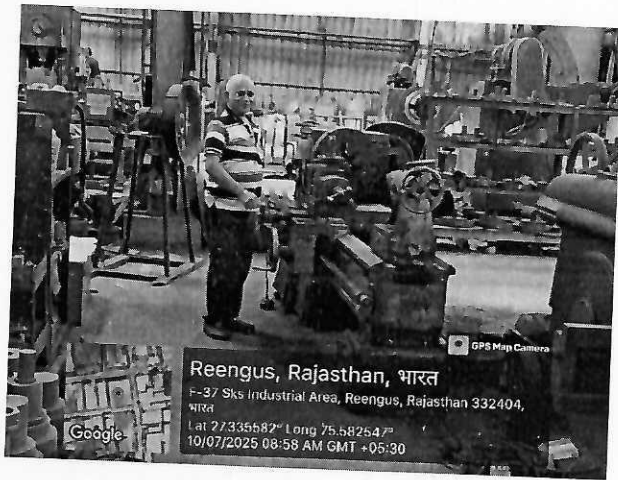
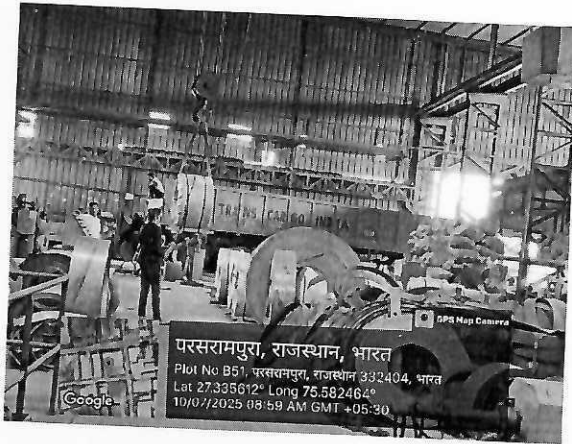
info@kreocapital.com

SEBI Merchant Banking Registration No. : INM000012689

Kreo Capital Private Limited



CIN : U65999MH2018PTC307425



Registered Office : 2nd Floor, VCA Complex, Near Gate No. 8, Civil Lines, Nagpur- 440001

+91-712-6641111 (Ext-250/251)

www.kreocapital.com

info@kreocapital.com

SEBI Merchant Banking Registration No. : INM000012689

Kreo Capital Private Limited



CIN : U65999MH2018PTC307425



Registered Office : 2nd Floor, VCA Complex, Near Gate No. 8, Civil Lines, Nagpur- 440001

+91-712-6641111 (Ext-250/251)

www.kreocapital.com

info@kreocapital.com

SEBI Merchant Banking Registration No. : INM000012689

4. **Organizational Structure:**

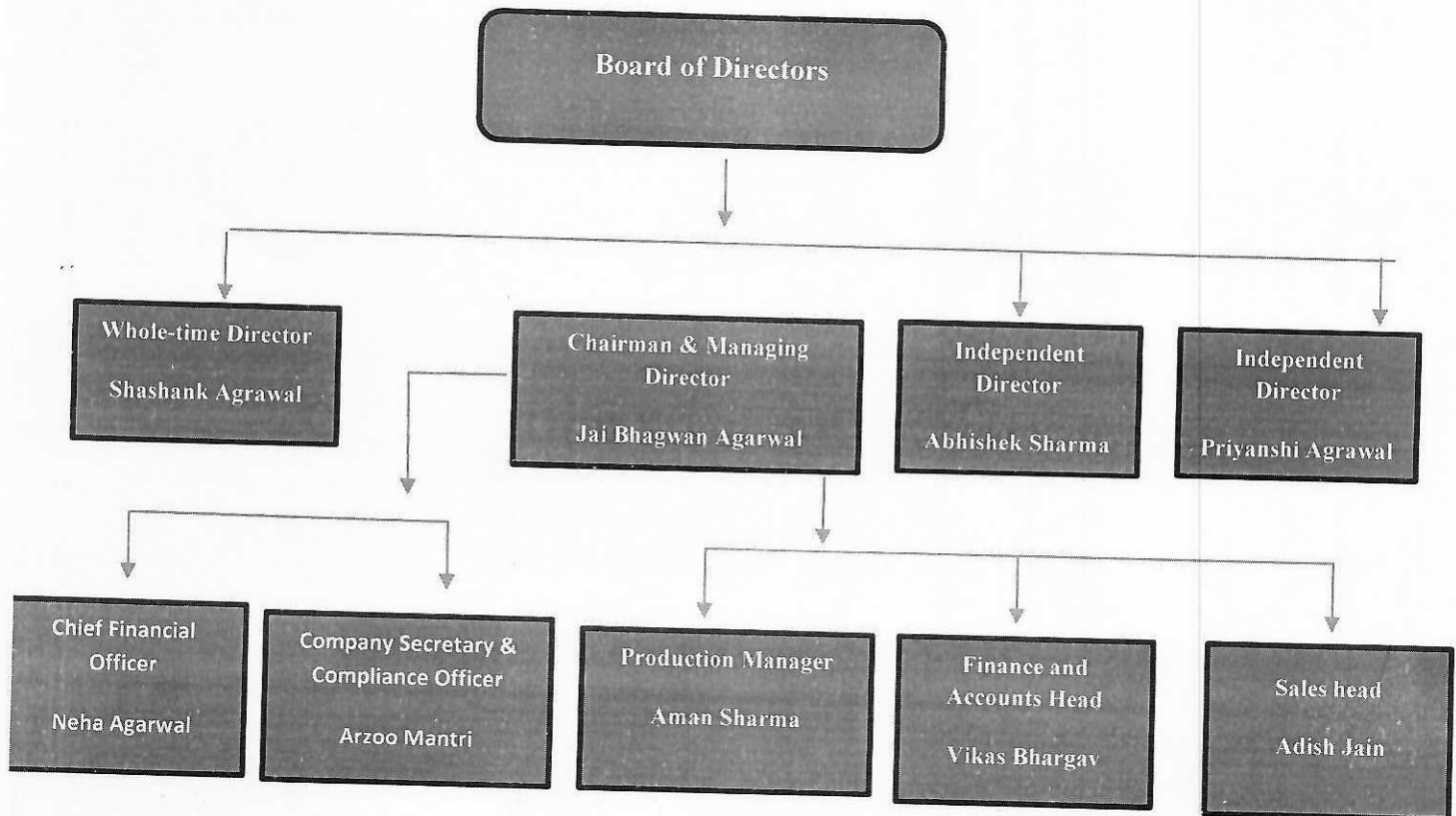
To assess the governance and operational framework of Shri Kanha Stainless Limited, KCPL conducted a structured review of its organizational setup. The key aspects examined include:

- **Evaluation of Organizational Chart:** KCPL reviewed the organizational chart provided by the company, which details the hierarchy, reporting relationships, and departmental structures. This helped us understand the company's internal governance and operational flow.
- **Analysis of Job Roles and Responsibilities:** Examined job descriptions across various levels and functions to identify the scope of authority, reporting lines, and key responsibilities assigned to each role within the organization.
- **Stakeholder Discussions:** Held meetings with senior management, department heads, and key personnel to assess team dynamics, collaboration methods, and how responsibilities are distributed across different functions.
- **Examination of Corporate Policies and Procedures:** Reviewed company policies to understand compliance frameworks, employee guidelines, and internal control mechanisms that govern decision-making and operations.
- **Decision-Making Assessment:** Evaluated the decision-making structure to determine whether authority is centralized or decentralized and how key strategic and operational decisions are executed within the company.
- **Review of Shareholding Structure:** Requested and analysed the company's corporate structure. Additionally, reviewed key shareholder documents, annual reports, and minutes of the Annual General Meeting (AGM) to assess ownership distribution and governance practices.
- **Employee Structure and Staffing Review:** Examined the company-provided list of employees across various departments to assess staffing levels, role distribution, and functional responsibilities, ensuring alignment with operational needs and business strategy.

This review provided insights into the company's governance model, operational efficiency, and overall organizational structure, ensuring it aligns with industry standards and the expectations of prospective investors.



Organisation Structure of the Company



5. Risk Factors and Litigations:

1. Risk Factors Assessment

- A comprehensive review was conducted to identify both internal and external risk factors that could impact the company, its investors, and other stakeholders. These risk factors were evaluated for their materiality based on their quantitative and qualitative significance.

2. Litigation and Regulatory Review

- The LM has conducted an extensive examination of any legal proceedings involving the company, group companies, directors, and promoters. This includes any ongoing or past actions initiated by regulatory bodies such as SEBI, the Stock Exchanges, the Income Tax Department, and the National Company Law Tribunal (NCLT).

3. Taxation Review

- The LM has examined claims related to direct and indirect taxes involving the company, group companies, directors, and promoters. The assessment reveals no material outstanding tax demands or significant tax-related litigations against the company.
- Additionally, a review of e-proceedings under the Income Tax Act indicates that certain assessments are pending as disclosed in the Draft Red Herring Prospectus.

4. Insurance Coverage:

- Conducted verification of all insurance policies held by the company to mitigate unforeseen events.

6. Restated Financial Statement :



Registered Office : 2nd Floor, VCA Complex, Near Gate No. 8, Civil Lines, Nagpur- 440001

+91-712-6641111 (Ext-250/251)

www.kreocapital.com

info@kreocapital.com

SEBI Merchant Banking Registration No. : INM000012689

- Restated financial statements were prepared by a peer review auditor for analysis of financial data, understanding the context of adjustments made, and considering their implications for the company's financial reporting and operations.
- The Restated Financial Statements provided KCPL with details regarding Related Party Transactions undertaken by the company. Subsequently, we conducted a thorough verification to ensure compliance with the provisions of the Companies Act pertaining to such transaction.
- Restated Financial Statements facilitated us to identify secured and unsecured loan, companies' asset, its debtors, creditors, trade payables and trade receivables etc.

7. Promoter/Key Managerial Personnel (KMP) Background:

- To ascertain the background of the promoters, including their identity, residency, qualifications, experiences, skills, and knowledge, KCPL verified documents such as Aadhar cards, PAN cards, licenses, educational degrees, and experience certificates.
- KCPL had interacted with the Promoter/KMP of the company and had put forth various questions before them such as:
 - What is the company's long-term vision and how has it evolved over time?
 - Can you outline the key strategic objectives for the company in the next 3-5 years?
 - What are the current challenges and opportunities facing the company?
 - What are the company's growth prospects and key focus areas for future expansion?
 - How does the company differentiate itself from competitors in the market?

The answers to these questions will facilitate us in gaining a deeper understanding of the company's operations and its future prospects.



8. **Company's History and track record:**

- KCPL conducted a comprehensive assessment of the company's history and track record by reviewing its Memorandum of Association (MOA) and Articles of Association (AOA), audited financial statements, and annual reports.
- Analyze historical financial statements, including income statements, balance sheets, and cash flow statements. Look for trends in revenue growth, profitability, margins, and financial ratios over multiple periods.
- Evaluated key financial metrics such as return on equity (ROE), earnings per share (EPS), debt levels, and cash flow dynamics to understand the company's financial health and performance history.

9. **Advising on good corporate governance to the company as Lead Manager:**

Advising on good corporate governance practices is crucial for ensuring transparency, accountability, and sustainable business practices within a company. Here are some recommendations that a Lead Manager could provide to promote good corporate governance:

- Board Composition and Independence
- Clear Roles and Responsibilities
- Ethical Standards and Code of Conduct
- Transparency and Disclosure
- Risk Management and Internal Controls
- Compliance and Legal Obligations
- Formulation of various policies and procedures



10. Site visit observations:

The visit to Shri Kanha Stainless Limited's Registered office situated at Jaipur, Rajasthan, showcased a professional and organized setup, reflecting their commitment to operational excellence.

Key observations included:

- A dedicated team managing Manufacturing & Processing work of Stainless Steel with clear process flows.
- Streamlined inventory management systems, aimed at optimizing stock levels and ensuring timely delivery to customers.
- Experienced team and logistics capabilities, supporting their rapid distribution model.



Mr. Ayush Parakh
(Director)

Date: 10.07.2025

Place: Nagpur

