

Singhi & Co.
Chartered Accountants

28, R.V Layout, VS. Raju Road, Palace
Guttahalli, Near BDA Head Office, Kumara
Park West, Bangalore-560020

T: +91 (80) 23463462/65

E: bangalore@singhico.com

Date: December 29, 2024

To,

The Board of Directors

(formerly known as "A-One Steels India Private Limited", "A-One Steel and Alloys Private Limited")

A-One Steels India Limited

A One House, No. 326,
CQAL Layout Ward No. 08, Sahakar Nagar,
Bangalore, Karnataka – 560 092, India

PL Capital Markets Private Limited

3rd Floor, Sadhana House
570, P.B. Marg, Worli, Mumbai
Maharashtra – 400 018, India

Khambatta Securities Limited

1 Ground Floor, 7/10, Botawala Building,
9 Bank Street, Horniman Circle,
Fort, Mumbai, Maharashtra - 400001, India

(PL Capital Markets Private Limited and Khambatta Securities Limited are hereinafter individually referred to as the "Book Running Lead Manager" or "BRLM" and collectively referred to as "Book Running Lead Managers" or "BRLMs".)

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each ("Equity Shares") by A-One Steels India Limited (the "Company" and such offering, the "Fresh Issue") and an offer for sale of Equity Shares by certain existing shareholders of the Company (the "Offer for Sale", and together with the Fresh Issue, the "Offer").

Dear Sirs/Madams,

1. We, M/s Singhi & Co, the Statutory Auditors of the Company have been informed that the Company proposes to file the Draft Red Herring Prospectus ("DRHP") with the Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" and together with BSE, the "Stock Exchanges") and subsequently the red herring prospectus ("RHP") and the prospectus ("Prospectus" and together with DRHP and RHP, the "Offer Documents") with the Registrar of Companies, Karnataka at Bangalore ("RoC") and subsequently with SEBI and Stock Exchanges, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").
2. In terms of our engagement letter dated October 1, 2024 in relation to the Offer, we have received a request from the Company to provide certain confirmations with respect to the operational key performance indicators and financial performance of the Company ("KPIs").

Management Responsibility for the Statement

3. The preparation of the Statement (Annexures) is the responsibility of the management of the Company including the responsibility for the maintenance of all accounting and other relevant supporting records and documents is the responsibility of the Management of the Company. This responsibility includes design, implementation and

Offices: Kolkata, Mumbai, Delhi, Chennai, Bangalore & Ahmedabad

Network Locations: Hyderabad, Nagpur



maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013 (the "Companies Act"); the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (the "ICDR Regulations") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI, amended from time to time (the "Guidance Note") and other relevant banking regulations in connection with the proposed Offer
5. The Management shall also be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph 2 above.

Auditor's Responsibility

6. We are responsible to certify the matters as stated in paragraph 2 above.
7. We have verified the;
 - (a) restated consolidated financial information of the Company as of and for the period ended June 30, 2024, and for the Financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and examination report there on prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") and restated in accordance with SEBI ICDR Regulations and the reports issued thereon (the "Restated Consolidated Financial Statements") and
 - (b) Relevant records, correspondence with regulatory/statutory authority and registers of the Company, including but not limited to, statutory records, minutes of the meetings of the board of directors of the Company, minutes of annual general meeting and extra-ordinary general meetings of the Company, relevant statutory registers, documents, records maintained by the Company, information and explanations presented to us. We have also performed the procedures enumerated below with respect to the KPIs and various other information of the Company for the three months period ended June 30, 2024 and the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, (the "Periods"), as set forth in the accompanying annexures.
8. The Restated Consolidated Financial Information has been derived from the audited consolidated financial statements as at for the period ended June 30, 2024 and for the financial years ended March 31, 2024 and from the special purpose audited consolidated financial statements as at and for the financial years ended March 31, 2023 and March 31, 2022 and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the Institute of Chartered Accountants of India ("ICAI")
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Guidance Note on Reports in Company Prospectuses Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

We have performed the procedures agreed with you and enumerated below with respect to the operational key performance indicators including business metrics and financial performance of the Company on consolidated basis as on respective dates and for the respective period mentioned against each annexure, set forth in the accompanying schedules. Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India. SRS 4400 is generally adopted to perform agreed upon procedures regarding financial information; however, this standard can also be used as a guide to perform agreed upon procedures regarding non-financial information.

11. The procedures were performed solely to assist you in evaluating the accuracy, validity and completeness of the KPIs and other information of the Company and the same have been enumerated in the attached Annexures.

Conclusion

12. Accordingly, based on our review of documents and records that we deemed necessary including review of management report of the Company, vendor bills and invoices, enterprise resource planning system of the Company, and based on the enquires made to the chairperson of the Audit Committee, the Restated Consolidated Financial Statements of the Company as for the three months period ended June 30, 2024 and the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, we hereby certify that the key performance indicators of the Company, details of which are provided in **Annexure A**, have been calculated based on Restated Consolidated Financial Statements and the acceptable practices which have been appropriately disclosed in the Annexure A where relevant, derived and extracted from the Restated Consolidated Financial Statements, are correct and complete in all respects.

Restriction on use and other clause

13. We hereby consent to the extracts of this certificate being used in the draft red herring prospectus to be filed with the Securities and Exchange Board of India (SEBI), the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE and together with the BSE, the Stock Exchanges), and the red herring prospectus and the prospectus to be filed with the Registrar of Companies, Karnataka at Bangalore (RoC) and submitted to the SEBI and the Stock Exchanges in connection with the Offer, and submission of this certificate as may be necessary, to any regulatory authority statutory, judicial or governmental authorities, and in any other material used in connection with the Offer and for disclosure on the website of the Company in connection with the Offer and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law. We also consent to this certificate to be uploaded on the website, repository and, or, the database of the Stock Exchanges.
14. We confirm that the information in this certificate is true, fair and correct. We hereby consent to this certificate being disclosed by the Book Running Lead Managers, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authorities or (ii) in seeking to establish a defence in connection with, or to avoid any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation related to any matter regarding issuance and listing of the equity shares of the Company. We undertake to update you, in writing, of any change in the above-mentioned disclosures which we are aware of until the Equity



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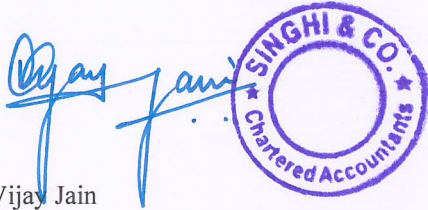
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Shares allotted, pursuant to the Offer, are listed and commence trading on the Stock Exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

15. This certificate may be relied on by the Book Running Lead Managers, its affiliates and the legal counsel in relation to the Offer and to assist the Book Running Lead Managers in the context of due diligence procedures that the Book Running Lead Managers has to conduct and the documents in relation of their investigation of the affairs of the Company in connection with the Offer.
16. All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

For M/s Singhi & Co
Chartered Accountants
Firm Registration No: 302049E



Vijay Jain
Partner
Membership No.: 007508
Date: December 29, 2024
Place: Bangalore
UDIN: 24077508BKCRVL6500

Cc:
Legal Counsel to the Company

SNG & Partners
Advocates & Solicitors
One Bazar Lane, Bengali Market
New Delhi – 110 001, India



A-ONE STEELS INDIA LIMITED

(Formerly known as A-One Steels India Private Limited and A-One Steel and Alloys Private Limited)

Registered Office : A One House No. 326,
CQAL Layout, Ward No.08, Sahakar Nagar,
Bengaluru - 560092 Karnataka, India
Phone: 080-45646000
Email: info@aonesteelgroup.com
Web: www.aonesteelgroup.com
CIN : U28999KA2012PLC063439

ANNEXURE A

Key Performance Indicators:

(Amount in ₹ lakhs)

Particulars	For the three months period ended June 30, 2024	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Revenue from operations ⁽¹⁾	95,460.78	3,83,421.25	3,16,351.92	2,75,683.64
Total Income ⁽²⁾	96,157.35	3,86,243.86	3,18,427.15	2,76,119.89
EBITDA ⁽³⁾	6,383.23	19,869.53	23,826.22	18,421.62
EBITDA Margin ⁽⁴⁾	6.69%	5.18%	7.53%	6.68%
PAT	1,618.25	3,891.37	9,769.68	10,065.02
PAT Margin ⁽⁵⁾	1.70%	1.01%	3.09%	3.65%
Operating cash flow	-9,656.05	32,539.77	-31,950.24	-5,192.54
Net worth ⁽⁶⁾	60,526.86	42,643.69	36,258.38	26,470.49
Net Debt ⁽⁷⁾	1,02,660.11	99,278.97	1,05,452.54	41,866.09
Debt Equity Ratio ⁽⁸⁾	1.76	2.34	2.96	1.62
ROCE (%) ⁽⁹⁾	2.97	10.45	13.64	22.23
ROE (%) ⁽¹⁰⁾	3.03%	9.42%	29.42%	47.89%
Working Capital Days ⁽¹¹⁾	272.93	46.99	77.07	46.24

Note: The figures in the Profit and Loss statement have not been annualized for the purpose of calculating ratios for the three-month period ended June 30, 2024.

- ¹⁾ Revenue from operation means revenue from sales and other operating revenues.
- ²⁾ Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.
- ³⁾ EBITDA means Profit before depreciation, finance cost, tax and amortization.
- ⁴⁾ 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
- ⁵⁾ 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- ⁶⁾ 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 restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
- ⁷⁾ Operating cash flows are the principal revenue-producing cash flows of the entity and other cash flows that are not investing or financing cash flows.
- ⁸⁾ Net debt = non-current borrowing + current borrowing – Cash and Cash Equivalent.
- ⁹⁾ Debt equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Equity Share capital plus other equity.
- ¹⁰⁾ Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short-Term Borrowing.
- ¹¹⁾ Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.
- ¹²⁾ Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.

Explanation for KPI metrics

KPI	Explanations
Revenue from	Revenue from Operations is used by our management to track the revenue profile of the





A-ONE STEELS INDIA LIMITED

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CIN : U28999KA2012PLC063439

KPI	Explanations
Operations	business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Operating Cash Flows	Operating cash flows activities provides how efficiently our company generates cash through its core business activities.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets
Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholder's equity and is used to gauge how much debt or leverage the organization is using.
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders' funds.
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Working Capital Days	Net Working Capital Days is used by the management to assess the efficiency of the Company to manage current assets and liabilities, indicating the company's liquidity and operational efficiency.

For and on behalf of A-One Steels India Limited



Name: Sandeep Kumar
Designation: Managing Director
Date: December 29, 2024
Place: Bengaluru

