



## CERTIFICATE ON FINANCIAL INDEBTEDNESS

To,  
**The Board of Directors**  
**Scoda Tubes Limited,**  
Survey No. 1566/1 Village Rajpur,  
Tal. Kadi, Mehsana, Gujarat - 382740, India.

**AND**

**Monarch Network Capital Limited,**  
4th Floor, 'B' Wing, Laxmi Tower, G Block,  
Bandra Kurla Complex, Bandra East, Mumbai - 400051.

(**Monarch Network Capital Limited** with any other book running lead managers that may be appointed in connection with the Issue, the “**BRLM**”)

**Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the “Equity Shares” and such offering, the “Issue”) of Scoda Tubes Limited (the “Company”)**

We, **Dhirubhai Shah & Co LLP**, Chartered Accountants, are the present statutory auditors of the Company. We have received a request from the Company to provide certain confirmations in relation to the loan facilities availed by the Company.

For the purpose of issuing this certificate, we have examined (a) the Examination Report on the Restated Financial Information Dated April 17, 2025; (b) the Audited Financial Statements of the Company for the Financial Year 2024, 2023 and 2022 and Audited Financial Statement for the period ended December 31, 2024 which was audited in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India (the “**Audited Financial Statements**”) and the Audit Reports dated April 17, 2025 (for Fiscal 2025 – upto December 31, 2024), September 12, 2024 (for Fiscal 2024), September 01, 2023 (for Fiscal 2023) and September 01, 2022 (for Fiscal 2022) on the Audited Financial Statements (“**Audit Reports**”) ; and (c) relevant records and registers of the Company including but not limited to loan agreements and sanction letters approved by the banks/ financial institutions, deeds of hypothecation, memoranda of deposit, documents related to guarantees provided for other entities, bank statements and bank balances and confirmations on outstanding loan amount and other relevant records.

On the basis of such verification and according to information and explanation given to us, we confirm the following:

1. The summary of the borrowings sanctioned to the Company and outstanding, as of December 31<sup>st</sup> 2024 is stated in **Annexure A**. On the basis of the examination carried out by us and the information, explanations and representations provided to us by the management of the Company, we confirm that the loan facilities as mentioned in **Annexure A** are being utilized for the purpose for which they were raised.
2. The principal terms of the loans and assets charged as security by the Company is stated in **Annexure B**.
3. Except as stated in **Annexure C**, the Company has not provided any guarantees for the repayment of any loans availed by other entities.



Phone : (079) 2640 3325/26 | Website : [www.dbsgroup.in](http://www.dbsgroup.in) | E-Mail : [info@dbsgroup.in](mailto:info@dbsgroup.in)

**Head Office** : 4th Floor, Aditya Building, Near Sardar Patel Seva Samaj, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006.

**Branch Office** : 204, Sakar Complex, Opp. Abs Tower, Old Padra Road, Vadodara - 390015.

We have conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have also 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.

This certificate is issued for the sole purpose of the Issue and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the red herring prospectus and prospectus and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Issue documents.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

This certificate may be relied on by the Company, the BRLM and legal counsel in relation to the Issue.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLM and the Company until the Equity Shares allotted/transferred in the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLM and the legal advisor appointed with respect to the Issue can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and accurate.

Yours faithfully,

For and on behalf of  
**Dhirubhai Shah & Co LLP**  
Chartered Accountants  
FRN: 102511W/ W100298

**Parth S. Dadawala**  
Partner  
Membership No.:134475  
UDIN: 25134475BMIVYI1745



Place: Ahmedabad  
Date: May 22, 2025

**Encl: As above**

CC:

**Legal Counsel to the Issue**

**M/s. Crawford Bayley & Co.**  
State Bank Buildings  
N.G. N. Vaidya Marg  
Fort, Mumbai 400 023

**ANNEXURE A**

**(Rs. in Millions)**

<b>Category of Borrowing</b>	<b>Sanction Limit</b>	<b>Outstanding as on December 31, 2024</b>
<b><i>Secured</i></b>		
<b>Fund Based</b>		
Term loan from banks including Current Maturities (Secured)	836.50	642.41
Vehicle loan from bank (Secured)	10.11	7.30
Working capital facilities from banks (Secured)	1,314.00	1,186.16
<b>Non-Fund Based</b>		
Bank Guarantee	53.11	30.84
<b><i>Unsecured Loan</i></b>		
Loan from Related Party	-	185.77



## ANNEXURE B

### Details of Borrowings Sanctioned to the Company and Outstanding as on December 31<sup>st</sup> 2024

Category of borrowing	Sanctioned Amount (Rs. in Millions)	Outstanding amount (Rs. in Millions)
<b>Fund Based Borrowings</b>		
KCCB Car loan (i)	2.85	1.52
KCCB Car loan (ii)	4.10	3.19
HDFC Car loan	3.16	2.58
SIDBI (i)	50.00	30.55
SIDBI (ii)	50.00	36.10
SIDBI (iii)	46.50	41.33
KCCB FLC Cum Machinery Loan	200.00	151.78
KCCB Secured Loan	40.00	29.22
KCCB Machinery loan	50.00	35.42
KCCB CC	400.00	361.24
MUCB TL	100.00	64.93
MUCB CC	350.00	344.10
Yes Bank Ltd TL 1	100.00	92.83
Yes Bank Ltd CC 1	314.00	361.72
Yes Bank Ltd CC 2	50.00	
HDFC Bank ltd TL	200.00	160.25
HDFC Bank ltd CC	200.00	119.10
<b>Sub Total (A)</b>	<b>2,160.61</b>	<b>1,835.87</b>
<b>Non Fund Based Borrowings</b>		
KCCB Bank Guarantee	50.00	27.73
ICICI Bank Guarantee	3.11	3.11
<b>Sub Total (B)</b>	<b>53.11</b>	<b>30.84</b>
<b>Total (A+B)</b>	<b>2,213.72</b>	<b>1,866.71</b>



**ANNEXURE C**

S No	Facility Name	Name of Bank/ Financial Institution	Nature of Security
1.	KCCB Car loan (i)	Kalupur Co-operative Commercial Bank	Secured by way of hypothication of respective vehicle
2.	KCCB Car loan (ii)	Kalupur Co-operative Commercial Bank	
3.	HDFC Car loan	HDFC Bank	
4.	SIDBI Term loan(i)	SIDBI	(i) Secured by way of hypothecation of all the Borrower's plant and machinery, furnitures and fixtures of the company finance by the bank. (ii) Personal guarantees from Shri Patel Bipinkumar Arvindbhai, Shri Patel Jagrutkumar Rameshbhai, Shri Patel Ravi Rameshbhai, Shri Patel Saurabh Amrutbhai, Shri Samarth Bharatbhai Patel, Shri Vipulkumar Patel, Smt Patel Payalben Jagrutkumar.
5.	SIDBI Term loan (ii)	SIDBI	
6.	SIDBI Term loan (iii)	SIDBI	
7.	KCCB FLC Cum Machinery Loan	Kalupur Co-operative Commercial Bank	Secured by way of (i) Mortgaged NA Land situated at Survey No. 1570, Village Raipur, Taluka - Kadi, Dist- Mehsana, admeasuring 6703.58 sq. yds of land and construction thereon. (ii) Hypothication of stock and bookdebt. (iii) Hypothication of respective plant and machinery of the company finance by the bank. (iv) Various personal assests mortgaged by the promoters and their family members. (V) Personal guarantees from Shri Patel Bipinkumar Arvindbhai, Shri Patel Jagrutkumar Rameshbhai, Shri Patel Ravi Rameshbhai, Shri Patel Saurabh Amrutbhai, Shri Samarth Bharatbhai Patel, Shri Vipulkumar Patel, Smt Patel Payalben Jagrutkumar.
8.	KCCB Secured Loan	Kalupur Co-operative Commercial Bank	
9.	KCCB Machinery loan	Kalupur Co-operative Commercial Bank	
10.	KCCB CC	Kalupur Co-operative Commercial Bank	
11.	MUCB TL	MUCB	Secured by way of (i) Hypothecation over stock and book debts. (ii) Exclusive Charge by way of Mortgage on Immovable property situated at R.S. No. 917/1, 918/1 &2, 1060, TPS No. 5, FP No 167/1, 168,& 242 New Panchvati are, B/h govardhan pal at Kalol, Dist Gandhinagar. (iii) Exclusive Charge by way of Mortgage on Immovable property being an industrial unit NA land along with ailed construction Building situated at New Survey/ Block No. 2446 admeasuring 4244.00 sq mtr and New survey No 2443 admeasuring at 5185.00 sq mtr at Rajpur Sim, Tal. Kadi, Dist Mehsana owned by Company and its Directors. (iv) Personal Guarantee of Jagrutkumar Rameshbhai Patel, Samarth Bharatbhai Patel, Saurabh Amrutbhai Patel, Vipul kumar Patel, and Ravi Rameshbhai Patel, Arvindbhai Punjiram Patel, Kiritbhai Monghajibhai Chaudhari, M/s
12.	MUCB CC	MUCB	



			Shree Hari Developers & its non common partners .
13.	Yes Bank Ltd TL 1	Yes bank	Secured by way of (i) Pari Passu charge with other banks by way of hypothication on all assets of the company, both present & future. (ii) Equitable/ Registered Mortgage on Property situated at Block Survey no 682 Old survey no 106, Paiki ward No NA 99 and City no NA 682 village Sarsaav Taluka Kadi District Mehsana, Gujarat, 384001. 3 Personal Guarantee of Jagrutkumar Rameshbhai Patel, Samarth Bharatbhai Patel, Saurabh Amrutbhai Patel, Vipul kumar Patel, and Ravi Rameshbhai Patel
14.	Yes Bank Ltd CC 1	Yes bank	
15.	Yes Bank Ltd CC 2	Yes bank	
16.	HDFC Bank ltd TL	HDFC Bank	Secured by way of (i) First Pari Passu Charge on Plant and Machinery with other banks. (ii) First pari passu share over entire current asset, stock and book debts. (iii) Exclusive charge on property located at Survey No. 2439, 2428, 2400 Village Rajpur, Talika Kadi, Dist. Mehsana, Gujarat. (iv) Personal Guarantee of Jagrutkumar Rameshbhai Patel, Samarth Bharatbhai Patel, Saurabh Amrutbhai Patel, Vipul kumar Patel, and Ravi Rameshbhai Patel. (v) FD margin of 10%.
17.	HDFC Bank ltd CC	HDFC Bank	

