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DRAFT RED HERRING PROSPECTUS
Dated September 27, 2024
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

KUMAR ARCH TECH LIMITED

Corporate Identity Number: U36999GJ1998PLC033735

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
302, Parshwnath Business Park, Survey No. 836, F P No. 1/2, Prahladnagar Vejalpur, Ahmedabad City – 380051, Gujarat, India.	F1B, 11A, Shubham Complex, New Fatehpura, Udaipur, Rajasthan – 313 001	Rahul Ranka *Company Secretary and Compliance Officer*	**E-mail**: cs@echon.co **Telephone**: 0294 2941577	www.echon.co

OUR PROMOTERS: JITENDRA KUMAR TAYLIA, SHUBHAM TAYLIA, SHAKUN TAYLIA, MADHU AGRAWAL AND M.M. THERMOPLAST PRIVATE LIMITED

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs AND RIBs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 2,400.00 million	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 5,000.00 million	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 7,400.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”). For details, see “***Other Regulatory and Statutory Disclosures–Eligibility for the Offer***” on page 314. For details of share reservation among QIBs, NIBs and RIBs see “***Offer Structure***” on page 333.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDERS	TYPE	NO. OF EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH OFFERED	WACA[#] PER EQUITY SHARE (₹)
Jitendra Kumar Taylia	Promoter Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 2,270.00 million	0.04
Shubham Taylia	Promoter Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 1,050.00 million	0.76
Shakun Taylia	Promoter Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 90.00 million	0.25
Madhu Agrawal	Promoter Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 175.00 million	1.29
M.M. Thermoplast Private Limited	Promoter Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 70.00 million	1.01
Surbhi Jitendrakumar Taylia	Promoter Group Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 600.00 million	0.25
J.S. Construction	Promoter Group Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 60.00 million	1.33
Rituraj Pipes and Plastics Private Limited	Promoter Group Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 70.00 million	1.67
Tirupatibalaji Build-Con Private Limited	Promoter Group Selling Shareholder	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 615.00 million	0.57

WACA: Weighted Average Cost of Acquisition
[#] *Calculated on a fully diluted basis. As certified by A Y & Company, Chartered Accountants, by way of their certificate dated September 27, 2024. For further details, see “The Offer” beginning on page 60.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2 each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations and as stated under “***Basis for Offer Price***” on page 105, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and

Exchange Board of India (the "**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 27.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it, and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being NSE and BSE. For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF BOOK RUNNING LEAD MANAGERS AND LOGO		CONTACT PERSON	E-MAIL AND TELEPHONE
MOTILAL OSWAL INVESTMENT BANKING	**Motilal Oswal Investment Advisors Limited**	Subodh Mallya/ Sankita Ajinkya	**E-mail:** echon.ipo@motilaloswal.com **Telephone**: +91 22 7193 4380
equirus	**Equirus Capital Private Limited**	Jenny Bagrecha	**E-mail**: echon.ipo@equirus.com **Telephone**: +91 22 4332 0735

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFin Technologies Limited	M. Murali Krishna	**E-mail**: echon.ipo@kfintech.com **Telephone**: +91 40 6716 2222

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE*	[●]	BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSES ON**^	[●]

*^Our Company, in consultation with the BRLMs, may consider a further issue of specified securities through a preferential issue or any other method, as may be permitted under the applicable law, to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to the filing of the Red Herring Prospectus (the "**Pre-IPO Placement**"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately, intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus*

**Our Company in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

***Our Company in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

#^ UPI mandate and time end date shall be at 5:00 pm on the Bid/Offer Closing Date.

KUMAR ARCH TECH LIMITED

Our Company was originally incorporated as "*Kumar Arch Tech Private Limited*" under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated February 23, 1998, issued by Registrar of Companies, Gujarat at Dadra & Nagar Haveli. The name of our Company was subsequently changed to "*Kumar Arch Tech Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated August 2, 2024, and a shareholders' resolution dated August 6, 2024. A fresh certificate of incorporation dated September 4, 2024, was issued by the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**").

Registered Office: 302, Parshwnath Business Park, Survey No. 836, F P No. 1/2, Prahladnagar Vejalpur, Ahmedabad City – 380051, Ahmedabad, Gujarat, India
Corporate Office: F1B, 11A, Shubham Complex, New Fatehpura, Udaipur, Rajasthan – 313 001
Telephone: 0294 2941577; **Contact Person**: Rahul Ranka, Company Secretary and Compliance Officer;
E-mail: cs@echon.co; **Website**: www.echon.co
Corporate Identity Number: U36999GJ1998PLC033735

OUR PROMOTERS: JITENDRA KUMAR TAYLIA, SHUBHAM TAYLIA, SHAKUN TAYLIA, MADHU AGRAWAL AND M.M. THERMOPLAST PRIVATE LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF KUMAR ARCH TECH LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹ 7,400.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH BY OUR COMPANY AGGREGATING UP TO ₹ 2,400.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 5,000.00 MILLION (THE "OFFER FOR SALE"), COMPRISING UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 2,270.00 MILLION BY JITENDRA KUMAR TAYLIA, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 1,050.00 MILLION BY SHUBHAM TAYLIA, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 90.00 MILLION BY SHAKUN TAYLIA, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 175.00 MILLION BY MADHU AGRAWAL, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 70.00 MILLION BY M.M. THERMOPLAST PRIVATE LIMITED, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 600.00 MILLION BY SURBHI JITENDRAKUMAR TAYLIA, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 60.00 MILLION BY J.S. CONSTRUCTION, UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 70.00 MILLION BY RITURAJ PIPES AND PLASTICS PRIVATE LIMITED, AND UP TO [●] EQUITY SHARES HAVING FACE VALUE OF ₹ 2 EACH AGGREGATING UP TO ₹ 615.00 MILLION BY TIRUPATIBALAJI BUILD-CON PRIVATE LIMITED (REFERRED TO AS THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES"). THE OFFER SHALL CONSTITUTE [•]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹2 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARE. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DETERMINED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS") AND WILL BE ADVERTISED IN [●] EDITIONS OF THE [●] (A WIDELY CIRCULATED ENGLISH NATIONAL NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI NATIONAL NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

OUR COMPANY, IN CONSULTATION WITH THE BRLMS, MAY CONSIDER A PRE-IPO PLACEMENT, THROUGH A PREFERENTIAL ISSUE OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER THE APPLICABLE LAW, PRIOR TO THE FILING OF THE RED HERRING PROSPECTUS, FOR AN AMOUNT NOT EXCEEDING ₹ 480.00 MILLION. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BRLMS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(B) OF THE SCRR. THE PRE-IPO PLACEMENT, IF UNDERTAKEN, SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE. PRIOR TO THE COMPLETION OF THE OFFER, OUR COMPANY SHALL APPROPRIATELY, INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER, OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT INTO LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RED HERRING PROSPECTUS AND THE PROSPECTUS.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In cases of *force majeure*, banking strike or similar circumstances, our Company may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the other Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion) (the "**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders ("**Non-Institutional Portion**"), in accordance with the SEBI ICDR Regulations, of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹ 1.00 million and under-subscription in either of these two sub-categories of the Non-Institutional Portion may be allocated to Bidders in the other sub-category of the Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Portion ("**Retail Portion**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or pursuant to the UPI Mechanism, as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" on page 337.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2 each. The Floor Price, Cap Price and Offer Price determined by our Company in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations and as stated under "***Basis for Offer Price***" on page 105, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page *27*.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders severally and not jointly, accepts responsibility for and confirms only the statements made by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it, and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility for any other statement in this Draft Red Herring Prospectus, including, inter alia, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company received an in-principle approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purpose of the Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus will be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 389.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
Motilal Oswal Investment Advisors Limited Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025 Maharashtra, India **Telephone**: +91 22 7193 4380 **E-mail**: echon.ipo@motilaloswal.com **Website**: www.motilaloswalgroup.com **Investor grievance e-mail**: moiaplredressal@motilaloswal.com **Contact person**: Subodh Mallya/ Sankita Ajinkya **SEBI registration no.**: INM000011005	**Equirus Capital Private Limited** 1201, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel Mumbai 400 013, Maharashtra, India **Telephone**: +91 22 4332 0735 **E-mail**: echon.ipo@equirus.com **Website**: www.equirus.in **Investor grievance e-mail**: investorsgrievance@equirus.com **Contact person**: Jenny Bagrecha **SEBI registration no.**: INM000011286	**KFin Technologies Limited** Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy 500 032, Telangana, India **Telephone**: +91 40 6716 2222/18003094001 **E-mail**: kumararch.ipo@kfintech.com **Investor grievance E-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact person**: M. Murali Krishna **SEBI registration number**: INR000000221

BID/OFFER PERIOD

BID/OFFER OPENS ON	[●]*	BID/OFFER CLOSES ON	[●]**(1)

** Our Company in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*
(1) UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Notwithstanding the foregoing, the terms used in "**Objects of the Offer**", "**Basis for Offer Price**", "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**History and Certain Corporate Matters**", "**Restated Consolidated Financial Information**", "**Financial Indebtedness**", "**Outstanding Litigation and Material Developments**" "**Other Regulatory and Statutory Disclosures**", and "**Description of Equity Shares and Terms of Articles of Association**" on pages 89, 105, 113, 117, 190, 195, 230, 275, 306, 313 and 358, respectively, shall have the respective meanings ascribed to them in the relevant sections.*

General Terms

Term(s)	Description
"our Company" or "the Company" or "the Issuer"	Kumar Arch Tech Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 302, Parshwnath Business Park, Survey No. 836, F P No. 1/2, Prahladnagar Vejalpur, Ahmedabad City – 380051, Ahmedabad, Gujarat, India and Corporate Office at F1B, 11A, Shubham Complex, New Fatehpura, Udaipur, Rajasthan – 313 001.
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, on a consolidated basis.

Company Related Terms

Term(s)	Description
"Articles of Association" or "Articles" or "AoA"	The articles of association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board of Directors, as disclosed in "***Our Management – Committees of the Board –Audit Committee***" on page 209.
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, namely, RRS & Associates, Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time, including a duly constituted committee thereof. For details, see "***Our Management – Board of Directors***" on page 204.
Chartered Engineer	The independent chartered engineer appointed by our Company for the Offer, being Priyal Kothari
Chairman	Jitendra Kumar Taylia, the chairman of our Company.
Chief Financial Officer	The chief financial officer of our Company, namely, Vikram Singh Sankhala. For details see "***Our Management – Key Managerial Personnel and Senior Management Personnel***" on page 218.
Corporate Promoter	M.M. Thermoplast Private Limited
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Rahul Ranka. For details see "***Our Management – Key Managerial Personnel and Senior Management Personnel***" on page 218.
Corporate Office	The corporate office of our Company situated at F1B, 11A, Shubham Complex, New Fatehpura, Udaipur, Rajasthan – 313 001.
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, described in "***Our Management – Corporate Governance – Corporate Social Responsibility Committee***" on page 213.
Director(s)	The director(s) on our Board, as appointed from time to time.
Equity Shares	The equity shares of our Company of face value of ₹ 2 each.

Term(s)	Description
Executive Director(s)	The executive Directors on our Board of Directors, as disclosed in "***Our Management – Board of Directors***" on page 208.
Equirus Capital Private limited	Equirus
Group Company(ies)	Our group companies in terms of Regulation 2(1)(t) of the SEBI ICDR Regulations and other companies considered material by our Board, in accordance with the Materiality Policy, as disclosed in "***Our Group Companies***" on page 227.
Independent Director(s)	The non-executive independent director(s) of our Company, as disclosed in "***Our Management – Board of Directors***" on page 204.
IPO Committee	The IPO committee of our Board constituted vide resolution of the Board dated September 9, 2024.
"Key Managerial Personnel" or "KMP"	The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management Personnel***" on page 218.
Materiality Policy	The materiality policy of our Company adopted pursuant to a resolution of our Board dated September 27, 2024, for the identification of (a) material outstanding litigation proceedings; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus, and the Prospectus.
Managing Director	The managing director of our Company, namely, Shubham Taylia. For details see "***Our Management – Board of Directors***" on page 204.
Motilal Oswal	Motilal Oswal Investment Advisors Limited
"Memorandum of Association" or "Memorandum" or "MoA"	The memorandum of association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors, as disclosed in "***Our Management - Committees of our Board – Nomination and Remuneration Committee***" on page 212.
Non-Executive Director(s)	The non-executive directors on our Board of Directors as disclosed in "***Our Management***" on page 204.
Promoter Group Selling Shareholders	Surbhi Jitendrakumar Taylia, J.S. Construction, Rituraj Pipes and Plastics Private Limited and Tirupatibalaji Build-Con Private Limited.
Promoters	The promoters of our Company, namely, Jitendra Kumar Taylia, Shubham Taylia, Shakun Taylia, Madhu Agrawal and M.M. Thermoplast Private Limited. For details see "***Promoters and Promoter Group – Our Promoters***" on page 222.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Promoters and Promoter Group – Promoter Group***" on page 225.
Promoter Selling Shareholders	Jitendra Kumar Taylia, Shubham Taylia, Shakun Taylia, Madhu Agrawal and M.M. Thermoplast Private Limited
Registered Office	The registered office of our Company situated at 302, Parshwnath Business Park, Survey No. 836, F P No. 1/2, Prahladnagar Vejalpur, Ahmedabad City – 380051, Ahmedabad, Gujarat, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Gujarat at Ahmedabad.
Restated Consolidated Financial Information	The restated consolidated financial statements of our Company, for the financial years ended March 31, 2024, 2023 and 2022, prepared in terms of the requirements of Section 26 of Part I 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, as amended from time to time, comprising the restated consolidated balance sheet for the year ended as at March 31, 2024, 2023 and 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of cash flows, the restated statements of changes in equity for the year ended as at March 31, 2024, 2023 and 2022, the significant accounting policies, and other explanatory information.
Risk Management Committee	The risk management committee of our Board of Directors as disclosed in "***Our Management - Committees of our Board – Risk Management Committee***" on page 214.
Selling Shareholders	The Promoter Selling Shareholders and the Promoter Group Selling Shareholders are collectively referred to as the selling shareholders.

Term(s)	Description
"Senior Management Personnel" or "SMP"	Senior management personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "***Our Management – Senior Management Personnel***" on page 218.
Shareholders	The holders of the Equity Shares, from time to time.
Stakeholders Relationship Committee	The stakeholder's relationship committee of our Board of Directors, as disclosed in "***Our Management– Committees of the Board – Stakeholders' Relationship Committee***" on page 213.
"Subsidiary(ies)"	The subsidiaries of the Company as on the date of this Draft Red Herring Prospectus, namely, New Age Home Buildcon Private Limited, Taylias Industry Private Limited and Asific Buildcon Inc. For details, please refer to the section titled "***Our Subsidiaries***" on page 201
TIPL Project	The greenfield project in relation to the manufacture of PVC based products.
Whole-time Director(s)	The whole-time directors of our Company, namely Jitendra Kumar Taylia and Shakun Taylia. For further details, see "***Our Management***" on page 204.

Offer related terms

Term	Description
Abridged Prospectus	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form.
"Allot" or "Allotment or Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale, in each case to the successful Bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to all the Bidder who Bid in the Offer after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100.00 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company in consultation with the BRLMs.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The day, prior to and after which, the BRLMs will not accept any Bids from Anchor Investors, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Day after the Bid/Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorise an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request.

Term	Description
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form, which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism, to the extent of the Bid Amount of the ASBA Bidder.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidder(s), except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as disclosed in "***Offer Procedure***" on page 337.
Bid(s)	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the relevant Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of the Bids as indicated in the Bid cum Application Form and in the case of RIIs, and mentioned in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be.
Bid Lot	[●] Equity Shares having face value of ₹ 2 each and in multiples of [●] Equity Shares having face value of ₹ 2 each thereafter.
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges and shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], the English national daily newspaper, [●] editions of [●], the Hindi national daily newspaper and [●] editions of [●], the Gujarati daily newspaper (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof.
"Bidder" or "Applicant" or "Investor"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs, and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, being Motilal Oswal Investment Advisors Limited and Equirus Capital Private Limited.
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, only using UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are

Term	Description
	available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time.
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, and which shall be a least 105% of the Floor Price and shall not be more than 120% of the Floor Price.
Cash Escrow and Sponsor Banks Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and the Bankers to the Offer for collection of the Bid Amounts from Anchor Investors transfer of funds to the Public Offer Account and where applicable remitting refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Client ID	Client identification number maintained with one of the Depositories in relation to a dematerialised account.
"Collecting Depository Participant" or "CDP"	A depository participant, as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and the UPI Circulars, issued by SEBI as per the list available on the websites of the Stock Exchanges, as updated from time to time.
Cut-off Price	The Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIIs in the Retail Category are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI.
Designated CDP Locations	Such centres of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of Retail Individual Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries	Collectively, the members of the Syndicate, sub-Syndicate or agents, SCSBs (other than in relation to UPI Bidders using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect. Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by Retail Individual Bidders by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com).
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated September 27, 2024, filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the

Term	Description
	price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible FPIs	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares.
Eligible NRI	NRI(s) that are eligible to participate in the Offer in terms of applicable law and from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase the Equity Shares.
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	The bank(s), which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case, being [●].
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revisions thereof, at or above which the Offer Price and Anchor Investor Offer Price will be finalised and below which no Bids will be accepted, and which shall not be less than the face value of the Equity Shares.
Fresh Issue	The issue of up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 2,400.00 million by our Company. * ** Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), of up to 20% of the Offer Size for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*
"Fugitive Economic Offender"	A fugitive economic offender as defined under Section 12 of the Fugitive Economic Offenders Act, 2018 and Regulation 2(1)(p) of the SEBI ICDR Regulations.
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
Gross Proceeds	The Offer proceeds from the Fresh Issue.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in tmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.
Monitoring Agency	[●], being a credit rating agency registered with SEBI.
Monitoring Agency Agreement	The monitoring agency agreement to be entered into between our Company and the Monitoring Agency.
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	5% of the QIB Portion or [●] Equity Shares having face value of ₹ 2 each which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price.

Term	Description
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further details regarding the use of the Net Proceeds and the Offer related expenses, see "***Objects of the Offer***" on page 89.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
"Non-Institutional Bidders" or "NIB"	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with SEBI that are not QIBs (including Anchor Investors) or Retail Individual Investors Bidding who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
Non-Institutional Portion	The portion of the Offer, being not less than 15% of the Offer or [●] Equity Shares having face value of ₹ 2 each, which will be made available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million provided that under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Offer	The initial public offer of [●] Equity Shares having face value of ₹ 2 each of face value of ₹ 2 each for cash at a price of ₹ [●] each, aggregating up to ₹7,400.00 million comprising the Fresh Issue and the Offer for Sale. *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*
Offer Agreement	The agreement dated September 27, 2024 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 5,000.00 million by the Selling Shareholders.
Offer Price	The final price (within the Price Band) at which Equity Shares will be Allotted to the successful Bidders (except for the Anchor Investors), in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company in consultation with the BRLMs, in terms of the Red Herring Prospectus. The Offer Price will be determined by our Company in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Offer Proceeds	The Net Proceeds, and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, see "***Objects of the Offer***" on page 89.
Offered Shares	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹5,000.00 million being offered for sale by the Selling Shareholders in the Offer for Sale.
Pre-IPO Placement	Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock

Term	Description
	Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.
Price Band	Price band of a minimum price of ₹[●] per Equity Share (*i.e.*, the Floor Price) and the maximum price of ₹[●] per Equity Share (*i.e.*, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company in consultation with the BRLMs, shall finalise the Offer Price.
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, and containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account(s)	'No-lien' and 'non-interest-bearing' bank account(s) to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date.
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with which the Public Offer Account(s) shall be opened, being [●].
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer or not more than [●] Equity Shares having face value of ₹ 2 each which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price, as applicable.
"Qualified Institutional Buyer(s)" or "QIB Bidders" or "QIBs"	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus for the Offer to be issued by our Company in accordance with the Companies Act, the SEBI ICDR Regulations which will not have complete particulars of the Offer Price, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to the Bidders.
Refund Bank(s)	The bank(s) which are clearing member(s) registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number no. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars, issued by SEBI.
Registrar Agreement	The agreement dated September 27, 2024, entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars.
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Retail Individual Bidders" or "RIBs"	Bidders (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the Bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [•] Equity Shares having face value of ₹ 2 each which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form, as applicable. QIBs Bidding in the QIB Portion and Non-Institutional Investors Bidding in the Non-Institutional Category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity

Term	Description
	Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during Bid/Offer period and withdraw their Bids until Bid/Offer Closing Date.
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA (other than through the UPI Mechanism), where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●].
Share Escrow Agreement	The agreement to be entered into by our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from the ASBA Bidders, a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Sponsor Bank(s)	[●] and [●] being the Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders and carry out any other responsibilities, in terms of the UPI Circulars.
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
"Syndicate" or "members of the Syndicate"	Collectively, the BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholders, and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Underwriters	[●].
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholders, and the Underwriters, prior to filing the Red Herring Prospectus or the Prospectus with the RoC, as applicable. For further details, see "***General Information – Underwriting Agreement***" on page 73.
UPI	Unified payments interface, which is an instant payment mechanism developed by NPCI.
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Investors in the Retail Category, and (ii) Individuals applying as Non-Institutional Investors with an application size of up to ₹500,000 in the Non-Institutional Category, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Collecting Registrar and Share Transfer Agents. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 are required to use the UPI Mechanism and are required to provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular along with the circular issued by the NSE having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard.
UPI ID	An ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer.
UPI PIN	Password to authenticate UPI transaction.
Wazir	Wazir Advisors India Private Limited
Wazir Report	Report tilted 'Industry report on PVC blend-based building material' dated September, 2024 prepared and issued by Wazir, appointed by our Company pursuant to an engagement letter dated May 3, 2024, commissioned and paid for by our Company in connection with Offer.
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, as per circulars issued by SEBI, including the UPI Circulars.

Industry and business-related terms

Term	Description
CAGR	Compound annual growth rate.
Capacity (in MT)	Indicates aggregate capacity across all the plants operated as at the last date of the year/period.
Cashflow from operations (₹ million)	Restated cashflow from operations for the year as per Restated Consolidated Financial Information
DIY stores	Do-it-yourself stores.
Debt to Equity Ratio	Total borrowings (current + non-current)/Total Equity.
EBITDA	EBITDA is calculated as restated profit before share of profit/(loss) from joint venture and tax plus finance costs, depreciation, amortisation expense and impairment of goodwill.
EBITDA %	EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100.
Facility I	The facility of our Company located at B-2, Gudli, Udaipur, Rajasthan.
Facility II	The facility of our Company located at E-37, Gudli, Udaipur, Rajasthan.
Facility III	The facility of our Company located at E-92, Gudli, Udaipur, Rajasthan.
Facility IV	The facility of our Company located at Khasra Number -1976,1977, 1978, 1980 ,1979, 1980, 1982, 3530/1975.
Gross Margins (₹ million)	Gross Margin is calculated as revenue from operations as per Restated Consolidated Financial Information minus cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.
Gross Margin (%)	Gross Margin (%) is computed as material margin divided by revenue from operations *100
Machine Utilization (in %)	% of asset capacity available at our existing extruding plants to handle increase in demand.
MDF	Medium-density fibreboard.
MM	Millimetre.
MTPA	Metric tonnes per annum.
PAT	Restated profit for the year as per Restated Consolidated Financial Information.
PAT Margin %	PAT Margin (%) is calculated as restated profit for the year divided by total income.
PVC	Polyvinyl chloride.

Term	Description
QR	Quick response.
R&D	Research and development.
Return on Capital Employed (RoCE) *(%)*	ROCE is calculated as EBIT as a % of average capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed refers to sum of shareholders'' equity plus non-current liabilities plus current borrowings less cash and cash equivalents.
Return on Equity (RoE) *(%)*	Return on equity (%) is calculated as PAT divided by average total equity multiplied by 100.
Revenue from Operations	Revenue from operations as per Restated Consolidated Financial Information
RSPCB	Rajasthan State Pollution Control Board
SKU(s)	Stock keeping unit

Conventional Terms/Abbreviations

Term	Description
AGM	Annual general meeting.
"Alternative Investment Funds" or "AIFs"	Alternative investment funds as defined in and registered under the SEBI AIF Regulations.
BSE	BSE Limited.
CAGR	Compounded annual growth rate.
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations.
Category I FPIs	FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPIs	FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate identity number.
Companies Act, 1956	The erstwhile Companies Act, 1956, read with the rules, regulations, clarifications, circulars and modifications notified thereunder.
"Companies Act" or "Companies Act, 2013"	The Companies Act, 2013, read with the rules, regulations, clarifications, circulars, notifications, and amendments notified thereunder.
CSR	Corporate social responsibility.
Depositories	NSDL and CDSL.
Depositories Act	Depositories Act, 1996.
DGFT	Directorate General of Foreign Trade
DIN	Director identification number.
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act.
DP ID	Depository Participant's identity number.
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
EGM	Extraordinary general meeting.
EPS	Earnings per share.
FDI	Foreign direct investment.
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations notified thereunder.
"FEMA Non-debt Instruments Rules" or the "FEMA NDI Rules"	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending March 31 of that calendar year.
FPIs	Foreign portfolio investors as defined in and registered with SEBI under the SEBI FPI Regulations.
Fraudulent Borrower	A company or person, as the case may be, categorised as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in

Term	Description
	accordance with the guidelines on fraudulent borrowers issued by the RBI and as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
FVCI	Foreign venture capital investors (as defined under the SEBI FVCI Regulations) registered with SEBI.
GAAR	General anti-avoidance rules.
GDP	Gross domestic product.
"Government of India" or "Central Government" or "GoI"	The Government of India.
GST	Goods and services tax.
HUF(s)	Hindu undivided family(ies).
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards of the International Accounting Standards Board.
Income Tax Act	Income-tax Act, 1961.
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 and referred to in the Ind AS Rules.
Ind AS 24	Indian Accounting Standard 24 on Related Party Disclosure issued by the MCA.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
"INR" or "Rupee" or "₹" or "Rs."	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offer.
IST	Indian standard time.
IT	Information technology.
MCA	Ministry of Corporate Affairs, Government of India.
MSME	Micro, small and medium enterprises.
Mutual Funds	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A.	Not applicable.
NACH	National Automated Clearing House.
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India.
NAV	Net asset value.
NCLT	National Company Law Tribunal.
NEFT	National electronic fund transfer.
NPCI	National Payments Corporation of India.
"NR" or "Non-resident"	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI.
NRI	A person resident outside India, who is a citizen of India.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
p.a.	Per annum.
P/E Ratio	Price/earnings ratio.
PAN	Permanent account number allotted under the Income Tax Act.
PAT	Profit after tax.
RBI	The Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RTGS	Real time gross settlement.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SCORES	SEBI complaints redress system.

Term	Description
SEBI ICDR Master Circular	The SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI RTA Master Circular	The SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SMS	Short message service.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed pursuant to the SEBI AIF Regulations.
Stock Exchanges	BSE and NSE.
“Systemically Important NBFCs” or “NBFC-SI”	In the context of a Bidder, a non-banking financial company registered with the RBI and having a net worth of more than ₹5,000.00 million as per its last audited financial statements.
TAN	Tax deduction and collection account number.
U. S. Securities Act	United States Securities Act, 1933.
“US$” or “USD” or “US Dollar”	United States Dollar, the official currency of the United States of America.
“USA” or “U.S.” or “US”	United States of America.
U.S. GAAP	United States Generally Accepted Accounting Principles.
VAT	Value added tax.
VCFs	Venture capital funds as defined in and registered with SEBI under the erstwhile SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
“Year” or “calendar year”	Unless the context otherwise requires, shall mean the 12-month period ending December 31.

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including *"**Risk Factors**"*, *"**The Offer**"*, *"**Capital Structure**"*, *"**Objects of the Offer**"*, *"**Industry Overview**"*, *"**Our Business**"*, *"**Restated Consolidated Financial Information**"*, *"**Outstanding Litigation and Material Developments**"*, *"**Offer Procedure**" and "**Description of Equity Shares and Terms of the Articles of Association**"* on pages 27 , 60, 74, 89, 117, 161, *230*, 306, 337 and 358, respectively.

Summary of the primary business of our Company

With a legacy of over 22 years of operations, our expertise in material science and our R&D[1] capabilities, we have developed our proprietary formulations which give us the flexibility to manufacture products by blending more than eight different raw materials. We provide our customers a wide range of products, classified into three categories, (i) board/sheets and their derivatives such as trimboards, doors, and wall ceiling panels and columns, (ii) profiles which comprise of mouldings and door frames, (iii) and signage solutions.

For further details, see "***Our Business***" on page 161.

Summary of the industry in which our Company operates

US imports of PVC blend-based building materials have grown at a CAGR of 6%, increasing from US$4.9 billion as on 31st March FY20 to US$6.2 billion as on 31st March FY24. India's exports in these materials to US has increased from US$47 million as on 31st March FY20, which represented 1.0% of total imports, to US$144 million as on 31st March FY24, accounting for 2.3% of total US imports with a CAGR of 32%. *(Source: Wazir Report)*

For further details, see "***Industry Overview***" on page 117.

Name of Promoters of our Company

Our Promoters are Jitendra Kumar Taylia, Shubham Taylia, Shakun Taylia, Madhu Agrawal and M.M. Thermoplast Private Limited. For details, see "***Promoters and Promoter Group***" on page 222.

Offer size

The following table summarizes the details of the Offer:

<table>
<tr><th>Offer</th><th colspan="2">Up to [●] Equity Shares having face value of ₹ 2 each aggregating to up to ₹ 7,400.00 million</th></tr>
<tr><td colspan="3">which includes:</td></tr>
<tr><td>Fresh Issue*^</td><td colspan="2">Up to [●] Equity Shares having face value of ₹ 2 each aggregating to up to ₹ 2,400.00 million.</td></tr>
<tr><td rowspan="11">Offer for Sale**</td><td colspan="2">Up to [●] Equity Shares having face value of ₹ 2 each aggregating to up to ₹ 5,000.00 million.</td></tr>
<tr><th>Name of the Selling Shareholders</th><th>Number of Equity Shares offered</th></tr>
<tr><td>Jitendra Kumar Taylia</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 2,270.00 million</td></tr>
<tr><td>Shubham Taylia</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 1,050.00 million</td></tr>
<tr><td>Shakun Taylia</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 90.00 million</td></tr>
<tr><td>Madhu Agrawal</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 175.00 million</td></tr>
<tr><td>M.M. Thermoplast Private Limited</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 70.00 million</td></tr>
<tr><td>Surbhi Jitendrakumar Taylia</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 600.00 million</td></tr>
<tr><td>J.S. Construction</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 60.00 million</td></tr>
<tr><td>Rituraj Pipes and Plastics Private Limited</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 70.00 million</td></tr>
<tr><td>Tirupatibalaji Build-Con Private Limited</td><td>Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 615.00 million</td></tr>
</table>

* *Our Board has authorized the Offer, pursuant to their resolution dated September 6, 2024. Our Shareholders have authorized the Fresh Issue pursuant to a special resolution dated September 9, 2024. Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution at its meeting held on September 6, 2024.*

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[1] "**R&D**" means research and development of the products manufactured by us.

** *The Equity Shares being offered by the Selling Shareholders have been held by it for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For details of authorisation received from the Selling Shareholders for the Offer for Sale, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer – Approval from the Selling Shareholder**s" on page 313.*

^ *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

The Offer shall constitute [●] % of the post-Offer paid up equity share capital of our Company, respectively. For further details of the offer, see "***The Offer***" and "***Offer Structure***" on pages 60 and 333, respectively.

Objects of the Offer

Set forth below are details regarding the use of the Net Proceeds.

(₹ million)

Particulars	Amount[(2)]
Investment in our wholly owned Subsidiary, Taylias Industry Private Limited ("**TIPL**") for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products (the "**TIPL Project**");	1,820.92
General corporate purposes [(1)]	[●]
Net Proceeds[(1)]	[●]

(1) *To be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

(2) *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

For further details, see "***Objects of the Offer***" on page 89.

Aggregate pre-Offer shareholding of our Promoters, our Promoter Group (other than the Promoters) and the Selling Shareholders, as a percentage of the pre-Offer and post-Offer paid up share capital of our Company

Set out below is the aggregate pre-Offer shareholding of our Promoters and Promoter Group, as a percentage of the pre-Offer and post-Offer paid-up equity share capital of the Company.

Sr. No.	Name of the Shareholder	Number of Equity Shares pre-Offer	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares post-Offer^	Percentage of the post- Offer paid-up Equity Share capital (%)^
Promoters[#]					
1.	Jitendra Kumar Taylia	5,45,18,550	31.73	[●]	[●]
2.	Shubham Taylia	2,52,43,200	14.69	[●]	[●]
3.	Madhu Agrawal	41,92,500	2.44	[●]	[●]
4.	M.M. Thermoplast Private Limited	4,82,55,000	28.08	[●]	[●]
5.	Shakun Taylia	54,50,000	3.17	[●]	[●]
	Total (A)	**13,76,59,250**	**80.11**	**[●]**	**[●]**
Promoter Group[#]					
6.	Surbhi Jitendrakumar Taylia	1,62,00,100	9.43	[●]	[●]
7.	J.S. Construction	14,24,850	0.83	[●]	[●]

Sr. No.	Name of the Shareholder	Number of Equity Shares pre-Offer	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares post-Offer^	Percentage of the post- Offer paid-up Equity Share capital (%)^
8.	Rituraj Pipes and Plastics Private Limited	17,10,000	1.00		
9.	Tirupatibalaji Build-Con Private Limited	1,48,32,000	8.63	[●]	[●]
Total (B)		**3,41,66,950**	**19.89**	**[●]**	**[●]**
Grand Total (A+B)		**17,18,26,200**	**100.00**	**[●]**	**[●]**

^ *To be updated in the Prospectus.*
# *Also, a Selling Shareholder.*

For further details of the Offer, see "*Capital Structure*" beginning on page 74.

Summary of Selected Financial Information

Set out below is a summary of the select financial information of the Company as of the dates and for the periods indicated below, derived from the Restated Consolidated Financial Information:

(₹ in million, except per share data)

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share capital	57.28	57.28	57.28
Net worth[(1)]	2,283.43	1,173.74	537.84
Revenue from operations	4,078.77	4,072.55	2,505.64
Restated profit / (loss) for the year/period	1,107.99	630.05	204.26
Earnings per equity share			
- Basic[(2)] (in ₹)	6.45	3.67	1.19
- Diluted[(2)] (in ₹)	6.45	3.67	1.19
Net asset value per Equity Share [(3)] (in ₹)	398.68	204.91	93.90
Total Borrowings[(4]	300.64	293.97	296.03

(1) *Net worth has been defined as 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, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

(2) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*

(3) *Net asset value per share is calculated by dividing restated equity attributable to owners of our Company by weighted average number of equity shares outstanding during the year.*

(4) *Total borrowings consist of current and non-current borrowings.*

For further details, see "***Other Financial Information***" on page 272.

Qualifications of the Statutory Auditor which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications included by our Statutory Auditors in the examination report that have not been given effect to in the Restated Consolidated Financial Information.

Summary of outstanding litigation

Set out below is a summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors and Promoters, as of the date of this Draft Red Herring Prospectus, as also disclosed in "***Outstanding Litigation and Material Developments***" on page 306, in terms of the SEBI ICDR Regulations and the Materiality Policy. As on date of this Draft Red Herring Prospectus, there are no outstanding litigations involving our Group Companies, which may have a material impact on our Company, in accordance with the Materiality Policy.

Category of individuals / entities	Number of criminal proceedings	Number of tax proceedings	Number of statutory or regulatory proceedings	Number of Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action	Material civil litigation*	Aggregate amount involved (in ₹ million) #
Company						
By the Company	Nil	Nil	Nil	N.A	Nil	Nil
Against the Company	Nil	11	Nil	N.A	Nil	1.24
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil
Against the Subsidiaries	Nil	6	Nil	N.A	Nil	2.54
Directors (other than Promoters)						
By the Director	Nil	Nil	Nil	N.A	Nil	Nil
Against the Director	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoter	1	Nil	Nil	N.A	Nil	0.25
Against Promoter	Nil	14	Nil	Nil	Nil	1.72

* *Determined in accordance with the Materiality Policy.*
\# *To the extent quantifiable.*

For further details, see "***Outstanding Litigation and Material Developments***" on page 306.

Risk factors

For details of the risks applicable to us, see "***Risk Factors***" on page 27.

The following is a summary of the top ten risk factors in relation to our Company:

1. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

2. We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our products, could adversely affect our business, results of operations, financial condition and cash flows.

3. We do not enter into long-term agreements with suppliers for our raw materials and we are also dependent on the imported raw materials. An increase in the cost of, or a shortfall in the availability or quality of such raw materials, in a timely manner or at all, could have an adverse effect on our business, cash flows and results of operations.

4. Our business is dependent on our facilities and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, cash flows and results of operations.

5. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations, cash flows and financial condition.

6. We intend to set up a new facility in Udaipur (District), Rajasthan, and such expansion will be subject to the risks of unanticipated delays in implementation and cost ***overruns.***

7. We are subject to quality requirements, regular inspections and audits, and sales of our products is dependent on our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects, cash flows and financial performance, including cancellation of existing and future orders.

8. Restrictions on import of raw materials, sustained increase in the cost of resin and an increase in shipment cost may adversely impact our business, cash flows and results of operations.

9. We may not be successful in penetrating new export markets. If we are unable to grow in our existing export markets or are unsuccessful in penetrating new markets, may adversely affect our business prospects, cash flows and financial performance, including cancellation of existing and future orders

10. There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in the future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.

Summary of contingent liabilities

As of March 31, 2024, our Restated Consolidated Financial Information disclosed the following contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(in ₹ millions)

Particulars	As at March 31, 2024
Contingent liabilities	6.50
Commitments	159.58

Details of pending Income tax demand: In subsidiary Taylias Industry P Ltd. there is a demand of ₹ 1.44 million for the AY 2023-24
Details of Bank Guarantees: Kumar Arch Tech Limited and Taylias Industry P Ltd has given guarantee to Govt Department for tender, bonds etc.

For further details of the contingent liabilities of our Company, see Restated Consolidated Financial Information included in "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations—Contingent Liabilities***" on pages *230* and 299, respectively.

Summary of related party transactions

The details of related party transactions entered into by our Company for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, as per Ind AS 24 – Related Party Disclosures, read with SEBI ICDR Regulations and derived from the Restated Consolidated Financial Information are as set out in the table below.

(₹ in million, unless otherwise stated)

S. No.	Name of the related party	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	Rituraj Pipes And Plastics Private Limited	Sales of goods	43.98	94.48	116.02
2.	Rituraj Pipes And Plastics Private Limited	Rent income	1.20	1.20	-
3.	Rituraj Pipes And Plastics Private Limited	Purchase of goods	61.60	50.55	33.77
4.	Rituraj Pipes And Plastics Private Limited	Job work charges	1.32	17.10	19.50
5.	Rituraj Pipes And Plastics Private Limited	Stores & spares expenses	0.04	-	0.03
6.	Rituraj Pipes And Plastics Private Limited	Repair & maintenance expenses	0.05	-	0.08
7.	Rituraj Pipes And Plastics Private Limited	Sale of capital goods	-	1.30	0.25
8.	Rituraj Pipes And Plastics Private Limited	Purchase of capital goods	0.02	0.54	0.59
9.	M M Thermoplast Private Limited	Sales of goods	-	3.14	12.24
10	M M Thermoplast Private Limited	Manpower supply	1.87	2.01	2.71
11	Tirupatibalaji Build-con Private Limited	Sales of goods	0.49	-	-
12	Tirupatibalaji Build-con Private Limited	Manpower supply	2.93	3.31	3.38
13	Tirupatibalaji Build-con Private Limited	Rent expenses	0.16	-	-
14	Apexen Foundation Of Medical Science	CSR expenses	8.80	2.00	1.78
15	S M Enterprises	Purchase of goods	50.34	-	-
16	S M Enterprises	Manpower supply	2.96	3.11	2.36

S. No.	Name of the related party	Nature of transactions	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
17	J S Construction	Manpower supply	4.02	3.77	2.39
18	V K Agarwal HUF	Interest expenses	0.07	0.06	0.06
19	V K Agarwal HUF	Loan repaid	0.38	-	-
20	Vinayak Builders	Manpower supply	1.95	2.20	1.12
21	Vinayak Builders	Loan repaid	-	1.00	-
22	Vinayak Builders	Loan taken	-	-	1.00
23	J K Taylia	Salary	9.60	4.80	1.80
24	J K Taylia	Loan repaid	0.39	5.20	8.80
25	J K Taylia	Loan taken	-	-	14.10
26	Madhu Agrawal	Salary	0.90	-	-
27	Madhu Agrawal	Loan repaid	0.24	1.50	-
28	Shubham Taylia	Remuneration	9.60	9.60	3.00
29	Shubham Taylia	Loan repaid	-	-	2.00
30	Naina Bhushan	Salary	1.20	1.20	1.20
31	Shakun Taylia	Remuneration	0.90	0.90	-
32	Shakun Taylia	Loan repaid	0.39	0.45	0.46
33	Shakun Taylia	Loan taken	-	-	1.30
34	Nikhil Nahar	Loan repaid	2.00	-	-
35	Nikhil Nahar	Loan taken	-	-	2.00
36	Surbhi Jitendrakumar Taylia	Salary	1.35	0.90	-

For details of the related party transactions, see "***Restated Consolidated Financial Information***" on page *230*.

Details of all financing arrangements

There have been no financing arrangements whereby our Promoters, the members of the Promoter Group, our Directors and their relatives (as defined in Companies Act, 2013) have financed the purchase of any securities of our Company by any other person, other than in the normal course of business of the relevant financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average cost of acquisition for all specified securities transacted over the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus

Period	Weighted average cost of acquisition per Equity Share having face value of ₹ 2 each (in ₹)*#	Cap Price is 'x' times the weighted average cost of acquisition^	Range of acquisition price per Equity Share having face value of ₹ 2 each: lowest price – highest price (in ₹)*
Last one year preceding the date of this Draft Red Herring Prospectus	0.00	[●]	0.00 to 0.00
Last 18 months preceding the date of this Draft Red Herring Prospectus	0.00	[●]	0.00 to 0.00
Last three years preceding the date of this Draft Red Herring Prospectus	0.01	[●]	0.00 to 75.00

* *As certified by A Y & Company, Chartered Accountants, by way of their certificate dated September 27, 2024.*

\# *Weighted average price has been calculated after considering split of face value of equity shares pursuant to a resolution dated July 27, 2024 passed by the Board of Directors of the Company and dated August 1, 2024 by the Shareholders of the Company.*

^ *To be updated in the Prospectus, upon finalisation of the Price Band*

Average cost of acquisition of Equity Shares for our Promoters and the Selling Shareholders

The average cost of acquisition of our Promoters and the Selling Shareholders as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the Promoters	Number of Equity Shares having face value of ₹ 2 each	Average cost of acquisition per Equity Share having face value of ₹ 2 each ^* (in ₹)
Promoters#			
1.	Jitendra Kumar Taylia	5,45,18,550	0.04
2.	Shubham Taylia	2,52,43,200	0.76
3.	Shakun Taylia	54,50,000	0.25

Sr. No.	Name of the Promoters	Number of Equity Shares having face value of ₹ 2 each	Average cost of acquisition per Equity Share having face value of ₹ 2 each ^* (in ₹)
4.	Madhu Agrawal	41,92,500	1.29
5.	M.M. Thermoplast Private Limited	4,82,55,000	1.01
Promoter Group			
6.	Surbhi Jitendrakumar Taylia	16,200,100	0.25
7.	J.S. Construction	1,424,850	1.33
8.	Rituraj Pipes and Plastics Private Limited	1,710,000	1.67
9.	Tirupatibalaji Build-Con Private Limited	14,832,000	0.57

* *As certified by A Y & Company, Chartered Accountants, by way of their certificate dated September 27, 2024.*

^ *Weighted average price has been calculated after considering split of face value of equity shares pursuant to a resolution dated July 27, 2024 passed by the Board of Directors of the Company and dated August 1, 2024 by the Shareholders of the Company.*

\# *Also, a Selling Shareholder.*

Weighted average price at which the Equity Shares were acquired by our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which the Equity Shares have been acquired by our Promoters and the Selling Shareholders, in the one year preceding the date of this Draft Red Herring Prospectus is provided below:

Sr. No.	Name of the Promoters	Number of Equity Shares having face value of ₹ 2 each	Average cost of acquisition per Equity Share having face value of ₹ 2 each ^* (in ₹)
Promoters#			
1.	Jitendra Kumar Taylia	4,54,32,125	0.00
2.	Shubham Taylia	2,10,36,000	0.00
3.	Shakun Taylia	50,75,000	0.00
4.	Madhu Agrawal	34,93,750	0.00
5.	M.M. Thermoplast Private Limited	4,02,12,500	0.00
Promoter Group Selling Shareholders			
6.	Surbhi Jitendrakumar Taylia	1,29,66750	0.00
7.	J.S. Construction	11,87,375	0.00
8.	Rituraj Pipes and Plastics Private Limited	14,25,000	0.00
9.	Tirupatibalaji Build-Con Private Limited	1,23,60,000	0.00

* *As certified by A Y & Company, Chartered Accountants, by way of their certificate dated September 27, 2024.*

.^ *Weighted average price has been calculated after considering split of face value of equity shares pursuant to a resolution dated July 27, 2024 passed by the Board of Directors of the Company and dated August 1, 2024 by the Shareholders of the Company.*

\# *Also, a Selling Shareholder.*

Details of price at which equity shares were acquired by our Promoters, members of our Promoter Group, Selling Shareholders, and other Shareholders with rights to nominate director(s) or other special rights in the last three years preceding the date of this Draft Red Herring Prospectus

The details of price at which Equity Shares acquired by our Promoters, members of our Promoter Group and the Selling Shareholders in the last three years preceding the date of this Draft Red Herring Prospectus are set out below.

Name of the shareholder	Date of acquisition / allotment of Equity Shares	Number of Equity Shares acquired / allotted*	Nature of acquisition / allotment	Acquisition price per Equity Share having face value of ₹ 2 each (in ₹)*
Jitendra Kumar Taylia	Multiple	47,000,875	Purchase, Gift, Bonus, Split	0.01
Shubham Taylia	Multiple	21,111,050	Gift, Bonus, Split	NIL
Shakun Taylia	Multiple	3,493,750	Gift, Bonus, Split	NIL
Madhu Agrawal	Multiple	40,212,500	Bonus, Split	NIL
M.M. Thermoplast Private Limited	Multiple	5,075,000	Bonus, Split	NIL
Surbhi Jitendrakumar Taylia	Multiple	13,266,750	Gift, Bonus, Split	NIL
J.S. Construction	Multiple	1,187,375	Bonus, Split	NIL
Rituraj Pipes and Plastics Private Limited	Multiple	1,425,000	Bonus, Split	NIL
Tirupatibalaji Build-Con Private Limited	Multiple	12,360,000	Bonus, Split	NIL

* *As certified by A Y & Company, Chartered Accountants, by way of their certificate dated September 27, 2024.*

\# *Also, a Selling Shareholder.*

Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any shareholders, having nominee director or other rights.

Any issuance of equity shares in the last one year for consideration other than cash or bonus issue

Except as disclosed in "***Capital Structure—Notes to Capital Structure - Equity Share Capital History of our Company***" on page 74, our Company has not undertaken any issuance of equity shares for consideration other than cash or bonus issue in the last one year preceding the date of this Draft Red Herring Prospectus.

Details of pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

Any split / consolidation of equity shares in the last one year

Except for the sub-division of equity shares of face value of ₹ 10 each into face value of ₹ 2 each authorised by our Board pursuant to its resolution dated July 27, 2024, and by our Shareholders' pursuant to their resolution dated August 1, 2024 as described in "***Capital Structure - Equity share capital history of our Company***" on page 74, our Company has not undertaken any split / consolidation of its Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought or received any exemption from complying with any provisions of securities laws from SEBI in respect of the Offer as on the date of this Draft Red Herring Prospectus.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Unless stated otherwise, all references in this Draft Red Herring Prospectus to the terms Fiscal or Financial Year or FY unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless stated otherwise or where the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information comprises of the restated consolidated balance sheet as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary statement of significant accounting policies, the statement of adjustments to restated consolidated financial information and other explanatory information derived from our audited financial statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS and restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time. For more information, see "***Restated Consolidated Financial Information***" on page *230*.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded-off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, or ratios (excluding certain operational metrics), relating to the financial information of our Company as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Other Financial Information***" on pages 27, 161, 279 and 272, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBIT, EBITDA, Gross Margin etc. (together, "**Non-GAAP Measures**"), and certain other industry metrics and financial parameters have been included in this Draft Red Herring Prospectus. We compute and disclose such financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance for investors and other users. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS. Such supplemental financial and operational information should not be considered in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Draft Red Herring Prospectus. For further details see "***Risk Factor - We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance***

that may vary from any standard methodology that is applicable across the industry", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Other Financial Information***" on pages 51, 279 and 272.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and other currencies:

(Amount in ₹)

Currency	As at		
	March 31, 2024*	**March 31, 2023***	**March 31, 2022***
1 USD	83.37	82.22	75.81

Source: www.fbil.org.in

Note: Exchange rate is rounded off to two decimal point

* *In case March 31 or any date of any of the respective years is a public holiday, the previous working day, not being a public holiday, has been considered.*

Please note that the above exchange rates have been provided for indicative purposes only and the amounts reflected in our Restated Consolidated Financial Information may not have been converted using any of the above-mentioned exchange rates.

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in and market data used in this Draft Red Herring Prospectus has been obtained or derived from the Wazir Advisors Private Limited ("**Wazir Report**") and publicly available information as well as other industry publications and sources.

Wazir Advisors Private Limited ("**Wazir**") is an independent agency which has no relationship with our Company, our Subsidiary, our Promoters, our Directors, our Group Companies, Key Managerial Personnel, members of Senior Management Personnel or the BRLMs. The Wazir Report has been commissioned by and paid for by our Company pursuant to an engagement letter with Wazir dated May 3, 2024, exclusively for the purposes of confirming our understanding of the industry in which our Company operates, in connection with the Offer. The Wazir Report is available on the website of our Company at https://www.echon.co/investor-relations/ until the Bid/ Offer Closing Date. Wazir has, through its letter dated September 26, 2024 accorded its consent to use the Wazir Report in this Draft Red Herring Prospectus.

Unless otherwise indicated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from the Wazir Report has been commissioned by our Company for an agreed fee. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The Wazir Report is subject to the following disclaimer:

"*This report is prepared by Wazir Advisors Pvt. Ltd. Wazir Advisors has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in Wazir Advisors' proprietary database and other sources considered by Wazir Advisors as accurate and reliable, including information in the public domain. The views and opinions* *expressed herein do not constitute the opinion of Wazir Advisors to buy or invest in this industry, sector, or companies operating in this sector or industry, and are not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever. This report has to be seen in its entirety; selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered reasonable by Wazir Advisors; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could differ from the projections.*

Nothing contained in this report is capable of or intended to create any legally binding obligations on the sender or Wazir Advisors, which accepts no responsibility whatsoever for loss or damage from the use of the said information. Wazir Advisors is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company, or its Directors and employees, do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only, and any reproduction of the report or part of it would require explicit written prior approval of Wazir Advisors.

Wazir Advisors shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this report."

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Wazir exclusively commissioned and paid for by us for such purpose.***", on page 43.

In accordance with the SEBI ICDR Regulations, "***Basis for Offer Price***" on page 105 includes information relating to our peer group companies. The data included therein includes excerpts from the Wazir Report. There are no parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Data from these sources may also not be comparable. Such industry and third-party related information have been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “goal”, “project”, “propose”, “shall”, “will continue”, “seek to”, “will achieve”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company and statements regarding our expected financial conditions, results of operations, business plans and prospects are also forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

2. We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our products, could adversely affect our business, results of operations, financial condition and cash flows.

3. We do not enter into long-term agreements with suppliers for our raw materials and we are also dependent on the imported raw materials. An increase in the cost of, or a shortfall in the availability or quality of such raw materials, in a timely manner or at all, could have an adverse effect on our business, cash flows and results of operations.

4. Our business is dependent on our facilities and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, cash flows and results of operations.

5. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations, cash flows and financial condition.

6. We intend to set up a new facility in Udaipur (District), Rajasthan, and such expansion will be subject to the risks of unanticipated delays in implementation and cost overruns.

7. We are subject to quality requirements, regular inspections and audits, and sales of our products is dependent on our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects, cash flows and financial performance, including cancellation of existing and future orders.

8. Restrictions on import of raw materials, sustained increase in the cost of resin and an increase in shipment cost may adversely impact our business, cash flows and results of operations.

9. We may not be successful in penetrating new export markets. If we are unable to grow in our existing export markets or are unsuccessful in penetrating new markets, may adversely affect our business prospects, cash flows and financial performance, including cancellation of existing and future orders

10. There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in the future, may result in the imposition of penalties and in turn may have an adverse effect on our Company’s business, financial condition, results of operation and cash flows.

For a further discussion of factors that could cause our actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" on pages 27, 161 and 279, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMS nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that Bidders in India are informed of material developments pertaining to our Company from the date of the Red Herring Prospectus in relation to the statements and undertakings made by our Company and the Selling Shareholders, in respect of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In this regard, the Selling Shareholders shall, severally and not jointly, ensure that our Company and BRLMs are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by the Selling Shareholders with respect to their Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus.

The risks set out in this section may not be exhaustive and additional risks and uncertainties, not currently known to us or that we currently do not deem material, may arise or may become material in the future and may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Consolidated Financial Information" on pages 161, 117, 279 and 230, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved. Unless otherwise indicated or unless context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis and references to our "Company" refers to Kumar Arch Tech Limited on a standalone basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 27, 117, 230 and 279, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" on page 1 for definition of certain terms used in this section.

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 230. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

This Draft Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 25.

Unless otherwise indicated, industry and market data used in this section have been extracted from the Wazir Report, which has been commissioned by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate. The data included herein includes excerpts from the Wazir Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details and risks in relation to the Wazir Report, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Wazir exclusively commissioned and paid for by us for such purpose." on page 43. The Wazir Report will form part of the material documents for inspection and is available on the website of our Company at https://www.echon.co/investor-relations/.

Internal Risk Factors

1. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.

Our revenue from operations and profit for Fiscal 2024 was ₹ 4,078.77 million and ₹ 1,107.99 million, respectively and our price to revenue from operations (Fiscal 2024) multiple is [●] times at the upper end of the Price Band and. Our market capitalization to revenue from operations (Fiscal 2024) multiple is [●] times at the upper end of the Price Band.

The table below provides details of our price to earnings ratio and market capitalization to revenue from operations:

Particulars	Price to Earnings Ratio*	Price to Revenue*	Market Capitalization to Revenue*
For Fiscal 2024	[●]	[●]	[●]

* *To be populated at Prospectus stage*

The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section titled "*Basis for Offer Price*" on page 105 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and international markets, regulatory amendments or similar situations, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. As a result, the market price of the Equity Shares may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price.

2. We depend on the success of our relationships with our customers. We generally do business with customers on purchase order basis and do not enter into long term contracts with our customers. Any loss of one or more of our top customers, or the deterioration of their financial condition or prospects, or a reduction in their demand for our products, could adversely affect our business, results of operations, financial condition and cash flows.

The table below provides contribution from our top one, top five and top 10 customers to our revenue from operations in Fiscal 2022, 2023 and 2024:

Customer Concentration*	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top customer	902.82	22.13	708.05	17.39	439.02	17.52
Top five customers	2,334.04	57.22	2,253.24	55.33	1,421.93	56.75
Top 10 customers	3,250.88	79.70	3,149.85	77.34	1,776.07	70.88

* *Customers may vary across Fiscals / period and does not refer to the same customers across all Fiscals / periods and depend on the specific requirement of our customers in the relevant Fiscal. The names of the top 10 customers as of Fiscal 2024, Fiscal 2023 and Fiscal 2022 have not been included due to confidentiality reasons.*

We expect that we will continue to be reliant on our top customers for the foreseeable future. While some of our customers have been associated with our Company several years, there can be no assurance that our top customers will continue to place similar orders with us in the future as they had placed in the past. A significant decrease in business from such top customers, whether due to circumstances specific to such customer or adverse market conditions or the economic environment generally, may materially and adversely affect our business, results of operations and financial condition.

We typically provide our customers with credit periods ranging from immediate payments to 120 days from the date of delivery, as part of our standard payment terms. While we generally limit the credit we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, there is a risk that our estimates may not be accurate. Set forth below are the details of our trade receivables for the years indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Trade receivables	707.18	17.34%	653.26	16.04%	454.77	18.15%

Any increase in our receivable turnover days or write-offs will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition, cash flows and results of operations.

While we have generally not had any delays or defaults by our customers, there have been some instances of delays or settlements with our customers. For instance, in Fiscal 2024, one of our customers delayed a payment and subsequently our Company engaged with the customer and consented to a settlement, and in Fiscal 2025 we agreed to reduce their payment obligation by ₹ 3.27 million. Any defaults or delays in payments by any customer or the insolvency or financial distress of any customer may have an adverse effect on our business, financial condition and results of operations. While we currently do not have any disputed receivables, the following table outlines the ageing of our trade receivables:

(₹ in million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Trade Receivables Undisputed, Considered Good			
Up to 6 Months	550.45	608.28	421.60
6 Months - 1 year	100.94	10.01	23.28
1 Year - 2 years	28.02	27.11	4.60
2 Years - 3 years	21.26	1.35	2.48
More Than 3 years	6.50	6.51	2.81

Our reliance on our top customers may also provide such customers increased pricing leverage against us when negotiating orders. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future.

In addition, although we receive repeat orders from customers, we do not enter into long-term contracts with our customers and have no exclusivity arrangement with any of them. In the absence of long-term contracts, there can be no assurance that our existing customers will continue to purchase our products. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our inventory costs, which may adversely affect our profitability and liquidity. While there have been no such instances in the last three Fiscals wherein the customers cancelled their orders, we cannot assure you that such events may not happen in future. In addition, we may not find any customers or purchasers for the surplus or excess products manufactured, in which case we would be forced to incur a loss. Our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Our relationships with our customers are therefore dependent to a large extent on our ability to regularly meet customer requirements, including price competitiveness, efficient and timely product deliveries and consistent product quality. In the event we are unable to meet such requirements in the future, it may result in decrease in orders or cessation of business from affected customers.

3. We do not enter into long-term agreements with suppliers for our raw materials and we are also dependent on the imported raw materials. An increase in the cost of, or a shortfall in the availability or quality of such raw materials, in a timely manner or at all, could have an adverse effect on our business, cash flows and results of operations.

Our competitiveness, manufacturing costs, and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials. We currently have multiple suppliers for each of our raw materials and while we do not enter into long-term supply contracts, we have not experienced any disruptions in our supplies. Further, with most of our raw material suppliers, we source raw materials from suppliers on a purchase order basis where the pricing is typically negotiated for each purchase order on the basis of several factors including the prevailing prices of such raw materials in international markets. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require and while we typically pass on these costs to our customers, in the event we are unable to do so, it may impact our results of operations. The table below sets forth details relating to cost of material consumed as a percentage of our total revenue from operations in Fiscal 2024, 2023 and 2022:

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of total revenue from operations (%)	Amount (₹ million)	Percentage of total revenue from operations (%)	Amount (₹ million)	Percentage of total revenue from operations (%)
Cost of Raw Material consumed	1,564.47	38.36%	1,613.28	39.61%	1,400.78	55.91%

The table below sets forth certain information relating to our raw materials suppliers in Fiscal 2024, 2023 and 2022:

Supplier Concentration *	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Cost of Raw Materials Purchased (%)	Amount (₹ million)	Percentage of Cost of Raw Materials Purchased (%)	Amount (₹ million)	Percentage of Cost of Raw Materials Purchased (%)
Top 1	287.09	17.06%	167.52	10.54%	156.35	10.64%
Top 3	735.22	43.68%	422.99	26.62%	370.02	25.17%
Top 5	897.96	53.35%	605.12	38.08%	557.82	37.95%
Top 10	1,142.86	67.90%	939.72	59.13%	885.42	60.23%

* *Suppliers may vary across Fiscalsand does not refer to the same supplier across all Fiscalsand depend on our specific requirements of raw materials which depends on the requirement of our customers in the relevant Fiscal. The names of the top 10 suppliers as of Fiscal 2024, Fiscal 2023 and Fiscal 2022 have not been included due to confidentiality reasons and non-receipt of consents.*

For further information in relation to risks associated with raw materials imported by us, see "*Risk Factors - Restrictions on import of raw materials, sustained increase in the cost of resin and an increase in shipment cost may adversely impact our business, cash flows and results of operations.*" on page 32. There can be no assurance that, in the event of an increase in our raw material requirements, or any decrease in availability of such raw materials with our suppliers, we may not be able to procure adequate raw materials in a timely manner. In addition, the price and availability of such raw materials depend on various factors beyond our control, including overall economic conditions, foreign exchange rates, production levels, market demand and competition for such materials, production and transportation costs, duties and taxes and trade and regulatory restrictions. In addition, there can be no assurance that we will be able to enter into new or continue our existing arrangements with our raw materials suppliers on terms commercially acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business operations and financial performance.

4. ***Our business is dependent on our facilities and we are subject to certain risks in our manufacturing processes. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, cash flows and results of operations.***

As on the date of this Draft Red Herring Prospectus, we have four facilities located in Udaipur, Rajasthan. For details, refer to "*Our Business – Facilities*" on page 181. Of these, we utilise two of our facilities for manufacturing which have fungible capacities that can cater to our product range. Our business is dependent on our ability to efficiently manage our facilities and operations and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour or disagreements with our workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such fiscal period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently cease operations at our facilities and require us to incur additional expenditure to attempt to mitigate such disruption.

If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents may result in a loss of property and/ or disruption in our manufacturing operations entirely, levy of fines, penalties or compensation and/or adverse action against our employees, officers or management, which may have a material adverse effect on our business operations and financial performance. While there have been no such instances of industrial accident in the last three Fiscals, we cannot assure you that such instances my not happen in future.

Further, any significant malfunction or breakdown of our equipment or machinery, may involve significant repair and maintenance costs and cause delays in our operations. While there have been no such instances of breakdown or equipment failure or non-availability of adequate labour or disagreements with our workforce or lock-outs in the last three Fiscals, we cannot assure you that such instances may not happen in future. In addition, we may be subject to manufacturing disruptions in case of any contravention by us of applicable regulatory approvals until such regulatory issues are resolved. While there have been no such instances of manufacturing disruptions in the last three Fiscals, we cannot assure you that such instances may not happen in future. We may also be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or shut down due to equipment upgrades.

Our manufacturing and operating capacity is in Udaipur, Rajasthan. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the State or local governments in this region could adversely affect our manufacturing activities, result in modification of our business strategy, or require us to incur significant capital expenditure, or suspend our operations. Any such adverse development affecting continuing operations at our facilities could result in significant loss from an inability to meet customer orders and production schedules and could materially impact our business reputation. In addition, we also depend on availability of workers near facilities for our manufacturing operations. While we have not in the past faced any disruption in manufacturing operations on basis of any shortages in manpower, there can be no assurance that we will not experience any such disruption in the future. The occurrence of, or our inability to effectively respond to, any such event, could have an adverse effect on our business prospects and financial performance.

5. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations, cash flows and financial condition.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our facilities such as registrations and licenses granted under the Factories Act, 1948; Water (Prevention and Control of Pollution) Act, 1974; and Air (Prevention and Control of Pollution) Act, 1981. For further information on material approvals relating to our business and operations, see "*Government and Other Approvals*" on page 310. Please also see "*Key Regulations and Policies in India*" on page 190 for details of certain laws and regulations applicable to our business.

Several of these approvals are granted for a limited duration. These approvals expire from time to time and we are required to make applications for renewal of such approvals. Further, as on the date of this Draft Red Herring Prospectus, there are no material approvals. applied for, including renewal applications, that have not been received by our Company.

Further, approvals required by us are subject to numerous conditions, such as regularly monitoring emissions in the work environment, storage and labelling of goods and raw material and segregating and disposing off waste, and scrape material as per the guidelines laid down in the environmental clearance approval, and we cannot assure you that these conditions will be met at all times or that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or use of our products is restricted, then it could adversely affect our results of operations or growth prospects.

6. We intend to set up a new facility in Udaipur (District), Rajasthan, and such expansion will be subject to the risks of unanticipated delays in implementation and cost overruns.

We intend to scale up our annual capacity to manufacture products by establishing a new facility in Udaipur, Rajasthan. We intend to achieve this by utilising the Net Proceeds towards investment in our wholly owned Subsidiary, TIPL for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products ("**TIPL Project**"). The total estimated cost of the TIPL Project is ₹1,833.65 million of which our Company proposes to utilise ₹1,820.92 million from the Net Proceeds for the capital expenditure requirements for setting up the TIPL Project, as per the Detailed Project Report issued by Priyal Kothari, Chartered Engineer ("**DPR**"). For further details, please see "*Objects of the Offer*" on page 89.

The land on which the new facility that is proposed to be set up is located at 4456/2729, Village - Chandesara, Tehsil-Ghasa, District – Udaipur 313024 with a total built-up area measuring 6,53,500 square feet. This property has been purchased by TIPL on March 23, 2023. Further, the Company has appointed an external person vide an agreement dated July 30, 2024 to acquire land.

The construction of the TIPL Project, is subject to various regulatory approval, shipping, logistical delays and may encounter regulatory, personnel, logistical and other difficulties that could potentially delay construction and result in an increase in capital expenditure. These difficulties may relate to labour shortages, issues with procurement of equipment, increase in cost of equipment or manpower, as well as defects in design or construction of such proposed facility, the possibility of unanticipated future regulatory restrictions, delays in receiving governmental, statutory and other regulatory approvals, increase in pre-operating expenses, taxes and duties, increase in interest and finance charges, working capital margin, environment and ecology costs and other factors beyond our control. A large portion of the plant and machinery that is proposed to be purchased are from vendors in China. While there are currently no restrictions on importing machinery from China, there can be no assurance that geopolitical issues might cause delays in procuring such machinery.

Further, there can be no assurance that the construction of the required infrastructure at the proposed new facility will be completed in a timely manner, or within our budgeted capital expenditure and other costs. There can be no assurance that we will be able to fully utilize the new facility. In addition, we may not be able to achieve the intended economic benefits of such proposed new facility, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects.

Please also see "***Risk Factors** - Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.*" on page 38.

7. We are subject to quality requirements, regular inspections and audits, and sales of our products is dependent on our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects, cash flows and financial performance, including cancellation of existing and future orders.

All our products and manufacturing processes are subject to quality standards. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation and goodwill, cancellation of the order, loss of customers, rejection of the product, which will require us to incur additional cost, that may not be borne by the customer, which could have an adverse impact on our business prospects and financial performance. Additionally, it could expose us to pecuniary liability and/ or litigation. Our facilities are ISO 14001, and ISO 9001:2015 certified compliant for its quality management system, and it also possesses a certification for good manufacturing practice.

Certain of our customers have also visited our facilities and manufacturing processes in the past, and may undertake similar visits periodically in the future. These visits play a critical role in customer retention. Quality defects resulting from errors and omission may result in customers cancelling current or future orders resulting in damage to our reputation, loss of customers, which could adversely affect our business prospects and financial performance. There can be no assurance that our products will at all times comply with customer specifications, and the rejection of a large volume of products could adversely affect our operations.

The quality of our products is critical to the success of our business, which, in turn, depends on a number of factors, including the design of our system, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. Further, we may be required to incur additional expenditure in upgrading our quality control systems, and obtain and maintain additional quality certifications and accreditations.

8. Restrictions on import of raw materials, sustained increase in the cost of resin and an increase in shipment cost may adversely impact our business, cash flows and results of operations.

We currently rely on imported raw materials for a significant majority of our raw material requirements. The table below sets forth details relating to cost of imported raw material as a percentage of our total raw materials purchased in Fiscal 2024, 2023 and 2022:

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of total raw materials purchased (%)	Amount (₹ million)	Percentage of total raw materials purchased (%)	Amount (₹ million)	Percentage of total raw materials purchased (%)
Cost of Raw Material Imported	1,287.08	76.47%	1,190.24	74.90%	1,113.16	75.73%

The import of certain of our raw materials is regulated by the various regulatory requirements, which empowers the relevant authority to undertake any measures that it deems fit. There can be no assurance such regulations will not become more stringent in the future, which could potentially restrict our ability to import raw materials from other jurisdictions.

While raw materials we import from are not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to import raw materials. For instance, the table below sets forth details relating to cost of raw material imported from China as a percentage of our total raw materials purchased in Fiscal 2024, 2023 and 2022:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of total raw materials purchased (%)	Amount (₹ million)	Percentage of total raw materials purchased (%)	Amount (₹ million)	Percentage of total raw materials purchased (%)
Cost of Raw Material Imported from China	882.52	52.43%	645.34	40.61%	555.37	37.78%

There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for such raw materials or we will be able to source such raw materials at favourable terms in a timely manner. While we have not in the past experienced any significant challenge in importing requisite raw materials, there can be no assurance that we will not experience any such challenges in the future.

9. ***We may not be successful in penetrating new export markets. If we are unable to grow in our existing export markets or are unsuccessful in penetrating new markets, may adversely affect our business prospects, cash flows and financial performance, including cancellation of existing and future orders***

Over the years, we exported our products outside India in over 15 countries. Our revenue from operations from export markets was ₹ 3,355.52 million representing 82.27% of our revenue from operations in Fiscal 2024. The table below provides a geographic split of our revenue from operations from domestic sales, and export sales, respectively, in Fiscal 2024, 2023 and 2022:

Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Domestic						
India	723.25	17.73	807.86	19.84	370.21	14.78
Total (A)	723.25	17.73	807.86	19.84	370.21	14.78
Exports						
North America(1)	3,271.25	80.20	3,153.74	77.44	2,048.41	81.75
Europe(2)	37.68	0.92	72.57	1.78	59.96	2.39
United Kingdom	46.59	1.14	38.38	0.94	27.06	1.08
Total (B)	3,355.52	82.27	3,264.69	80.16	2,135.43	85.23
Total C (A + B)	**4,078.77**	**100.00**	**4,072.55**	**100.00**	**2,505.64**	**100.00**

(1) North America includes United States of America and Canada.
(2) Europe includes France, Italy, Poland, Portugal and Netherlands.

While we intend to continue our focus on expanding our export sales, expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new markets, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. We believe establishing a presence in such international markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance shall be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

10. ***There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in the future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.***

We are required to pay certain statutory dues including provident fund contributions and employee state insurance contributions under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees’ State Insurance Act, 1948, respectively, tax deduced at source, goods and service tax, and professional taxes. The table below sets forth the details of the delays in statutory dues payable by us for the periods indicated below:

Fiscal	Number of employees	Nature of Payment					
		GST		TDS		Professional Tax	
		Number of instances	Amount (₹ million)	Number of instances	Amount (₹ million)	Number of instances	Amount (₹ million)
Fiscal 2024	74	2	0.84	4	0.94	NIL	NIL
Fiscal 2023	40	5	1.44	11	2.62	NIL	NIL
Fiscal 2022	43	8	4.75	12	2.54	NIL	NIL

While there have been minor delays in payment to statutory authorities in the past, we cannot assure you to that we will be able to pay our statutory dues timely, or at all, in the future. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations and financial condition.

11. ***Fluctuations in the price and availability of resins, our principal raw materials, and our inability to obtain adequate supplies of resins from suppliers and pass on resin price increases to customers could adversely affect our business, financial condition, results of operations, and cash flows.***

Our operations rely on resins as the primary raw material in the manufacturing of PVC boards. The price and availability of resins are subject to volatility due to factors beyond our control, including changes in crude oil prices, supply chain disruptions, geopolitical events, and natural disasters. Any sustained increase in resin prices could substantially raise our production costs.

Additionally, the resin market may experience shortages or supply constraints due to increased global demand, production capacity limitations, or regulatory restrictions on resin production. If we are unable to secure an adequate supply of resins at favourable prices, or if our suppliers fail to deliver on time, our manufacturing processes could be disrupted, leading to delays in fulfilling customer orders. Furthermore, our ability to pass on increased resin costs to our customers may be limited by competitive pressures and contractual obligations. If we are unable to adjust our pricing to reflect rising raw material costs, our profit margins may be squeezed, adversely affecting our financial performance. These factors combined could materially impact our business, financial condition, results of operations, and cash flows.

12. ***We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation. Further, we have filed a compounding application with the RoC, which is pending as of this Draft Red Herring Prospectus.***

Our Company has not been able to trace certain corporate records such as form filings for the allotments made on December 9, 2002, March 29, 2003 and March 31, 2005. Further we have been unable to trace documents in relation to shifting of our registered office from 10/B, Panama Society, Narayan Nagar, Paldi, Ahmedabad to D-93, Akash, NR. Judgesbunglow Premchand Nagar, Bodakdev Vastrapur, Ahmedabad- 380054, Gujarat, India. Information in relation to such share allotments has been disclosed in the section “*Capital Structure*”, on page 74 of this Draft Red Herring Prospectus, and the registered office on the Cover page and elsewhere in this Draft Red Herring Prospectus is based on statutory register of members, RoC form filings and the information available with our Company.

We have been unable to trace these documents despite commissioning a detailed search at the Registrar of Companies through an independent practicing company secretary, Rahul S & Associates (“**Practicing Company Secretary**”), to trace records and filings available with Registrar of Companies and reliance has been placed on the certificate dated September 27, 2024 issued by the Practicing Company Secretary. Further, we may not be able to furnish any further document evidencing the aforesaid details. We have also intimated the Registrar of Companies by way of our letter dated September 26, 2024 regarding the missing corporate records.

We cannot assure you that the abovementioned corporate records will be available in the future. Although no regulatory action / litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect. We have included these details in this Draft Red Herring Prospectus by way of other corporate records, such as the relevant board resolutions and the register of members, and corporate filings, of our Company. While our Company maintains appropriate diligence to prevent such instances, there can be no assurances that we will be able to trace the relevant documents in the future. While there has been no impact on our financial condition or any statutory or regulatory proceedings initiated in this regard as of the date of this Draft Red Herring Prospectus, we cannot assure you that the relevant corporate records will become available in the future or that regulatory proceedings or actions will not be initiated against us in the future, and that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

Our Company has filed two compounding applications in relation to past non-compliances:

- Compounding application dated September 25, 2024 in relation to violation of section 75 (1) of the Companies Act, 1956 on account of the non-filing of Form 2 (return of allotment) in relation to the allotment of 1,634,750 Equity Shares on March 31, 2008. The application is pending as of the date of this Draft Red Herring Prospectus. There can be no assurance that such application will have a favourable outcome for our Company.

- Compounding application dated September 27, 2024 in relation to violation of Section 148 of the Companies Act, 2013, and the Companies (Cost Records and Audit) Rules, 2014 on account of non-appointment and submission of a cost audit report for Fiscal 2019 to Fiscal 2023. The application is pending as of the date of this Draft Red Herring Prospectus. There can be no assurance that such application will have a favourable outcome for our Company.

13. ***Our Company, Promoters, and Directors are involved in certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are outstanding legal proceedings involving our Company, Promoters, and Directors which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations.

A summary of such outstanding criminal proceedings, taxation proceedings, actions taken by statutory and regulatory Authorities, and other material pending litigation as on the date of this Draft Red Herring Prospectus (as disclosed in the chapter "*Outstanding Litigation and Other Material Developments*" on page 306 in accordance with the SEBI ICDR Regulations and the Materiality Policy) is set out below:

Category of individuals / entities	**Number of criminal proceedings**	**Number of tax proceedings**	**Number of statutory or regulatory proceedings**	**Number of Disciplinary actions by SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action**	**Material civil litigation***	**Aggregate amount involved (in ₹ million) #**
Company						
By the Company	Nil	Nil	Nil	N.A	Nil	Nil
Against the Company	Nil	11	Nil	N.A	Nil	1.24
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil
Against the Subsidiaries	Nil	6	Nil	N.A	Nil	2.54
Directors (other than Promoters)						
By the Director	Nil	Nil	Nil	N.A	Nil	Nil
Against the Director	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoter	1	Nil	Nil	N.A	Nil	0.25
Against Promoter	Nil	14	Nil	Nil	Nil	1.72

In accordance with the Materiality Policy.
* *To the extent quantifiable.*

As on the date of this Draft Red Herring Prospectus, there are no litigations involving our Group Companies which may have a material impact on the business and operations of our Company.

We cannot assure you that any of these on-going matters will be settled in favour of our Company, Promoters and/or Directors, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any such proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. Further, we cannot assure you that there will be no new material legal and/or regulatory proceedings involving our Company, Promoters, Directors and/or Group Companies in the future.

14. Our commercial success depends on the success of our customer's products with end consumers. If there is any decline in the demand for our customer's products, our revenue from operations, cash flows and profitability could be adversely affected.

Our products are used across various residential, industrial and commercial projects, and have a variety of end-uses including mouldings, wall panels, door and frames, ceilings, signages, counter top display and QR Code displays. *(Source: Wazir Report)*. For further information, see "*Our Business*" on page 161. In the event of quality issues in our customers' products that can ultimately be attributed to our products, we may face a number of consequences, including, lower demand for, and decreased sales of, the relevant products, leading to inventory write-offs, potential recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for our facilities; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. There can be no assurance that our products will at all times comply with customer specifications, and the rejection of a large volume of products could adversely affect our operations. In the past three fiscals, the sales returned by our customers was ₹ 6.54 million, ₹ 0.50 million and ₹ 0.95 million for Fiscals 2024, 2023 and 2022, respectively.

Our commercial success also depends to a large extent on the success of our customers' products with end consumers and downturns or industry cycles that impact demand. The success of the end products manufactured by our customers depends on our customers' ability to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. If the demand for our customers' products in which our products are used declines, it could have a material adverse effect on our business, financial condition and results of operations.

15. We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations, cash flows and financial condition.

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection including the Factories Act, 1948, Environmental Protection Act, 1986, as amended, the Air Prevention and Control of Pollution Act, 1981, the Water Prevention and Control of Pollution Act, 1974 Water (Prevention and Control of Pollution) Cess Act, 1977. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, disposal of hazardous materials. For instance, there is a limit on the amount of pollutant discharge that our facilities may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our facilities. The occurrence of any of these events could have an adverse effect on our business, results of operations, cash flows and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. For further details on the laws and regulations applicable to us, see "*Key Regulations and Policies*" on page 190.

16. ***Our success depends on our ability to develop new products in a timely manner. If our research and development efforts do not succeed, the introduction of new products may be hindered, which could adversely affect our business, cash flows, growth and financial condition.***

Our success depends significantly on our ability to successfully develop and commercialize our products in a timely manner. The development and commercialization process are both time consuming and costly, and involves a high degree of business risk. During these periods, our competitors may be developing similar products of which we are unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new product, we may invest resources in developing products that will face competition of which we are currently unaware. Such unforeseen competition may hinder our ability to effectively plan the timing of our product development, which could have an adverse impact on our financial condition, cash flows and results of operations. Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. In addition, our business is also dependent on our R&D capabilities to assist our customers on their projects including development of their products. The development and commercialisation of new products (whether ours or our customers' products) are complex, time-consuming, costly and involves a high degree of business risk. While there have been no instances in the past three Fiscals where our R&D efforts did not yield to the desired results, we cannot assure you that our future or existing R&D efforts may successfully create new products or that we may not encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect. The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products.

Our products currently under development, if and when fully developed and tested, may not perform as we expect, and we may not be able to successfully and profitably produce and market such products. Even if we are successful in developing a new product, such product may become subject to litigation by other parties claiming that our product infringes on their patents or may be otherwise unsuccessful in the market place due to the introduction of superior products by our competitors.

In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, building inventory and sales and marketing. To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D in areas which we believe have significant growth potential. Our R&D operations are focused on developing new products as well as improving the efficiency of our existing products.

Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. While there have been no instances of failure of product success in the last three Fiscals, we cannot assure you that all the products that we develop will be successful which may impact our financial condition, revenue from operations and our cash flows.

17. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 89. As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds in the manner specified in "*Objects of the Offer*" on page 89, the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations.

The current machineries chosen for setting up the new facility have been assessed by our management based on their expertise, the current machinery available in the market and attendant factors. Due to technological advancements, new machineries offering larger capacities or advanced technology could be available before we place orders for the machineries described in "*Objects of the Offer*". In such a case, the management of the Company could opt for such newer machines in place of those described in the chapter titled "*Objects of the Offer*", however the Company undertakes to ensure that different machines will be choses in a manner that (i) does not reduce the capacity proposed to be added, (ii) does not exceed the value mentioned in the chapter and if it does, such additional costs will be funded from the internal accruals of the Company and (iii) is beneficial to the Company.

Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in our Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board or IPO Committee. We will appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

18. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilize the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 89. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will always have adequate resources at their disposal to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, cash flows and results of operations.

19. Any adverse changes in regulations governing our business operations or products or the products of our end-customers, may adversely impact our business, prospects, results of operations and cash flows.

Government regulations and policies of India as well as our exports markets can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business, cash flows and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations. We may be required to alter our manufacturing and sales and distribution process and target new markets, and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us. We cannot assure you that we will be able to comply with such regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/ or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. While there have been no instances of failure of in the last three Fiscals, our business, results of operations, cash flows and financial condition, may be adversely impacted.

20. An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects, cash flows and future financial performance.

While we have experienced growth in operations and strong financial performance, however, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate. Our revenue from operations increased from ₹ 2,505.64 million in Fiscal 2022 to ₹ 4,078.77 million in Fiscal 2024. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. For further information, see "*Our Business – Strategies*" on page 172. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify market opportunities and demands in the industry, develop products using our technologies and our ability to continue to research develop products, compete with existing companies in our markets, consistently exercise effective quality control, hire and train qualified personnel and undertake complex chemistries. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategies. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. While there have been no instances of failure of in the last three Fiscals, our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition, cash flows and profitability.

21. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects, future cash flows and future financial performance.

As on the date of this Draft Red Herring Prospectus, we operate four facilities including two manufacturing facilities. In particular, the level of our capacity utilization can impact our operating results. Our product mix also affects capacity utilization of our facilities, and the demand and supply balance and the average selling prices of our products, would in turn affect our gross profit margin.

Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our customers and is subject to the thresholds prescribed under the consolidated consent and approval issued by the RSPCB for our facilities. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our facilities, resulting in operational inefficiencies which could have a material adverse effect on our business prospects and financial performance.

Further, if our customers place orders for less than anticipated volume or cancel existing orders or change their policies resulting in reduced quantities being supplied by us, it could result in the under-utilization of our manufacturing capacities. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production or utilization of our manufacturing capacity for a particular product. Any such mismatch leading to over or under utilization of our facilities could adversely affect our business, results of operations, financial condition and cash flows. For further information, see "Our Business – Capacity and Capacity Utilization" on page 183.

22. Our inability to accurately forecast demand for our products and manage our inventory or working capital balances may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our relationship with our customers is generally on a non-exclusive basis. We conduct business with our customers primarily on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and inventories at short notice, which may result in us bearing additional costs and incurring losses. While we maintain a reasonable level of inventory of raw materials, work in progress and finished products, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition. The table below sets forth details of certain parameters as of the dates indicated:

Particulars	**As of March 31,**		
	2022	**2023**	**2024**
Inventory (₹ million)	403.89	399.07	739.62
Total Current Assets (₹ million)	990.76	1,424.93	1,714.49
Inventory as a percentage of Total Current Assets	40.77%	28.01%	43.14%
Total Assets (₹ million)	**1,418.57**	**1,973.76**	**2,942.94**
Total Current Liabilities (₹ million)	786.96	757.04	652.13
Inventory Turnover Ratio (number of times) (1)	4.33	4.48	2.57
Net Working Capital Days(2)	95	60	30
Net Capital Turnover Ratio (number of times) (3)	12.50	6.21	3.92

(1) *Inventory Turnover Ratio is calculated as revenue from operations less export incentives divided by average inventory for the year/period. Average inventory is calculated as an average of inventory at the beginning of the year and inventory at the end of the year/period.*

(2) *Net Working Capital Days is calculated as working capital requirement (being total current assets – total current liabilities) for the year/period divided by revenue from operations multiplied by number of days in a year.*

(3) *Net Capital Turnover Ratio is calculated as calculated as revenue from operations divided by working capital requirements (being total current assets – total current liabilities).*

We evaluate our inventory balances of materials based on expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component for the success of our business. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, or if our estimation of customer requirements and trends are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. Our working capital requirements may increase if payment terms shift to payments on completion of delivery or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations.

23. Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.

Our sales have historically exhibited certain seasonal fluctuations, reflecting a slight dip in sales volumes and profit margins during lean season for building materials, especially in our export markets. For instance, during certain harsh weather conditions for construction activities, the demand for building materials in certain sections of our USA markets and EU markets may witness a decline. While we maintain our production levels and inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, store operating costs and logistics-related expenses, which form a significant portion of our operating costs, are relatively constant throughout the year.

Consequently, lower than expected sales during certain quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year or could strain our resources and significantly impair our cash flows. Further, as a result of the above, our quarter-on-quarter financial results may not be comparable or a meaningful indicator of our futuristic performance. While we have not faced any such slowdown in demand or failure to accurately anticipate for seasonal fluctuations, we cannot assure that we will not face this in the future.

24. ***We are subject to risks associated with rejection of supplied products, and consequential claims and associated product liability costs due to defects in our products, which could generate adverse publicity or adversely affect our business, results of operations, cash flows or financial condition.***

We develop, manufacture and sell a range of PVC blend-based building products including boards, doors, door frames, trim boards among others, which are primarily used in construction and renovation. The products that we produce are subject to risks such as, transportation, storage, breakage during transportation, installation, breakage due to loads exceeding the rated load bearing capacity of the products amongst others. If our products cause any harm to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. We are also exposed to risks associated with product liability claims if the use of our products results in personal injury. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. While there have been no instances in the past where our products have been rejected by our customers, we cannot assure you that such instances will not happen in future.

We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Further, while we seek to conform our products to meet a variety of specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products. Further, there may be instances where our Company is unable to meet the timelines for delivery of the products to its customer. Any such time overrun may result in termination of the arrangement, price negotiations and reputational harm, which may have an adverse impact on our business and financial position. Further, as on the date of this Draft Red Herring Prospectus, we do not have a product liability insurance policy. While we have not been subject to any material product liability claims in the last three Fiscals, any such future claim against us will adversely affect our effect on our business, results of operations, financial condition, cash flows, reputation and prospects.

25. ***We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations, cash flows and financial condition.***

The industry in which we operate is working capital intensive in nature. We have historically financed our working capital requirements mainly through bank limits and internal accruals and have supplemented this with certain arrangements with banks. The table below provides details of our total financial indebtedness in the relevant periods and the quantum of working capital facilities within such indebtedness:

Period	Total Indebtedness (₹ million)	Working Capital Facilities (₹ million)
As of March 31, 2024	300.64	295.81
As of March 31, 2023	293.97	187.10
As of March 31, 2022	296.03	166.16

Working Capital Gap is defined as the difference between Current Assets and Current Liabilities

For further information on our borrowings, see "*Financial Indebtedness*" on page 275.

As we intend to pursue a strategy of continued investment in our development activities, we will incur additional expenditure in the current and future fiscal periods. We propose to fund such expenditure through a combination of debt, equity and internal accruals. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, change in business plans due to prevailing economic conditions, unanticipated expenses, new consumption themes or products, and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. We may also have difficulty accessing capital markets, which may make it more difficult or expensive to obtain financing in the future. We may not be successful in obtaining additional funds in a timely manner, or on favourable terms or at all. If we do not have access to additional capital, we may be required to delay, postpone or abandon or reduce capital expenditures and the size of our operations, any of which may adversely affect our business, financial conditions, cash flows and results of operations.

Moreover, certain of our financing documents contain provisions that may limit our ability to incur future debt and create security and require us to obtain our lender's consent prior to carrying out certain activities and entering into certain transactions. Some of the corporate actions that currently require prior consent from certain lenders include, effecting changes to the capital structure of our Company, availing of additional borrowings, making amendments to our Memorandum of Association or Articles of Association, implementing any scheme of expansion, modernisation or diversification and permitting any merger, demerger, amalgamation, consolidation, restructuring or reorganisation, permitting any transfer of the controlling interest and/or making any drastic change in the management set-up While, as on the date of this Draft Red Herring Prospectus, we have obtained requisite consents from our lender for undertaking the Offer, failure to obtain requisite consents in the future in a timely manner or at all could have significant consequences on our business, prospects and operations. While we have not breached any covenants in the past, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the loans/facilities, imposition of penal interest, appointment of a nominee director by the lender on our Board and enforcement of security. Additionally, working capital facilities availed by us are typically repayable on demand. In the event any or all of our lenders, demand immediate repayment of facilities availed from them, we may be unable to procure alternative financing in a timely manner at acceptable terms.

Our ability to service our indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives.

We are susceptible to changes in interest rates and the risks arising therefrom. Also see "*Financial Indebtedness*" on page 275 for a description of interest payable under our financing agreements.

26. We face foreign exchange risks that could adversely affect our results of operations and cash flows.

Over the years, we have exported our products outside India to over 15 countries. Our revenue from operations from export markets was ₹ 3,355.52 million representing 82.27% of our revenue from operations in Fiscal 2024. The table below provides a geographic split of our revenue from operations from domestic sales, and export sales, respectively, in Fiscal 2022, 2023 and 2024:

Geography	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Domestic						
India	723.25	17.73	807.86	19.84	370.21	14.78
Total (A)	723.25	17.73	807.86	19.84	370.21	14.78
Exports						
North America[(1)]	3,271.25	80.20	3,153.74	77.44	2,048.41	81.75
Europe[(2)]	37.68	0.92	72.57	1.78	59.96	2.39
United Kingdom	46.59	1.14	38.38	0.94	27.06	1.08
Total (B)	3,355.52	82.27	3,264.69	80.16	2,135.43	85.23
Total C (A + B)	**4,078.77**	**100.00**	**4,072.55**	**100.00**	**2,505.64**	**100.00**

(1) *North America includes United States of America and Canada.*
(2) *Europe includes France, Italy, Poland, Portugal and Netherlands.*

We have foreign currency payables for procurement of certain raw materials and costs incurred during our export sales business operations and from our receivables, and other payables, and are therefore exposed to foreign exchange risk between the Indian Rupee, and U.S. dollars. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. Set forth below, is our net unrealised foreign exchange loss / (gain) for the relevant Fiscals:

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)
Unrealised foreign exchange loss / (gain)	(3.70)	(0.09)	2.08	0.05	(7.87)	(0.31)

All of our foreign currency exposure was unhedged and as on the date of this Draft Red Herring Prospectus, we do not have a formal hedging policy. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. We generally make provisions for our foreign currency exposure in accordance with our accounting policy. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Dependence on Exports*" on page 288.

27. ***Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Wazir exclusively commissioned and paid for by us for such purpose.***

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, an industry report titled "*Industry report on PVC blend-based building material*" dated September 2024 ("**Wazir Report**") or extracts of the Wazir Report, which is not related to our Company, Directors or Promoters. We exclusively commissioned and paid for the Wazir Report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the Wazir Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the Wazir Report should be read taking into consideration the foregoing. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Potential investors should consult their own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Wazir Report before making any investment decision regarding the Offer. Further, the Wazir Report is not a recommendation to invest / disinvest in any company covered in the Wazir Report.

For further details, including disclosures made by Wazir Report in connection with the preparation and presentation of their report, see "*Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation*" on page 22.

28. ***We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.***

As a manufacturing business, our success also depends on the uninterrupted supply and transportation of the various raw materials required for our facilities and of our products from our facilities to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. We transport our finished products through a multi-modal transport network utilizing road, sea and air for domestic and international shipments. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products. We typically do not have formal contractual relationships with such logistic companies and freight forwarders. Set forth below are our freight and handling charges (that include sea freight charges, clearing and forwarding expenses, and transportation expense) for each of the Fiscals:

Particular	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)
Freight and handling charges (that include sea freight charges, clearing and forwarding expenses, and transportation expense)	454.14	18.12%	743.85	18.27%	460.05	11.28%

Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. While there have been no such material instances of delay in supply of our products or raw materials by such third-party logistics companies in the last three years, we cannot assure you that such material instances will not happen in future.

Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel cost, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

29. Information relating to the installed manufacturing capacity and capacity utilization of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed manufacturing capacity of our facilities and capacity utilisation included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management including the standard capacity calculation practice in the PVC building material industry, and the capacities of principal equipment, such as PVC Sheet Extruder Line, PVC Profile Extruder Line and that of ancillary equipment used in the manufacture of our products. These assumptions and estimates include three shifts per day operating for 24 hours a day with an average 25 days working in a month including provisions for basic downtime and maintenance. While we have obtained a certificate dated September 26, 2024 from Priyal Kothari (bearing membership number 072535) in relation to such annual installed capacity of our facilities and capacity utilisation, future capacity utilisation may vary significantly from the estimated production capacities of our facilities and historical capacity utilisation. For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 183. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other comparable companies in the industry in which we operate due to a variety of factors including product specifications, size and thickness of the product etc.

30. We are dependent on a number of key personnel, including our Promoters, our Key Managerial Personnel and our Senior Management Personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, financial condition and cash flows.

Our performance depends largely on the efforts and abilities of our Senior Management Personnel including our Promoters and other Key Managerial Personnel. We believe that the inputs and experience of certain of our Promoters, our Senior Management Personnel and Key Managerial Personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, our results of operations and our cash flows. For further details, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 204 and 222, respectively.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel, who have the necessary and required experience and expertise. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, any unauthorized disclosure of our production processes by our employees to any third party may have a material adverse impact on our business prospects.

Further, for details regarding change in our Key Managerial Personnel, Senior Management Personnel and Directors in the last three Fiscals, see "*Our Management – Changes in the Key Management Personnel and Senior Management Personnel in the last three years*" and "*Our Management – Changes to our Board in the last three years*" on pages 220 and 209, respectively. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

31. While we have the wordmark registered for (ECHON) and have applied for registration of our corporate logo as trademark, any inability to protect our intellectual property from third party infringement may adversely affect our business, cash flows, results of operations and prospects.

As of the date of this DRHP, our Company has registered 24 trademarks in India under the Trade Marks Act, 1999 and has two trademarks registered in the USA. In addition, we have applied for four trademarks in India. We also have registered the domain name, https://www.echon.co/, which is renewed periodically. We do not own any patents. For further information, see "*Our Business – Intellectual Property*" on page 187.

Our registered trademarks in India are valid for a period of 10 years from the date of application and renewable for a period of 10 years, on expiry. For our products, we use our proprietary formulations to manufacture products which provide us the flexibility to innovate product variety to enhance durability, aesthetics and environmental sustainability and development of unique products tailored to specific needs. Further, our proprietary formulations provide unique properties to our products, such as waterproofing, fire retardancy, termite proofing, high shore strength, screw-holding capacity, and surface readiness for paint. However, we do not have any patents to protect these formulations.

As we expand our activities, we are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging look and attempting to create counterfeit products. Any such activities may harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. While the proprietary information and technical know-how associated with the R&D in relation to our business rests with our Company, however, we cannot assure that our business customers may not infringe such proprietary information. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may infringe on our rights. While no such instances have occurred in last three Fiscals, we cannot assure you that, in the future, we may be subjected to this which may have an adverse effect on our business, results of operations and financial condition.

32. We have certain contingent liabilities as per Ind AS 37 that have been disclosed in our financial statements, which if they materialise, may adversely affect our financial condition and cash flows.

The following table below sets forth the principal components of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, as of March 31, 2024:

Particulars	Amount (₹ million)
Claims against the Company not acknowledged as debts comprise of in respect of Pending Income Tax Demands	1.44
Bank Guarantees for Performance	5.06
Total	**6.50**

Details of pending Income tax demand: In subsidiary Taylias Industry P Ltd. there is a demand of ₹ 1.44 million for the AY 2023-24

Details of Bank Guarantees: Kumar Arch Tech Limited and Taylias Industry P Ltd has given guarantee to Govt Department for tender, bonds etc

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

33. Our operations are labour intensive and may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of June 30, 2024, we had 184 employees, including on-roll, executive directors and contractual employees. Some of our employees are part of a union and the success of our operations depends on availability of labour and maintaining good relationship with our workforce and the union representing them. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any disruption in our business operations due to disputes or other problems with our work force in the last three Fiscals, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our facilities as well as at our offices. As of June 30, 2024, at a group level, we contracted 155 labour (calculated as per man days). Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. While we have not been subject to any wage payments on account of default of independent contractors in the last three Fiscals, any requirement to fund their wage requirements in the future may have an adverse impact on our results of operations and our financial condition.

India has labour legislations that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. The GoI has introduced (a) the Code on Wages, 2019, as amended; (b) the Code on Social Security, 2020, as amended; (c) the Occupational Safety, Health and Working Conditions Code, 2020, as amended; and (d) the Industrial Relations Code, 2020, as amended. These new enactments, are intended to consolidate, subsume and replace numerous existing central labour legislations. While certain portions of the Code on Wages, 2019 and section 142 of the Code on Social Security, 2020, have now been enforced by the Ministry of Labour and Employment, the remainder of these codes have not been notified and we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse impact on us. Once these enactments are implemented, we may be required to incur additional expenditure to achieve compliance with such enactments. For further details, see "*Key Regulations and Policies in India*" on page 190.

34. ***Failures in internal control systems could cause operational errors which may have an adverse impact on our profitability, results of operations and cash flows.***

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of operations. Internal control systems comprising policies and procedures are designed to ensure sound management of our operations, safekeeping of our assets, optimal utilization of resources, reliability of our financial information and compliance. The systems and procedures are periodically reviewed and routinely tested and cover all functions and business areas.

We are responsible for establishing and maintaining robust internal control measures that are appropriate for the size and complexity of our operations. Our internal control systems, which consist of well-defined policies and procedures, are designed to ensure efficient management, asset protection, optimal resource utilization, financial reliability, and regulatory compliance. While we believe that we have adequate controls, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. These factors may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

35. ***Our facilities are dependent on adequate and uninterrupted supply of electricity, and fuel. Any shortage or disruption in electricity, or fuel supply may lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our production operations require adequate supply of electricity, and fuel, the shortage or non-availability of which may adversely affect our operations. The table below sets forth details relating to our expenses on power and fuel as a percentage of our revenue from operations in Fiscal 2022, 2023 and 2024:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations(%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations(%)
Power Consumption	103.23	2.53	87.83	2.16	64.67	2.58

We source most of our electricity requirements from local body and our own diesel generator sets. Inadequate electricity, diesel for our generators could result in interruption or suspension of our production operations. In particular, any significant increase in cost of diesel/fuel could result in unanticipated increase in production cost. Further, we currently source our water from local body water supply and there can be no assurance that such supply will not be adversely impacted in the future. Any failure on our part to obtain alternate sources of electricity or fuel, in a timely manner, and at an acceptable cost, may cause a slowdown or interruption to our production process and have an adverse effect on our business, financial condition and results of operations. Further, the recent increase in the prices of fuel and electricity may result in an increase in our electricity and fuel expenses which may have increase our operating cost in general and may have an adverse impact on our business, financial condition and results of operations.

36. We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.

We have developed a range of technical know-how relating to the manufacturing process of our products. This knowledge base has enhanced our ability to manage our manufacturing costs and improve our product quality to compete more effectively in the PVC blend-based building material industry. Our technical know-how has been derived from the past experience of our management team and key employees as well as our research and development efforts. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. Certain of our employees have access to confidential product information and amongst others, and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Such technical know-how cannot be protected under the Indian legal system by way of registration with competent authorities, and as a result, we have to rely on employee confidentiality undertakings, a less effective means of protection. Further, if the confidential technical information in respect of our products or business becomes available to third parties or the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have a material adverse effect on our business, results of operations, financial condition, cash flows and/or prospects.

37. Some of our facilities and our Registered Office are located on land not owned by us and have been leased to us by third parties. In the event we lose or are unable to renew such leasehold rights, our business, financial condition, cash flows and results of operations may be adversely affected.

The table below provides leased details of our facilities:

S. No.	Name and address of the facility	Owned / Leased	Term
Kumar Arch Tech Limited			
1.	Facility I | Address: B-2, Gudli, Udaipur, Rajasthan	Leased	Lease valid upto 2095
2.	Facility II | Address: E-37, Gudli, Udaipur, Rajasthan	Leased	Lease valid upto 2099
3.	Facility III | Address: E-92, Gudli, Udaipur, Rajasthan	Leased	Lease valid upto 2103
Taylias Industry Private Limited			
4.	Facility IV | Khasra Number -1976,1977, 1978, 1980 ,1979, 1980, 1982, 3530/1975, Gudli, Udaipur, Rajasthan	Owned	NA

For further information, see "*Our Business - Properties*" on page 189.

Further, we have taken our Registered Office on lease pursuant to a leave and license agreement dated May 20, 2024 for a period of 11 months 29 days commencing from May 20, 2024. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for our facilities or our Registered Office, and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. If we are unable to renew the lease or the license or relocate on commercially suitable terms, it may have a material adverse effect on our business, cash flows, results of operation and financial condition.

38. ***Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which could adversely affect our results of operations, cash flows and financial condition.***

Our insurance policies currently cover our facilities and our equipment. Notwithstanding the insurance coverage that we carry, we may not be fully insured against certain business risks. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, financial condition and results of operations could be adversely affected. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost, or at all. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our facilities or our Registered Office or Corporate Office. The table below sets forth details relating to aggregate coverage of the insurance policies as a percentage of the total insured assets in Fiscal 2022, 2023 and 2024:

Particulars	**Amount of Assets as at (in ₹)**			**% of total Assets (in %)**	**Percentage of insurance coverage (in %)**
	March 31, 2024	**March 31, 2023**	**March 31, 2022**		
Insured Assets	468.13	361.95	280.11	75 to 87	116 to 132
Total Assets	620.19	428.87	324.93	100.00	116 to 132

We do not presently maintain insurance for business interruption in India, directors and officer's liability insurance policy. While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain losses which may not be covered by the insurance policies, which we have not ascertained as on the date. Therefore, we cannot assure you that we will continue to accurately ascertain and maintain adequate insurance policies for losses that may be incurred in the future. For instance, in the past three fiscals we have raised an insurance claim for damages to our products due to damage to the container in which it was shipped, while the insurance company settled our claim, we had to bear ₹ 0.08 million. Accordingly, we cannot assure you that any insurance claim made by us in the future will honoured fully, in part or on time. For further information on the insurance policies availed by us, see "*Our Business - Insurance*" on page 187.

39. ***Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations, cash flows and financial condition.***

Pursuing cost-cutting measures while maintaining rigorous quality standards may lead to an erosion of our margins, which may have a material adverse effect on our business, results of operations and financial condition. In addition, estimating amounts of such price reductions is subject to risk and uncertainties, as any price reduction is the result of negotiations and other factors. Accordingly, companies like us must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our business, results of operations and financial condition may be materially adversely affected. Our customers also negotiate for larger discounts in price as the volume of their orders increases. To maintain our profit margins, we may seek price reductions from our suppliers, improved production processes to increase manufacturing efficiency and streamlined product designs to reduce costs. There can be no assurance that we will be able to avoid future customer price reductions or offset the impact of any such price reductions through continued technology improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, cost reductions or other productivity initiatives, which may adversely affect our business, financial condition, cash flows and results of operations.

40. ***Negative publicity against us, our suppliers, our customers or any of our or their affiliates could cause us reputational harm and could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

From time to time, we, our suppliers, our customers or any of our or their affiliates may be subject to negative publicity in relation to our or their business or staff, including publicity covering issues such as anti-corruption, safety and environmental protection. Such negative publicity, however, even if later proven to be false or misleading, and even where the entities or individuals implicated are members or employees of our suppliers, customers or our or their affiliates and not of us, could lead to a temporary or prolonged negative perception against us by virtue of our affiliation with such joint venture partners, suppliers, customers or affiliates. Our reputation in the marketplace is important to our ability to generate and retain business. In particular, damage to our reputation could be difficult and time-consuming to repair, and our business, financial condition, results of operations and prospects may be materially and adversely affected. While there have been no such instances of negative publicity against us in the last three Fiscals, we cannot assure you that such instances will not happen in future.

41. ***We may be subject to fraud, theft, employee negligence or similar incidents which may adversely affect our results of operations, cash flows and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during stocking or delivery. Our industry typically does not encounter inventory loss on account of employee theft, vendor fraud, and general administrative error. We maintain large amounts of inventory at our facilities at all times. Although we have relevant controls in place and have not experienced any such instances in last three Fiscals, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition.

42. ***Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.***

While our Company has a formal dividend policy, it has not paid out dividends in the past three fiscals. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, have profits to pay dividends to our Company's shareholders in future. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends at any point in the future. For further details, please see "*Dividend Policy*" on page 229.

43. ***The objects of the Offer include orders for plant and machinery which have not yet been placed fully. Further, we are yet to place orders for capital expenditures. In the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary.***

The objects of the Offer include orders for plant and machinery that have been shortlisted, identified and for which certain advances have been paid, and we have commenced placing orders for certain machineries that have had a long-lead time for deliveries. Further, we will be placing the orders with vendors based on the competitive cost and proposed delivery schedule of the equipment. Accordingly, (a) orders worth ₹12.73 million (excluding contingency costs), which constitutes approximately 0.69% of the total estimated costs (excluding contingency costs) in relation to TIPL Project have been placed and, and (b) orders worth ₹1,802.92 million (excluding contingency costs), which constitutes approximately 99.31% of the total estimated costs (excluding contingency costs) in relation to TIPL Project are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. Further, the costs of such plant and machinery may escalate or vary based on external factors which may not be in our control. Additionally, in the event of any delay in placement of such orders, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "*Objects of the Offer*" on page 89. The actual costs of such plant and machinery may be subject to change due to factors beyond our control.

In addition, we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors, including our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors, including changes in design and other external factors which may not be within the control of our management. Further, we have not entered into any definitive agreements with such civil contractor and there can be no assurance that the same civil contractor would be engaged to eventually provide the services at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations

Further, any deviation on the costs provided in the quotations will be subject to applicable law. However, we may have to revise our funding requirements and deployment on account of a variety of factors such as our business and financial condition and market conditions, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the Proposed Expansion, incremental pre-operative expenses and other external factors such as any changes in the business environment and interest or exchange rate fluctuations, which may not be within our control.

44. ***Our Company has unsecured loans that may be recalled by the lenders at any time and our Company may not have adequate funds to make timely payments or at all.***

Our Company has availed unsecured loans which may be recalled at any time. As of August 31, 2024, unsecured loans of ₹ 4.52 million on a restated consolidated basis were outstanding. Such loans may not be repayable in accordance with any agreed repayment schedule and may be recalled at any time. In the event that any lender seeks repayment of any such unsecured loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

45. ***Our Promoters and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration and reimbursement of expenses.***

Our Promoters and Directors are interested in our Company, in addition to normal remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or their relatives' holding in our Company. Further, other than as disclosed in "*Summary of Offer Document – Related Party Transactions*", "*Our Management*" and "*Other Financial Information - Related Party Transactions*" on pages 18, 204 and 261, respectively, there are no other transactions entered into by our Company with our Promoters, and Directors. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. For further information on the interest of our Directors, and Promoters, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors*", and "*Our Promoters and Promoter Group - Interests of Promoters*" on pages 208, and [●], respectively.

46. ***We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation, cash flows and financial condition.***

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration to directors, key managerial personnel, professional fees, rent expense, sale of goods and services, purchase of goods and donations. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance to you that such transactions in future, individually or in aggregate, will not have an adverse effect on our business, financial condition and results of operations. All related party transactions that we may enter into post-listing, will be subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The table below provides details of our arithmetic aggregated absolute total of related party transactions and the percentage of such related party transactions to our revenue from operations in Fiscal 2022, 2023 and 2024:

(₹ million, except percentages)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Arithmetic aggregated absolute total of related party transactions	205.35	202.17	202.27
Revenue from Operations	4,078.77	4,072.55	2,505.64
Arithmetic aggregated absolute total of related party transactions as a percentage of revenue from operations (%)	5.03%	4.96%	8.07%

For further details, see "*Offer Document Summary - Summary of related party transactions*" on page 18.

47. ***We will continue to be controlled by our Promoters and members of our Promoter Group after the completion of the Offer.***

As of the date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group hold 80.11% of the issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Offer, our

Promoters and members of our Promoter Group will continue to hold majority of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Shareholders for approval. After this Offer, our Promoters and members of our Promoter Group will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to control the composition of our Board, delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us. The interests of our Promoters and members of our Promoter Group may conflict with your interests and the interests of our other shareholders, and our Promoters and members of our Promoter Group could make decisions that may adversely affect our business operations, and hence the value of your investment in the Equity Shares.

48. Our Promoters, and Directors and Group Companies have interests in certain companies, which are in businesses similar to ours and this may result in potential conflict of interest with us.

There are, and may be, certain related party transactions between our Company and our Promoters or Group Companies, in the ordinary course of business and at arms' length price. Our Promoters, Directors and Group Companies may have interest in companies that could be construed to be in the similar line of business as our Company. For example, one of our group companies, Rituraj Pipes and Plastics Private Limited is engaged in the manufacture of PVC pipes. While the revenue from operations of the company is less than 5% of the revenue from operations of our Company, we do not currently engage in the manufacture and sale of PVC pipes. For further details, please see the sections entitled "*Our Management – Interests of Directors*" and "*Our Promoter and Promoter Group – Interests of Promoters*" on pages, 214 and 226, respectively.

49. We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate. not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of online travel businesses, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information. These are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance are not measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the years / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP financial measures and such other industry related statistical and other information are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible and these may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies and has limited usefulness as a comparative measure. For further information, see "*Other Financial Information – Non-GAAP Measures*" on page 272.

50. Our international operations expose us to political, economic, and regulatory risks in the geographies where our subsidiary, Asific Buildcon, customers, and suppliers operate.

We currently have operations in the United States of America through our wholly owned subsidiary, Asific Buildcon Inc. As a company with international operations, we are exposed to various risks associated with the political, economic, and regulatory environments in the countries where we conduct business. These risks include, but are not limited to, political instability, changes in government policies, economic downturns, fluctuations in currency exchange rates, and changes in trade regulations and tariffs. Political instability or changes in government can result in new regulations, trade barriers, or restrictions that may disrupt our supply chain, limit our ability to operate in certain regions, or increase our operating costs. Economic conditions in these countries can also impact consumer demand for our products, as well as the financial stability of our customers and suppliers. Regulatory risks include the potential for changes in laws and regulations that affect our operations, such as environmental regulations, labour laws, tax policies, and import/export controls. Compliance with these regulations can be costly and time-consuming, and non-compliance could result in significant fines, penalties, or legal actions. Our inability to manage these risks effectively could have a material adverse effect on our business, financial condition, and results of operations.

51. Our Promoters and members of our Promoter Group have provided personal guarantees for our debt facilities, which if invoked, could have a material adverse effect on our business, financial condition, and results of operations.

Certain debt facilities obtained by our company are supported by personal guarantees from our Promoters and members of our Promoter Group. As of March 31, 2024, our fund-based limits with the State Bank of India have been secured through the guarantees. The corporate and personal guarantors for instance Tirupatibalaji Build-con Private Limited, S M Enterprises, Shubham Taylia, Shakun Taylia, and Jitendra Kumar Taylia. While these guarantees have been instrumental in securing favourable terms for our debt, they also carry risks that could impact our business and financial condition.

Any default or failure by us to repay our loans in a timely manner or at all could trigger repayment obligations on the part of our Promoter in respect of such loans. This, in turn, could have an impact on their ability to effectively service their obligations as Promoter of our Company, thereby having an adverse effect on our business, results of operation and financial condition. Further, in the event that our Promoter revokes or terminates such guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business prospects, financial condition, results of operations and cash flows. If the guarantees are invoked or if the repayment of loan is accelerated or the lender enforces any of the restrictive covenants or exercise their options under the relevant debt financing arrangement the ability of our Company to continue its business operations could be adversely affected, carrying our operations and use of assets may be hampered significantly and the lender may demand the repayment of the entire outstanding amount and this in turn may also affect our further borrowing abilities. For further details please refer to the chapter titled "Financial Indebtedness" on page 275.

52. Our Company will not receive any proceeds from the Offer for Sale portion.

The Offer includes an offer for sale of up to [●] Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be transferred to each of the Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by Selling Shareholder in the Offer for Sale. Our Company will not receive any of the proceeds from the sale of Equity Shares by the Selling Shareholders. For details, see "*Objects of the Offer*" beginning on page 89.

External Risk Factors

53. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, enhance the integrity of the market and safeguard the interest of the investors, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalization etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock

Exchanges. In the event our Equity Shares are subject to such surveillance measures implemented by the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

54. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations, cash flows and prospects.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

55. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding, and/or earthquakes), epidemics, pandemics such as COVID-19, and man-made disasters, including acts of war, terrorist attacks, and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, and results of operations. The ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase in supply chain, logistics times and costs, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. Our operations may be adversely affected by fires, natural disasters, and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity, and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic, and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases. Future outbreaks of contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

56. Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business, cash flows and results of operations.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

57. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements, results of operations and cash flows.

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the component industry, which could lead to new compliance requirements.

New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of prices of raw materials and thereby increase our operational cost. For details on the laws applicable to us, please see "*Key Regulations and Policies in India*" on page 200.

The Income-tax Act, 1961 ("**IT Act**") was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company and such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Further, there is no assurance that the countries where our customers are located will not implement any new regulations and policies requiring us to obtain approvals and licenses and/or will not impose onerous requirements and conditions on the export of our products to such countries. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

58. We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business including allegations of cartelization.

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding, or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment, or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise in the relevant point.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct, or combination occurring outside India if such agreement, conduct, or combination has an AAEC in India.

However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

The Government of India has also introduced the Competition (Amendment) Bill, 2023 in the Lok Sabha on February 8, 2023, which has proposed several amendments to Competition (Amendment) Bill, 2022 introduced in the Lok Sabha in August, 2022 and the Competition Act. These amendments include the introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a "combination", expedited merger review timelines, codification of the lowest standard of "control" and enhanced penalties for providing false information or a failure to provide material information. As these are draft amendments, we cannot ascertain at this stage whether the proposed amendments will come into force in the form suggested or at all, their applicability, partially or at all, in respect of our operations once they come into force, or the extent to which the amendments, if and when they come into force, will result in additional costs for compliance, which in turn may adversely affect our business, results of operations, cash flows and prospects. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business and cash flows.

However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India, or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business and cash flows

59. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

60. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. All of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

61. The trading volume and market price of the Equity Shares may be volatile following the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in volume of Equity Shares traded; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

62. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our results of operations and cash flows.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

63. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares and dividend received.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

64. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges pursuant to changes in applicable law or otherwise. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

65. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

66. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the

Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 356.

67. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Restated Consolidated Financial Information for Fiscal 2022, 2022 and 2023 have been derived from the: (ii) audited Ind AS financial statements of our Company as at and for the years ended March 31, 2024 prepared in accordance with the Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India; (iii) audited special purpose Ind AS financial statements of our Company as at and for the years ended March 31, 2023 and March 31, 2022. The special purpose Ind AS financial statements as at and for the year ended March 31, 2023 and March 31, 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP (values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed, as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2022) and as per the presentation, accounting policies and grouping/classifications including revised Schedule III disclosures followed as at and for the Financial Year ended March 31, 2024. The aforementioned financial statements have been restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

68. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective offer prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and Selling Shareholders in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" on page 105 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective offer price. For further details, see "*Other Regulatory and* Statutory *Disclosures – Price information of past issues handled by the BRLMs*" on page 320. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

69. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Investors can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment.

We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

70. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor’s benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

71. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors’ fiduciary duties, responsibilities and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

72. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. “Foreign Account Tax Compliance Act” (or “**FATCA**”) imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain “foreign passthru payments” made by certain non-U.S. financial institutions (including intermediaries). If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered “foreign passthru payments”. Under current guidance, the term “foreign passthru payment” is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered “foreign passthru payments”. The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address “foreign passthru payments” and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as “foreign passthru payments”. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

SECTION III – INTRODUCTION

THE OFFER

The details of the Offer are summarised below:

Offer of Equity Shares of face value of ₹2 each *	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 7,400.00 million
of which:	
(i) Fresh Issue(1)^	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 2,400.00 million
(ii) Offer for Sale(2)	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 5,000.00 million
of which:	
A) QIB Portion(3)(4)	Not more than [●] Equity Shares having face value of ₹ 2 each
of which:	
Anchor Investor Portion(4)	Up to [●] Equity Shares having face value of ₹ 2 each
Net QIB Portion available for allocation to QIBs other than Anchor Investors (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares having face value of ₹ 2 each
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares having face value of ₹ 2 each
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares having face value of ₹ 2 each
B) Non-Institutional Portion(6)	Not less than [●] Equity Shares having face value of ₹ 2 each
of which:	
One-third shall be available for allocation to Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million	[●] Equity Shares having face value of ₹ 2 each
Two-thirds of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1.00 million	[●] Equity Shares having face value of ₹ 2 each
C) Retail Portion(5)	Not less than [●] Equity Shares having face value of ₹ 2 each
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	17,18,26,200 Equity Shares having face value of ₹ 2 each
Equity Shares outstanding after the Offer	[●] Equity Shares having face value of ₹ 2 each
Use of Net Proceeds	See "***Objects of the Offer***" on page 89 for details regarding the use of Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

* *Subject to finalisation of Basis of Allotment.*

^ *Our Company, in consultation with the BRLMs, may consider a further issue of specified securities, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(1) *The Offer has been approved by our Board pursuant to their resolution dated September 6, 2024, and our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated September 9, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 6, 2024.*

(2) *Each of the Selling Shareholders have confirmed and authorised its participation in the Offer for Sale in relation to the Offered Shares. Each of the Selling Shareholders has, severally and not jointly, confirmed that the Offered Shares have been held by them for a period*

of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations or are otherwise eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. The details of such authorisation and consent are provided below:

S. No.	Name of the Selling Shareholders	Date of authorisation	Date of consent letter	Number of Offered Shares	Aggregate proceeds from the Offer
1.	Jitendra Kumar Taylia	-	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 2,270.00 million
2.	Shubham Taylia	-	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 1,050.00 million
3.	Shakun Taylia	-	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 90.00 million
4.	Madhu Agrawal	-	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 175.00 million
5.	M.M. Thermoplast Private Limited	September 6, 2024	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 70.00 million
6.	Surbhi Jitendrakumar Taylia	-	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 600.00 million
7.	J.S. Construction	September 6, 2024	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 60.00 million
8.	Rituraj Pipes and Plastics Private Limited	September 6, 2024	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 70.00 million
9.	Tirupatibalaji Build-Con Private Limited	September 6, 2024	September 6, 2024	Up to [●] Equity Shares of face value of ₹2 each	Up to ₹ 615.00 million

(3) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "**Terms of the Offer – Minimum Subscription**" on page 327.*

(4) *Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "**Offer Procedure**" on page 337. Allocation to all categories shall be made in accordance with the SEBI ICDR Regulations.*

(5) *Allocation to Bidders in all categories except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "**Offer Procedure**" on page 337.*

(6) *The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one- third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub- category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non- Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.*

Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "***Offer Procedure***" and "***Offer Structure***" on pages 337 and 333, respectively. For details of the terms of the Offer, see "***Terms of the Offer***" on page 327. Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●] % of the post-Offer paid-up equity share capital of our Company.

SUMMARY FINANCIAL INFORMATION

*The following tables set forth summary financial information derived from the Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 230 and 279, respectively.*

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Restated Statement of Assets and Liabilities

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	618.59	316.84	284.48
Capital work-in-progress	0.00	111.97	40.32
Right to use assets	1.58	-	-
Other Intangible assets	0.02	0.06	0.13
Other financial assets	535.46	92.26	71.66
Other non-current assets	72.79	27.70	31.21
Total Non-Current Asset	**1,228.45**	**548.83**	**427.80**
Current assets			
Inventories	739.62	399.07	403.89
Trade receivables	707.18	653.26	454.77
Cash and cash equivalents	180.56	294.88	24.39
Other financial assets	5.60	-	-
Other current assets	81.53	77.72	107.71
Total Current Asset	**1,714.49**	**1,424.93**	**990.76**
Total Assets	**2,942.94**	**1,973.76**	**1,418.57**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	57.28	57.28	57.28
Other equity	2,226.15	1,116.46	480.56
Total Equity	**2,283.43**	**1,173.74**	**537.84**
Liabilities			
Borrowings	-	29.22	75.96
Lease liabilities	0.94	-	-
Provisions	3.50	1.69	1.54
Deferred tax liabilities (net)	2.94	12.08	16.27
Total Non -Current Liabilities	**7.38**	**42.99**	**93.77**
Current liabilities			
Borrowings	300.64	264.75	220.07
Lease liabilities	0.67	-	-
Due to micro and small enterprise	4.36	4.06	-
Due to others	290.73	300.66	440.90
Other financial liabilities	15.76	0.39	49.73
Provisions	0.22	0.50	0.53
Current tax liabilities (net)	23.94	105.38	13.02
Other current liabilities	15.81	81.29	62.70
Total Current Liabilities	**652.13**	**757.04**	**786.96**
Total Equity and Liabilities	**2,942.94**	**1,973.76**	**1,418.57**

Restated Statement of Profit and Loss

(₹ in million)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Income			
Revenue from operations	4,078.77	4,072.55	2,505.64
Other income	84.09	72.54	41.77
Total income	**4,162.86**	**4,145.09**	**2,547.41**
Expenses			
Cost of materials consumed	1,461.26	1,797.08	1,402.10
Employee benefit expenses	47.95	33.13	21.58
Finance cost	9.46	22.34	23.52
Depreciation and amortisation expense	53.02	34.59	31.04
Other expenses	1,177.46	1,416.30	817.51
Total expenses	**2,749.16**	**3,303.45**	**2,295.75**
Profit/(loss) before tax	1,413.70	841.64	251.65
Tax Expense			
Current tax	314.68	215.88	54.09
Deferred Tax	(8.97)	(4.29)	(6.70)
Total tax expenses	**305.71**	**211.60**	**47.39**
Profit/ (Loss) for the year/period, net of tax from continuing operations	**1,107.99**	**630.05**	**204.26**
Other comprehensive income			
Remeasurement Gain / (Loss) of the defined benefit plans	(0.66)	0.38	(0.03)
Tax relating to remeasurement of the	0.17	(0.10)	0.01
Other Comprehensive Income for the year/period	(0.49)	0.29	(0.02)
Total comprehensive income for the year, net of tax	**1,107.50**	**630.34**	**204.24**
Earnings Per Equity Share			
Basic earnings per share of face value of Rs. 2/- each (in Rs.)	6.45	3.67	1.19
Diluted earnings per share of face value of Rs. 2/- each (in Rs.)	6.45	3.67	1.19

Restated Statement of Cashflow

(₹ in million)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A. Cash flow from Operating Activities :			
Profit / (Loss) before tax	1,413.70	841.64	251.65
Adjustments for :			
Depreciation and amortisation expense	53.02	34.59	31.04
Finance costs	9.46	22.34	23.52
Balance Written off/(Written back)/(Net)	(6.50)	(0.02)	-
(Profit) / Loss on sale of Property, Plant and Equipment	-	(1.02)	(3.89)
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	(3.70)	2.08	(7.87)
Interest Income on Fixed Deposits	(10.61)	(4.66)	(3.48)
Operating profit before working capital changes	1,455.36	894.95	290.98
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables	(41.52)	(194.99)	(305.60)
Inventories	(340.55)	4.82	(160.74)
Other assets	(55.13)	27.98	(37.21)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payable, liabilities & provisions			
Trade payables	(9.64)	(136.17)	162.34
Other liabilities	(50.11)	(30.75)	96.33
Financial Liabilities	-	-	-
Provision	0.88	0.49	0.44
Cash generated from operations	**959.29**	**566.33**	**46.54**
Net income tax paid/refund	(396.12)	(123.52)	(58.79)
Net cash flow from/(used in) Operating Activities (A)	**563.17**	**442.81**	**(12.25)**
B. Cash flow from Investing Activities :			
Purchase of property, plant and equipment and intangible assets and capital advances	(242.27)	(144.69)	(104.27)
Sale of property, plant and equipment and intangible assets	-	7.20	5.00
Interest Income	10.61	4.66	3.48
Investments in Fixed Deposits with Bank (not considered as Cash and Cash Equivalent)	(442.61)	(15.08)	(31.02)
Increase /(Decrease) in Loan Given			
Investments in Subsidiary	-	-	-
Net cash flow used in Investing Activities (B)	**(674.27)**	**(147.92)**	**(126.81)**
C. Cash flow from Financing Activities :			
Proceeds from borrowings	6.66	(2.06)	145.68
Repayment of borrowings			
Proceeds from issue of Share capital	-	-	-
Payment of Lease Liabilities	(0.60)		
Finance costs	(9.28)	(22.34)	(23.52)
Net cash flow from Financing Activities (C)	**(3.22)**	**(24.40)**	**122.15**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(114.32)**	**270.49**	**(16.91)**
Cash and Cash Equivalents at the beginning of the year	**294.88**	**24.39**	**41.30**
Cash and Cash Equivalents at end of the year {Refer Note 5(a)}	**180.56**	**294.88**	**24.39**
Cash on hand	4.74	6.52	3.50
Balance with banks in current account	175.82	288.36	20.89
Cash and Cash Equivalents as per Cash flow statement	**180.56**	**294.88**	**24.39**

GENERAL INFORMATION

Our Company was originally incorporated as "*Kumar Arch Tech Private Limited*" under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated February 23, 1998, issued by Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The name of our Company was subsequently changed to "*Kumar Arch Tech Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated August 2, 2024, and a shareholders' resolution dated August 6, 2024. A fresh certificate of incorporation dated September 4, 2024, was issued by the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**").

Registered Office

Kumar Arch Tech Limited
302, Parshwnath Business Park,
Survey No. 836, F P No. 1/2,
Prahladnagar Vejalpur, Ahmedabad City – 380051,
Ahmedabad, Gujarat, India.

Corporate Office

Kumar Arch Tech Limited
F1B, 11A, Shubham Complex,
New Fatehpura, Udaipur,
Rajasthan – 313 001.

For details of the incorporation, change in name and changes in our Registered Office, see ***"History and Certain Corporate Matters"*** on page 195.

Corporate Identity Number: U36999GJ1998PLC033735
Company Registration Number: 033735

Address of the Registrar of Companies

Our Company is registered with the RoC located at the following address:

Registrar of Companies, Gujarat at Ahmedabad
ROC Bhavan, Opposite Rupal Park Society
Behind Ankur Bus Stop
Naranpura, Ahmedabad –380013
Gujarat, India

Board of Directors of our Company

Details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus are set forth below:

Name and Designation	DIN	Address
Jitendra Kumar Taylia Designation: *Chairman and Whole-time Director*	01194308	4 A G-1, Vinayak Apartment, New Fatehpura, Udaipur, Rajasthan-313001
Shubham Taylia Designation: *Managing Director*	02416429	G-1, Vinayak Apartment, 4 A, New Fatehpura, Udaipur, Rajasthan-313001
Shakun Taylia Designation: *Whole-time Director*	01974241	11/C, Jalvaayu Vihar, New Navlok Navratan Complex, Bhuwana, Udaipur, Rajasthan-313001
Bhagwat Singh Babel Designation: *Independent Director*	01476935	221, Ameya, Behind Sagar Darshan Apartment, Near Vidhya Bhawan School, Devali, Udaipur, Rajasthan – 313001, India
Suresh Amritlal Gandhi Designation: *Independent Director*	00128495	D1401-1402, 14th Floor, Indiabulls Blu, Lower Parel, Ganpatrao Kadam Marg, Mumbai, Maharashtra-400013
Sushma Joshi Designation: *Independent Director*	10722727	A 14, Ahinsapuri, Fatehpura, Udaipur, Rajasthan-313001

For brief profiles and further details of our Directors, see "***Our Management***" on page 204.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with Regulation 25(8) of the SEBI ICDR Regulations and the SEBI ICDR Master Circular and has been emailed at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and will also be filed with the SEBI at the following address.

Securities and Exchange Board of India
Corporation Finance Department, Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex Bandra (E)
Mumbai 400 051,
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed with the RoC in accordance with Section 32 of the Companies Act, and a copy of the Prospectus shall be filed with the RoC as required under Section 26 of the Companies Act and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Company Secretary and Compliance Officer

Rahul Ranka is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

Rahul Ranka
F1B, 11A, Shubham Complex,
New Fatehpura, Udaipur,
Rajasthan – 313 001.
Tel: 0294 2941577
E-mail: cs@echon.co

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai - 400025
Maharashtra, India
Telephone: +91 22 7193 4380
E-mail: echon.ipo@motilaloswal.com
Investor Grievance ID: moiaplredressal@motilaloswalgroup.com
Website: www. motilaloswalgroup.com
Contact person: Subodh Mallya/ Sankita Ajinkya
SEBI Registration No.: INM000011005

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel
Mumbai 400 013,
Maharashtra, India
Telephone: +91 22 4332 0735
E-mail: echon.ipo@equirus.com
Website: www.equirus.in
Investor grievance e-mail: investorsgrievance@equirus.com
Contact person: Jenny Bagrecha
SEBI registration no.: INM000011286

Statement of inter-se allocation of responsibilities amongst the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	Motilal Oswal, Equirus	Motilal Oswal
2.	Drafting and approval of statutory advertisements	Motilal Oswal, Equirus	Motilal Oswal
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, application form, abridged prospectus, etc. and filing of media compliance report.	Motilal Oswal, Equirus	Equirus
4.	Appointment of intermediaries –Registrar to the Offer and advertising agency including co-ordination for agreements.	Motilal Oswal, Equirus	Motilal Oswal
5.	Appointment of intermediaries – Bankers to the Offer, printers, monitoring agency to the Offer including co-ordination for agreements.	Motilal Oswal, Equirus	Equirus
6.	Preparation of road show marketing presentation and frequently asked questions	Motilal Oswal, Equirus	Equirus
7.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	Motilal Oswal, Equirus	Equirus
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	Motilal Oswal, Equirus	Motilal Oswal
9.	Retail marketing of the Offer, which will cover, inter alia: • Finalising media, marketing, public relations strategy and publicity • budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow – up on distribution of publicity; and • Issue material including form, RHP / Prospectus and deciding on the • quantum of the Issue material	Motilal Oswal, Equirus	Motilal Oswal
10.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Finalising media, marketing and public relations strategy; and	Motilal Oswal, Equirus	Equirus

Sr. No.	Activity	Responsibility	Co-ordination
	• Formulating strategies for marketing to Non – Institutional Investors.		
11.	Managing the book and finalization of pricing in consultation with the Company	Motilal Oswal, Equirus	Equirus
12.	Coordination with Stock Exchanges for anchor intimation, book building software, bidding terminals and mock trading. .	Motilal Oswal, Equirus	Equirus
13.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and Bank to the Offer, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transaction tax ("**STT**") on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government. Submission of all post Offer reports including the Initial and final Post Offer report to SEBI.	Motilal Oswal, Equirus	Motilal Oswal

Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Trilegal
One World Centre
10th Floor, Tower 2A &2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai 400 013
Telephone: +91 22 4079 1000

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31 and 32,
Financial District, Nanakramguda, Serilingampally
Hyderabad-500 032,
Telangana, India
Telephone: +91 40 6716 2222
E-mail: kumararch.ipo@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Website: www.kfintech.com
Contact person: M. Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Offer

Escrow Collection Bank

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank

[●]

Statutory Auditors to our Company

RRS & Associates, Chartered Accountants
A/306, Mondeal Square, Near Karnavati Club,
S.G. Highway Road, Prahlad Nagar,
Cross Road, Ahmedabad – 380015
Gujarat, India.
Tel.: +91 79 4006 3697
E-mail: rrs_associates@yahoo.co.in
ICAI Firm Registration Number: 118336W
Peer Review Number: 014258

Changes in auditors

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

Bankers to our Company

State Bank of India
Specialised SME Branch (63052)
II Floor, 23-C, Madhuban,
Udaipur – 313001
Telephone: 0294-417040
E-mail: sbi.63052@sbi.co.in
Contact person: Abishek Ranjan

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder (other than UPI Bidders using the UPI Mechanism), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Bidders (other than RIBs) is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for SCSBs and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Grading of the Offer

No credit agency registered with SEBI has been appointed for grading for the Offer.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations, for monitoring of the utilisation of the Gross Proceeds from the Fresh Issue. For details in relation to the proposed utilisation of the Gross Proceeds from the Fresh Issue, please see "***Objects of the Offer***" on page 89.

Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated September 26, 2024 from RRS & Associates, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 26, 2024 relating to the Restated Consolidated Financial Information and (ii) the statement of tax benefits dated September 26, 2024 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 27, 2024 from AY & Company, the independent chartered accountant, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our independent chartered accountant, and in respect of certain certificates to be included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 26, 2024 from Rahul S & Associates, the practising company secretary, holding a valid certificate of practice from Institute of Company Secretaries of India, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our practising company secretary, and in respect of certain certificates to be included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, our Company has also received written consent dated September 16, 2024 from Priyal Kothari, chartered engineer, to include her name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in her capacity as an independent chartered engineer, in relation to her certificates and in her capacity as the project management consultant in respect of the DPR and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and the minimum Bid lot which will be decided by our Company, in consultation with the BRLMs and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Bidders, by using the UPI Mechanism. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bid/Offer Period. Except Allocation to Retail Individual Bidders, Non-Institutional Bidders and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on the Book Building Process and the method and process of Bidding, see "***Terms of the Offer***" "***Offer Procedure***" and "***Offer Structure***" on pages 327, 337 and 333, respectively.

The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Offer.

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within three Working Days of the Bid/Offer Closing Date or such other time as prescribed under applicable law.

Each Investor, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For an illustration of the Book Building Process, price discovery process and allocation, see "***Offer Procedure***" on page 337.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, our Company and the Selling Shareholders intends to, but prior to the filing of the Prospectus with the RoC will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each of the BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus, with the RoC. This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC)

#	Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares having face value of ₹ 2 to be Underwritten	Amount underwritten (₹ in million)
1.	[●]	[●]	[●]
2.	[●]	[●]	[●]
	Total	[●]	[●]

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

The extent of underwriting obligations and the Bids to be underwritten by each of the BRLM shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Draft Red Herring Prospectus, is set forth below.

(in ₹, except share data)

S. No.	Particulars	Aggregate nominal value at face value	Aggregate value at Offer Price*
A)	**AUTHORISED SHARE CAPITAL**(1)		
	25,00,00,000 Equity Shares of face value of ₹ 2 each	50,00,00,000	[●]
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	17,18,26,200 Equity Shares of face value of ₹ 2 each	34,36,52,400	[●]
C)	**PRESENT OFFER**(2)(3)		
	Offer of up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 7,400.00 million **	[●]	[●]
	Of which:		
	Fresh Issue of up to [●] Equity Shares of face value of ₹ 2 each aggregating up to ₹ 2,400.00 million	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹ 2 each by the Selling Shareholders aggregating up to ₹ 5,000.00 million (4)	[●]	[●]
E)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**#		
	[●] Equity Shares of face value of ₹ 2 each	[●]	[●]
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	9,53,47,500	
	After the Offer*#	[●]	

* *To be updated upon finalisation of the Offer Price.*

** *Subject to Basis of Allotment.*

\# *Assuming full subscription in the Offer.*

(1) *For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 195.*

(2) *Our Board has authorised the Offer, pursuant to its resolution dated September 6, 2024. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated September 9, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated September 6, 2024.*

(3) *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement prior to filing of the Red Herring Prospectus through a preferential issue or any other method as may be permitted under the applicable law. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs for an amount not exceeding ₹ 480.00 million. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. The utilisation of the proceeds raised pursuant to the Pre-IPO Placement will be done towards the Objects of the Fresh Issue in compliance with applicable law. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

(4) *Each of the Selling Shareholders, severally and not jointly, confirmed that they have approved inclusion of their respective Offered Shares in the Offer for Sale and that their respective Offered Shares have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus, therefore being eligible for offer for sale in terms of Regulation 8 of the SEBI ICDR Regulations. For details on the authorisation by the Selling Shareholders in relation to the Offered Shares, see "**Other Regulatory and Statutory Disclosures - Authority for the Offer**" on page 313.*

Notes to Capital Structure

1. Equity share capital history of our Company

(a) The following table sets forth the history of the equity share capital of our Company:

Date of allotment	Nature of allotment	Details of allottees	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
January 29, 1998	Initial subscription to Memorandum of Association	Allotment of 10 Equity Shares each to Kanta Agrawal and Vijay Lal Agrawal *(initial subscribers to the MoA)*	20	10	10	Cash	20	200
December 9, 2002[#]	Further issue	Allotment of 6,000 Equity Shares to Vijay Lal Agrawal, 2,500 Equity Shares to Surendra Singh Mehta and 1,500 Equity Shares to H. G. Gupta by way of Further issue of Shares.	10,000	10	10	Cash	10,020	1,00,200
March 29, 2003[#]	Further issue	Allotment of 70,750 Equity Shares to Vijay Lal Agrawal, 35,000 Equity Shares to Surendra Singh Mehta, 47,450 Equity Shares to Shubham Taylia, 35,420 Equity Shares to Surbhi Jitendrakumar Taylia, 35,000 Equity Shares to Shakun Taylia, 61,000 Equity Shares to Tirupatibalaji Build-con Private Limited, 1,65,500 Equity Shares to Jitendra Taylia HUF and 46,500 Equity Shares to Jitendra Kumar Taylia.	4,96,620	10	10	Cash	5,06,640	50,66,400
March 31, 2005[#]	Further issue	Allotment of 67,000 Equity Shares to Surbhi Jitendrakumar Taylia, 20,000 Equity Shares to Shakun Taylia, 78,500 Equity Shares to M.M. Thermoplast Private Limited and 1,28,650 Equity Shares to Meenaxi Agrawal	2,94,150	10	10	Cash	8,00,790	80,07,900
March 31, 2007	Further issue	Allotment of 2,07,000 Equity Shares to Tirupatibalaji Build-con Private Limited and 2,60,000 Equity Shares to Shubham Enterprises	4,67,000	10	10	Cash	12,67,790	1,26,77,900
March 31, 2008[@@]	Further issue	Allotment of 15,000 Equity Shares to Kanta Agarwal, 1,15,000 Equity Shares to Tirupatibalaji Build-con Private Limited, 4,50,000 Equity Shares to M.M Thermoplast Private Limited, 6,04,750 Equity Shares to Seven Star General Trading Co., 75,000 Equity Shares to Cyber Infolink Private Limited and 2,25,000 Equity Shares to Ecocell Impex and 1,50,000 Equity Shares to V Kumar and Brothers.	16,34,750	10	10	Cash	29,02,540	2,90,25,400
March 31, 2010	Further issue	Allotment of 5,50,000 Equity Shares to M.M. Thermoplast Private Limited, 62,500 Equity Shares to Tirupatibalaji Build-con Private Limited, 87,500 Equity Shares to Shubham Enterprises and 25,000 Equity Shares to V. Kumar & Brothers	7,25,000	10	40	Cash	36,27,540	3,62,75,400

Date of allotment	Nature of allotment	Details of allottees	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
April 30, 2011	Further issue	Allotment of 4,00,000 Equity Shares to M.M. Thermoplast Private Limited, 59,000 Equity Shares to Tirupatibalaji Build-con Private Limited, 33,500 Equity Shares to Shubham Taylia, 7,500 Equity Shares to Vijay Lal Agrawal, 13,000 Equity Shares to Shubham Enterprises, 7,500 Equity Shares to Ranjeet Lal Agrawal and 47,500 Equity Shares to J.S. Construction.	5,68,000	10	40	Cash	41,95,540	4,19,55,400
March 30, 2012	Further issue	Allotment of 1,10,000 Equity Shares to M.M. Thermoplast Private Limited, 28,000 Equity Shares to Jitendra Kumar Taylia, 1,26,750 Equity Shares to Madhu Agrawal, 1,26,500 Equity Shares to Shubham Taylia, 19,250 Equity Shares to Surbhi Jitendrakumar Taylia, 20,000 Equity Shares to Shakun Taylia, 37,500 Equity Shares to Vijay Lal Agrawal, 140,000 Equity Shares to Ashok Agrawal and 74,000 Equity Shares to Meenaxi Agrawal.	6,82,000	10	40	Cash	48,77,540	4,87,75,400
September 18, 2013	Further issue	Allotment of 20,000 Equity Shares to M.M. Thermoplast Private Limited, 57,000 Equity Shares to Rituraj Pipes and Plastics Private Limited, 16,000 Equity Shares to Shubham Taylia and 7,000 Equity Shares to Madhu Agrawal.	1,00,000	10	50	Cash	49,77,540	4,97,75,400
March 31, 2016	Private placement of Equity Shares	Allotment of 3,59,375 Equity Shares to Shubham Taylia and 3,90,625 Equity Shares to Ashish Agrawal	7,50,000	10	31	Cash	57,27,540	5,72,75,400
Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 5,72,75,400 comprising of 57,27,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 5,72,75,400 comprising of 2,86,37,700 Equity Shares of face value of ₹ 2 each.								
August 9, 2024	Bonus issuance	Allotment of bonus Equity Shares to existing shareholders in the ratio of 5 bonus Equity Shares for every 1 Equity Share held by Shubham Taylia - 2,10,36,000 shares, Surbhi Jitendrakumar Taylia - 1,61,66,750 shares, Shakun Taylia - 18,75,000 shares, Tirupatibalaji Build-con Private Limited - 1,23,60,000 shares, M.M. Thermoplast Private Limited - 4,02,12,500 shares, J.S. Construction - 11,87,375 shares, Jitendra Kumar Taylia - 4,54,32,125 shares, Madhu Agrawal - 34,93,750 shares, Rituraj Pipes	14,31,88,500	2	-	-	17,18,26,200	34,36,52,400

Date of allotment	Nature of allotment	Details of allottees	Number of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up equity share capital (₹)
		and Plastics Private Limited - 14,25,000 shares.						

The records for certain allotments made in the equity share capital build up are not traceable. For further details, please see "Risk Factors - 12. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation. Further, we have filed a compounding application with the RoC, which is pending as of this Draft Red Herring Prospectus." on page 34.

@@ *Our Company has filed a compounding application with the RoC on account of non-filing of Form 2 in relation to the allotment of 1,634,750 Equity Shares on March 31, 2008, which is currently pending as of the date of this Draft Red Herring Prospectus. For further details, see "Risk Factors - 12. We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation. Further, we have filed a compounding application with the RoC, which is pending as of this Draft Red Herring Prospectus." on page 34.*

Our Company has made the abovementioned issuances and allotments of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus in compliance with the relevant provisions of the Companies Act, 2013, to the extent applicable.

2. **Preference share capital history of our Company**

Our Company does not have any outstanding preference shares as of the date of this Draft Red Herring Prospectus.

3. **Shares issued for consideration other than cash and by way of bonus issue**

Except for as disclosed in the section "***Capital Structure- Notes to Capital Structure- Equity Share Structure-Share Capital history of the Company***" on page 74, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue as on the date of this Draft Red Herring Prospectus.

4. **Shares issued out of revaluation reserves**

Our Company has not issued any shares out of revaluation reserves since its incorporation.

5. **Issue of shares pursuant to Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013**

Our Company has not allotted any equity shares or preference shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, each as amended.

6. **Issue of Shares at a price lower than the Offer Price in the last year**

Except as disclosed under "***-Equity Share capital history of our Company***" above, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

7. **Issue of Equity Shares under employee stock option schemes**

As on the date of the Draft Red Herring Prospectus, our Company does not have an employee stock option scheme.

8. **Details of history of shareholding and share capital of our Promoters and the members of the Promoter Group in our Company**

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 13,76,59,250 Equity Shares of face value of ₹ 2 each, which constitutes 80.11% of the issued, subscribed and paid-up Equity Share capital of our Company. All the Equity Shares held by our Promoters are in dematerialised form. The details regarding our Promoters' shareholding are set forth below.

a) Shareholding of our Promoters and member of our Promoter Group

Name	Pre-Offer		Post-Offer*^	
	Number of Equity Shares of face value of ₹ 2 each	**Percentage of pre-Offer Equity Share capital**	**Number of Equity Shares of face value of ₹ 2 each**	**Percentage of post-Offer Equity Share capital**
Promoters				
Jitendra Kumar Taylia	5,45,18,550	31.73	[●]	[●]
Shubham Taylia	2,52,43,200	14.69	[●]	[●]
Madhu Agrawal	41,92,500	2.44	[●]	[●]
M.M. Thermoplast Private Limited	4,82,55,000	28.08	[●]	[●]
Shakun Taylia	54,50,000	3.17		
Total	**13,76,59,250**	**80.11**	**[●]**	**[●]**
Promoter Group				
Surbhi Jitendrakumar Taylia	1,62,00,100	9.43	[●]	[●]
J.S. Construction	14,24,850	0.83	[●]	[●]
Rituraj Pipes and Plastics Private Limited	17,10,000	1.00	[●]	[●]
Tirupatibalaji Build-Con Private Limited	1,48,32,000	8.63	[●]	[●]
Total	**3,41,66,950**	**19.89**	**[●]**	**[●]**
Grand Total	**17,18,26,200**	**100.00**	**[●]**	**[●]**

* *To be included in the Prospectus.*
^ *Subject to finalization of Basis of Allotment.*

b) Build-up of Promoters' shareholding in our Company

Set forth below is the build-up of our Promoters' equity shareholding in our Company, since its incorporation.

Date of allotment/ transfer	**Number of Equity Shares allotted/ transferred**	**Face value per equity share (₹)**	**Offer/ acquisition/ transfer price per equity share (₹)**	**Nature of consideration**	**Nature of transaction**	**% of the pre-Offer equity share capital**	**% of the post-Offer equity share capital**
Jitendra Kumar Taylia							
March 29, 2003	46,500	10.00	10.00	Cash	Further issue	0.03	[●]
April 05, 2010	(46,500)	10.00	N.A.	N.A	Gift from Jitendra Kumar Taylia to Shubham Taylia	(0.03)	[●]
March 30, 2012	28,000	10.00	40.00	Cash	Further issue	0.02	[●]
March 31, 2019	3,81,760	10.00	N.A.	N.A.	Gift from Vijay Lal Agrawal to Jitendra Kumar Taylia	0.22	[●]
March 31, 2019	(75,000)	10.00	N.A.	N.A.	Gift from Jitendra Kumar Taylia to Madhu Agrawal	(0.04)	[●]
September 02, 2019	1,40,000	10.00	N.A.	N.A.	Gift from Ashok Agrawal to Jitendra Kumar Taylia	0.08	[●]
September 02, 2019	5,93,275	10.00	N.A.	N.A.	Gift from Meenaxi Agrawal to Jitendra Kumar Taylia	0.35	[●]
September 02, 2019	3,60,500	10.00	N.A.	N.A.	Transmission through will from Shubham Enterprises (Vijay Lal Agarwal) to Jitendra Kumar Taylia	0.21	[●]
December 17, 2020	75,000	10.00	N.A.	N.A.	Gift from Madhu Agrawal to Jitendra Kumar Taylia	0.04	[●]
March 31, 2022	1,500	10.00	75.00	Cash	Transfer from H. G. Gupta to Jitendra Kumar Taylia	0.00	[●]
March 31, 2022	7,500	10.00	75.00	Cash	Transfer from Munna Agarwal to Jitendra Kumar Taylia	0.00	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per equity share (₹)	Offer/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
March 31, 2022	3,04,750	10.00	N.A.	N.A.	Gift from Rishi Dave to Jitendra Kumar Taylia	0.18	[●]
Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 5,72,75,400 comprising of 57,27,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 5,72,75,400 comprising of 2,86,37,700 Equity Shares of face value of ₹ 2 each. Accordingly, the no. of shares held by Jitendra Kumar Taylia has been revised to 90,86,425 having face value of ₹ 2 each.							
August 09, 2024	4,54,32,125	2.00	N.A.	N.A.	Bonus issue 5 Equity Shares for every 1 equity Share held	26.44	[●]
Total (A)	**5,45,18,550**	**-**	**-**	**-**	**-**	**31.73**	**[●]**
Shubham Taylia							
March 29, 2003	47,450	10.00	10.00	Cash	Further Issue	0.03	[●]
April 05, 2010	37,500	10.00	13.00	Cash	Transfer from Surendra Singh Mehta to Shubham Taylia	0.02	[●]
April 05, 2010	46,500	10.00	N.A.	N.A	Gift from Jitendra Kumar Taylia to Shubham Taylia	0.03	[●]
April 05, 2010	1,65,500	10.00	N.A.	N.A	Gift from Jitendra Kumar Taylia HUF to Shubham Taylia	0.10	[●]
April 30, 2011	33,500	10.00	40.00	Cash	Further Issue	0.02	[●]
March 30, 2012	1,26,500	10.00	40.00	Cash	Further Issue	0.07	[●]
September 18, 2013	16,000	10.00	50.00	Cash	Further Issue	0.01	[●]
March 31, 2014	(6,000)	10.00	N.A.	N.A.	Gift from Shubham Taylia to Madhu Agrawal	(0.00)	[●]
March 31, 2016	3,59,375	10.00	31.00	Cash	Private Placement	0.21	[●]
March 10, 2020	10	10.00	60.00	Cash	Transfer from Darshan Dental College and Hospital to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Elegent Floricu to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Meenakshi Bhandari to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Mudit Singh to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Mumal Finance Pvt Limited. to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Pacific Academy of higher education Society to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Rajasthan Vidyapeeth to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Ram Kripal Dausad to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Rupal Holdings Private Limited. to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Sanjeev Kumar Gupta to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Bhushan Kumar Jain to Shubham Taylia	0.00	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per equity share (₹)	Offer/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
March 10, 2020	5	10.00	60.00	Cash	Transfer from Manju Jain to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Surendra Kumar Bhandari to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Sumitra Bhandari to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Shushila Khandelwal to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Tirupati Balaji Education Trust to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Vinayak Capital Service Private Limited to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from Vityesh Capital Services to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from V.K Agrawal to Shubham Taylia	0.00	[●]
March 10, 2020	5	10.00	60.00	Cash	Transfer from S.M. Enterprises to Shubham Taylia	0.00	[●]
March 31, 2022	15,010	10.00	N.A.	N.A.	Gift from Kanta Agarwal to Shubham Taylia	0.01	[●]
Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 5,72,75,400 comprising of 57,27,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 5,72,75,400 comprising of 2,86,37,700 Equity Shares of face value of ₹ 2 each. Accordingly, the number of shares held by Shubham Taylia has been revised to 42,07,200 having face value of ₹ 2 each.							
August 09, 2024	2,10,36,000	2.00	N.A.	N.A.	Bonus issue 5 Equity Shares for every 1 equity Share held	12.24	[●]
Total (B)	**2,52,43,200**	-		-		**14.69**	**[●]**
Shakun Taylia							
March 29, 2003	35,000	10.00	10.00	Cash	Further Issue	0.02	[●]
March 31, 2005	20,000	10.00	10.00	Cash	Further Issue	0.01	[●]
March 30, 2012	20,000	10.00	40.00	Cash	Further Issue	0.01	[●]
Pursuant to our Board resolution dated July 27, 2024 and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 5,72,75,400 comprising of 57,27,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 5,72,75,400 comprising of 2,86,37,700 Equity Shares of face value of ₹ 2 each. Accordingly, the number of shares held by Shakun Taylia has been revised to 3,75,000 having face value of Rs. 2/-.							
August 09, 2024	18,75,000	2.00	NA	NA	Bonus issue 5 Equity Shares for every 1 equity Share held	1.09	[●]
September 24, 2024	32,00,000	2.00	NA	NA	Gift from Surbhi Jitendrakumar Taylia to Shakun Taylia	1.86	
Total (D)	**54,50,000**	-	-	-	-	**3.17**	**[●]**
Madhu Agrawal							
March 30, 2012	1,26,750	10.00	40.00	Cash	Further Issue	0.07	[●]
September 18, 2013	7,000	10.00	50.00	Cash	Further Issue	0.00	[●]
March 31, 2014	6,000	10.00	N.A.	N.A.	Gift from Shubham Taylia to Madhu Agrawal	0.00	[●]
March 31, 2019	75,000	10.00	N.A.	NA	Gift from Jitendra Kumar Taylia to Madhu Agrawal	0.04	[●]

Date of allotment/ transfer	Number of Equity Shares allotted/ transferred	Face value per equity share (₹)	Offer/ acquisition/ transfer price per equity share (₹)	Nature of consideration	Nature of transaction	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
December 17, 2020	(75,000)	10.00	N.A.	N.A.	Gift from Madhu Agrawal to Jitendra Kumar Taylia	(0.04)	[●]
Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 5,72,75,400 comprising of 57,27,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 5,72,75,400 comprising of 2,86,37,700 Equity Shares of face value of ₹ 2 each. Accordingly, the number of shares held by Madhu Agrawal has been revised to 6,98,750 having face value of ₹ 2 each.							
August 09, 2024	34,93,750	2.00	NA	NA	Bonus issue 5 Equity Shares for every 1 equity Share held	2.03	[●]
Total	**41,92,500**	-		-	-	**2.44**	**[●]**
M.M. Thermoplast Private Limited							
March 31, 2005	78,500	10.00	10.00	Cash	Further Issue	0.05	[●]
March 31, 2008	4,50,000	10.00	10.00	Cash	Further Issue	0.26	[●]
March 31, 2010	5,50,000	10.00	40.00	Cash	Further Issue	0.32	[●]
April 30, 2011	4,00,000	10.00	40.00	Cash	Further Issue	0.23	[●]
March 30, 2012	1,10,000	10.00	40.00	Cash	Further Issue	0.06	[●]
September18, 2013	20,000	10.00	50.00	Cash	Further Issue	0.01	[●]
Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 5,72,75,400 comprising of 57,27,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 5,72,75,400 comprising of 2,86,37,700 Equity Shares of face value of ₹ 2 each. Accordingly, the number of shares held by M.M. Thermoplast Private Limited has been revised to 80,42,500 having face value of ₹ 2 each.							
August 09, 2024	4,02,12,500	2.00	NA	NA	Bonus issue 5 Equity Shares for every 1 equity Share held	23.40	[●]
Total	**4,82,55,000**	-				**28.08**	**[●]**
Total (A+B+C+D+E+F)	**13,76,59,250**	-	-	-	-	**80.11**	**[●]**

& *Shubham Enterprises was a sole proprietorship of Vijay Lal Agrawal.*

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

c) Details of minimum Promoters' contribution locked in as may be prescribed under applicable law

Pursuant to Regulation 14 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and, pursuant to Regulation 16 of the SEBI ICDR Regulations, shall be locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**"). Our Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The details of Equity Shares held by our Promoters, which will be locked-in for a period of three years, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth below:

Name of the Promoter	Number of Equity Shares held	Date up to which Equity Shares are subject to lock-in	Number of Equity Shares locked-in**	Date of allotment/ transfer#	Face value per Equity Share (₹)	Allotment/ Acquisition price per Equity Share (₹)	Nature of transaction	% of the pre-Offer paid-up capital	% of the post-Offer paid-up Capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

\# *Equity Shares were fully paid-up on the respective dates of allotment/acquisition, as the case may be.*

** *Subject to finalisation of Basis of Allotment.*

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our

Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "-*History of the share capital held by the Promoters*" on page 77.

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;

(ii) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) The Equity Shares offered for Promoters' Contribution shall not consist of Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance; and

(iv) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

d) Details of share capital locked-in for six months or any other period as may be prescribed under applicable law

In terms of Regulation 17 and 16(1)(b) of the SEBI ICDR Regulations, except for:

1. the Promoters' Contribution and any Equity Shares held by our Promoters in excess of Promoter's Contribution, which shall be locked in as above; and

2. the Equity Shares successfully transferred by the Selling Shareholders pursuant to the Offer for Sale;

the entire pre-Offer Equity Share capital of our Company, shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment in the Offer. In terms of Regulation 17(c) of the SEBI ICDR Regulations, Equity Shares held by a venture capital fund or alternative investment fund of category I or category II or a foreign venture capital investor shall not be locked-in for a period of six months from the date of Allotment, provided that such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such shareholders.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in pursuant to Regulation 17 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

In terms of Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

e) **Recording of non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the

Equity Shares locked-in are recorded by the relevant Depository.

f) **Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

g) **Sales or purchases of Equity Shares or other specified securities of our Company by our Promoters, members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of this Draft Red Herring Prospectu*s***

Except as disclosed in "- ***Build-up of Promoters' shareholding in our Company***" on page 78, none of our Promoters, the members of the Promoter Group, our Directors or their relatives have purchased, acquired or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

h) Secondary Transactions involving the Promoters, Promoter Group and the Selling Shareholders

Except as disclosed below and in "- *Build-up of Promoter's shareholding in our Company*" on page 78, there has been no secondary transactions of Equity Shares by our Promoters and the members of the Promoter Group and the Selling Shareholders, as on the date of this Draft Red Herring Prospectus. The table below captures the secondary transactions between parties that do not form part of the Promoters:

S. No.	Name of Transferor	Transferee/Name of major shareholder	Date of acquisition	No. of Equity Shares Acquired	Face value (₹)*	Amount of consideration (₹)	Price of acquisition	Mode of acquisition
1.	V Kumar & Brothers	Vijay Lal Agrawal	April 05, 2010	1,75,000	10.00	22,75,000	13.00	Transfer through Sale/Purchase
2.	Tirupatibalaji Build-Con Private Limited	Vijay Lal Taylia	October 28, 2013	10,000	10.00	2,10,000	21.00	Transfer through Sale/Purchase
3.	Tirupatibalaji Build-Con Private Limited	Darshan Dental College & hospital	October 28, 2013	10	10.00	210	21.00	Transfer through Sale/Purchase
4.	Tirupatibalaji Build-Con Private Limited	Elegent Floricu	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
5.	Tirupatibalaji Build-Con Private Limited	Meenakshi Bhandari	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
6.	Tirupatibalaji Build-Con Private Limited	Mudit Singh	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
7.	Tirupatibalaji Build-Con Private Limited	Mumal Finance Pvt Ltd.	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
8.	Tirupatibalaji Build-Con Private Limited	Pacific Academy of higher education Society	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
9.	Tirupatibalaji Build-Con Private Limited	Rajasthan Vidhyapeeth	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
10.	Tirupatibalaji Build-Con Private Limited	Ram Kripal Dausad	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
11.	Tirupatibalaji Build-Con Private Limited	Rupal Holdings Pvt. Ltd.	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
12.	Tirupatibalaji Build-Con Private Limited	Sanjeev Kumar Gupta	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
13.	Tirupatibalaji Build-Con Private Limited	Bhushan Kumar Jain	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase

S. No.	Name of Transferor	Transferee/Name of major shareholder	Date of acquisition	No. of Equity Shares Acquired	Face value (₹)*	Amount of consideration (₹)	Price of acquisition	Mode of acquisition
14.	Tirupatibalaji Build-Con Private Limited	Manju Jain	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
15.	Tirupatibalaji Build-Con Private Limited	Surendra Kumar Bhandari	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
16.	Tirupatibalaji Build-Con Private Limited	Sumitra Bhandari	October 28, 2013	5	10.00	105	21.00	Transfer through Sale/Purchase
17.	Tirupatibalaji Build-Con Private Limited	Shushila Khandelwal	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
18.	Tirupatibalaji Build-Con Private Limited	Tirupati Balaji Education Trust	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
19.	Tirupatibalaji Build-Con Private Limited	Vinayak Capital Service Pvt Ltd	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
20.	Tirupatibalaji Build-Con Private Limited	Vityesh Capital Services	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
21.	Tirupatibalaji Build-Con Private Limited	V.k Agrawal	March 28, 2014	5	10.00	105	21.00	Transfer through Sale/Purchase
22.	Cyber Infolink Private Limited	Vijay Lal Agrawal	June 17, 2018	75,000	10.00	27,75,000	37.00	Transfer through Sale/Purchase
23.	Seven Star General Trading Co.	Rishi Dave	June 17, 2018	6,04,750	10.00	2,23,75,750	37.00	Transfer through Sale/Purchase
24.	J.S. Construction	SM Enterprises	June 17, 2018	5	10.00	185	37.00	Transfer through Sale/Purchase
25.	Ashish Agrawal	Meenaxi Agrawal	September 02, 2019	3,90,625	10.00	NA	NA	Gift
26.	Rishi Dave	Surbhi Jitendrakumar Taylia	March 31, 2022	3,00,000	10.00	N.A	N.A	Gift

9. Shareholding pattern of our Company

The table below represents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) – Number of voting rights – Class eg: Equity Shares	Number of Voting Rights held in each class of securities (IX) – Number of voting rights – Class eg: Others	Number of Voting Rights held in each class of securities (IX) – Number of voting rights – Total	Number of Voting Rights held in each class of securities (IX) – Total as a % of (A+B+C)	Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII) – Number (a)	Number of Locked in Equity Shares (XII) – As a % of total Shares held (b)	Number of Equity Shares pledged or otherwise encumbered (XIII) – Number (a)	Number of Equity Shares pledged or otherwise encumbered (XIII) – As a % of total Shares held (b)	Number of Equity Shares held in dematerialized form (XIV)
(A)	Promoter and Promoter Group	17,18,26,200	17,18,26,200	0.00	0.00	17,18,26,200	100.00	17,18,26,200	-	17,18,26,200	100.00	0.00	100.00	0.00	0.00	0.00	0.00	17,18,26,200
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C+C1+C2)	17,18,26,200	17,18,26,200	0.00	0.00	17,18,26,200	100.00	17,18,26,200	-	17,18,26,200	100.00	0.00	100.00	0.00	0.00	0.00	0.00	17,18,26,200

10. As on the date of this Draft Red Herring Prospectus, our Company has 9 equity shareholders.

11. Shareholding of our Directors, Key Managerial Personnel and members of Senior Management Personnel in our Company

Except as stated below, none of our Directors or Key Managerial Personnel or members of Senior Management Personnel hold any Equity Shares:

Name	Number of Equity Shares having Face Value of ₹ 2 per share	Percentage of pre-Offer Equity Share capital
Shubham Taylia	2,52,43,200	14.69
Shakun Taylia	54,50,000	3.17
Jitendra Kumar Taylia	5,45,18,550	31.73
Total	**8,52,11,750**	**49.59**

For further details, please see, "***Our Promoters and Promoter Group***" on page 222.

12. Details of shareholding of the major shareholders of our Company

(a) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares having Face Value of ₹ 2 per share	Percentage of pre-Offer Equity Share capital
1.	Jitendra Kumar Taylia	5,45,18,550	31.73
2.	Shubham Taylia	2,52,43,200	14.69
3.	Shakun Taylia	54,50,000	3.17
4.	Madhu Agrawal	41,92,500	2.44
5.	M.M. Thermoplast Private Limited	4,82,55,000	28.08
6.	Surbhi Jitendrakumar Taylia	1,62,00,100	9.43
7.	Tirupatibalaji Build-Con Private Limited	1,48,32,000	8.63
	Total	**16,86,91,350**	**98.17**

As per the beneficiary position statement dated September 25, 2024.

(b) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares having Face Value of ₹ 2 per share	Percentage of pre-Offer Equity Share capital
1.	Jitendra Kumar Taylia	5,45,18,550	31.73
2.	Shubham Taylia	2,52,43,200	14.69
3.	Shakun Taylia	22,50,000	1.31
4.	Madhu Agrawal	41,92,500	2.44
5.	M.M. Thermoplast Private Limited	4,82,55,000	28.08
6.	Surbhi Jitendrakumar Taylia	1,94,00,100	11.29
7.	Tirupatibalaji Build-Con Private Limited	1,48,32,000	8.63
	Total	**16,86,91,350.00**	**98.17**

As per the beneficiary position statement dated September 17, 2024.

(c) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares having Face Value of ₹ 10 per share	Percentage of pre-Offer Equity Share capital
1.	Jitendra Kumar Taylia	18,17,285	31.73
2.	Shubham Taylia	8,41,440	14.69

Sr. No.	Name of Shareholder	Number of Equity Shares having Face Value of ₹ 10 per share	Percentage of pre-Offer Equity Share capital
3.	Shakun Taylia	75,000	1.31
4.	Madhu Agrawal	1,39,750	2.44
5.	M.M. Thermoplast Private Limited	16,08,500	28.08
6.	Surbhi Jitendrakumar Taylia	6,46,670	11.29
7.	Tirupatibalaji Build-Con Private Limited	4,94,400	8.63
	Total	**56,23,045**	**98.17**

(d) Set forth below are details of shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholder	Number of Equity Shares having Face Value of ₹ 10 per share	Percentage of pre-Offer Equity Share capital
1.	Jitendra Kumar Taylia	18,17,285	31.73
2.	Shubham Taylia	8,41,440	14.69
3.	Shakun Taylia	75,000	1.31
4.	Madhu Agrawal	1,39,750	2.44
5.	M.M. Thermoplast Private Limited	16,08,500	28.08
6.	Surbhi Jitendrakumar Taylia	6,46,670	11.29
7.	Tirupatibalaji Build-Con Private Limited	4,94,400	8.63
	Total	**56,23,045**	**98.17**

13. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

14. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares being offered through the Offer.

15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

16. None of the BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

17. None of our Promoters or Shareholders are directly/indirectly related to the BRLMs and any associates of the BRLMs.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Draft Red Herring Prospectus.

19. No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

20. Except for the allotment of specified securities pursuant to the Fresh Issue, and the Pre-IPO Placement (if undertaken), there will be no further issue of specified securities whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded or unblocked on account of non-listing, under-subscription etc., as the case may be.

21. Except for the Equity Shares to be allotted pursuant to the Fresh Issue there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the Equity Shares or issue of

Equity Shares or convertible securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.

22. Neither the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investor Portion. Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

23. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time. All transactions in Equity Shares by our Promoters and members of our Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

25. Except for Jitendra Kumar Taylia, Shubham Taylia, Shakun Taylia, Madhu Agrawal, M.M. Thermoplast Private Limited, Surbhi Jitendrakumar Taylia, J.S. Construction, Rituraj Pipes and Plastics Private Limited and Tirupatibalaji Build-Con Private Limited who will participate in the Offer for Sale, none of our Promoters and the members of the Promoter Group shall participate in the Offer.

26. Our Company shall ensure that all transactions in the Equity Shares of our Company by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transactions.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 2,400.00 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 5,000.00 million by the Selling Shareholders. For details, see "*Offer Document Summary*" and "*The Offer*" on pages 14 and 60, respectively.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its portion of the proceeds of the Offer for Sale, after deducting its portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale, and accordingly, the proceeds from the Offer for Sale will not form a part of the Net Proceeds.

Fresh Issue

The details of the proceeds from the Fresh Issue are provided in the following table:

Particulars	Estimated amount (₹ in million)
Gross proceeds from the Fresh Issue*^	2,400.00
(Less) Offer related expenses to be borne by our Company#^	[●]
Net Proceeds from the Fresh Issue#^	**[●]**

* *Subject to full subscription of the Fresh Issue component.*

\# *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC*

^ *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to the filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately, intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

Requirements of funds and utilization of Net Proceeds

The Net Proceeds of the Fresh Issue are proposed to be utilised in the following manner:

1. Investment in our wholly owned Subsidiary, Taylias Industry Private Limited ("**TIPL**") for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products (the "**TIPL Project**");

2. General corporate purposes.

(collectively, referred to herein as "**Objects**")

In addition to the aforementioned Objects, our Company will receive the benefits of listing of its Equity Shares on the Stock Exchanges including enhancement of our Company's brand name and creating a public market for our Equity Shares in India.

The main objects and the objects incidental and ancillary to the main objects of our MoA enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which funds are being raised by us through the Fresh Issue; and (iii) to undertake the activities for which funds are earmarked towards general corporate purposes. The main objects and the objects incidental and ancillary to the main objects set out in the memorandum of association of our Subsidiary, enables it to undertake: (i) its existing business activities; and (ii) the activities proposed to be funded from the Net Proceeds.

Utilization of Net Proceeds

The Net Proceeds are proposed to be utilised in the following manner:

Sr. No.	Particulars	Estimated Amount*^ (₹ in million)
1.	Investment in our wholly owned Subsidiary, TIPL for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products	1,820.92
2.	General Corporate Purposes	[●]
	Total*	**[●]**

* *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC*

^ *Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to the filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately, intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.*

Proposed schedule of implementation, and deployment of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

(₹ in million)

Particulars	Total estimated cost (1)	Amount deployed as of September 15, 2024	Amount proposed to be funded through Net Proceeds	Estimated deployment of Net Proceeds in		
				Fiscal 2025	Fiscal 2026	Fiscal 2027
Investment in our wholly owned Subsidiary, TIPL for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products	1,833.65	12.73	1,820.92	385.43	968.00	467.49
General corporate purposes (2)	[●]	-	-	[●]	[●]	[●]
Net Proceeds (2)(3)	[●]	-	-	[●]	[●]	[●]

(1) Applicable taxes, to the extent required, have been included in the estimated cost.

(2) To be finalised upon determination of Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

(3) Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to the filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately, intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer, or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

The funding requirements and deployment of the Net Proceeds as described herein are based on of various factors, such as reports dated September 16, 2024 from Priyal Kothari, Chartered Engineer, our current business plan, management estimates, current circumstances of our business, valid quotations received from third parties, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. See "*Risk Factors- **Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***." on page 37. We may have to revise our funding requirements and deployment of the Net Proceeds from time to time on account of various factors, such as financial and market conditions, business and strategy, competitive environment and interest or exchange rate fluctuations, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors, which may not be within the control of our management.

Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. In the event that the estimated utilisation of the Net Proceeds in a scheduled Financial Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations.

Means of finance

The fund requirements towards the Objects detailed above are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and internal accruals as required under the SEBI ICDR Regulations.

Details of objects of the Offer to be funded from Net Proceeds

1. ***Investment in our wholly owned Subsidiary, TIPL for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products***

Our Company proposes to utilise ₹1,820.92 million towards investment in our wholly owned Subsidiary, TIPL for financing its capital expenditure requirements for the greenfield project in relation to the manufacture of PVC based products. This will also allow us to better serve our existing customers, assist us in better addressing the business requirements of large customers, and allow us to expand into new business verticals, in particular, to address the growing market for PVC based building materials. Our Board by its resolution dated September 27, 2024 has approved the proposal to set up the TIPL Project.

Estimated cost

The total estimated cost of the TIPL Project is ₹1,833.65 million of which our Company proposes to utilise ₹1,820.92 million from the Net Proceeds for the capital expenditure requirements for setting up the TIPL Project, as per the Detailed Project Report dated September 16, 2024 ("**DPR**") issued by Priyal Kothari, Chartered Engineer. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the TIPL Project as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers or purchase orders issued to suppliers/vendors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for setting up the TIPL Project comprises the following:

Heading of Cost	Basic Amount	GST	Total Estimated Cost	Amount already deployed*	Balance to be deployed from Net Proceeds	Fiscal 2025	Fiscal 2026	Fiscal 2027
Land and Site Development (A)	19.01	3.42	22.43	-	22.43	22.43	-	-

Heading of Cost	Basic Amount	GST	Total Estimated Cost	Amount already deployed *	Balance to be deployed from Net Proceeds	Fiscal 2025	Fiscal 2026	Fiscal 2027
Construction cost – factory shed (B)	486.77	87.61	574.38	-	574.38	25.00	320.00	229.38
Construction cost – support infrastructure (C)	165.37	29.77	195.14	-	195.14	10.00	120.00	65.14
Cost of Plant and Machinery (D)			957.70	12.73	944.97	300.00	500.00	144.97
Sub-Total (E)			**1,749.65**	**12.73**	**1,736.92**	**357.43**	**940.00**	**439.49**
Contingencies for escalation (F)			84.00	-	84.00	28.00	28.00	28.00
Total Project Cost (G = E + F)			**1,833.65**	**12.73**	**1,820.92**	**385.43**	**968.00**	**467.49**

(1) *Total estimated cost as per DPR issued by Priyal Kothari, Chartered Engineer.*
(2) *As of September 15, 2024, the amount deployed towards the TIPL Project was ₹12.73 million, as certified by our Statutory Auditors, by way of their certificate dated September 27, 2024. For sources of funds for the amounts deployed, please see "Objects of the Offer – Means of Finance" below.*
(3) *The proposed plant and machinery chosen for setting up the new facility have been assessed by the management of the Company based on their expertise, the current machinery available in the market and attendant factors. Due to technological advancements, new machineries offering larger capacities or advanced technology could be available before orders are placed for the machineries described in this DPR. In such a case, the management of the Company could opt for such newer machines in place of those described in the DPR, however the Company has informed us that it undertakes to ensure that different machines will be choses in a manner that (i) does not reduce the capacity proposed to be added, (ii) does not exceed the cost of the project mentioned in this DPR and if it does, such additional costs will be funded from the internal accruals of the Company and (iii) is beneficial to the Company.*

We have commenced placing orders for certain machineries that have a long lead time for deliveries. Further, we will be placing the orders with vendors based on the competitive cost and proposed delivery schedule of the equipment. Accordingly, (a) orders worth ₹12.73 million (excluding contingency costs), which constitutes approximately 0.69% of the total estimated costs (excluding contingency costs) in relation to TIPL Project have been placed and , and (b) orders worth ₹1,820.92 million (excluding contingency costs), which constitutes approximately 99.31% of the total estimated costs (excluding contingency costs) in relation to TIPL Project are yet to be placed.

The vendors for supply of such other equipment have been shortlisted on the basis of the reputation of the vendors, the historical performance of the equipment supplied by them and other factors such as electrical energy consumption, maintenance cost during operation stages, after sales services and support capability of the supplier to assist us during installation and provision of post-sale services.

We will place orders for the assets and services for which orders are yet to be placed as per the schedule of implementation for the TIPL Project.

Means of finance for TIPL Project

The total estimated cost for setting up of the TIPL Project is approximately ₹ 1,833.65 million. We intend to fund the estimated cost of setting up the TIPL Project as follows:

(₹ in million)

Particulars	Amount
Total estimated project cost (A)(1)	1,833.65(1)
(less) Amount deployed as of September 15, 2024 (B)(2)	12.73(2)
Balance amount to be incurred (C) = (A-B)	1,820.92
Amount to be funded by infusion of Net Proceeds (D)	1,820.92

(1) *Total estimated cost as per DPR issued by Priyal Kothari*
(2) *As of September 15, 2024, the amount deployed towards the TIPL Project was ₹12.73 million, as certified by our Statutory Auditors, by way of their certificate dated September 27, 2024*

As of September 15, 2024, our Company has deployed ₹12.73 million towards the TIPL Project which has been funded from internal accruals. The capital expenditure of ₹1,820.92 million will be met from the Net Proceeds, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals or external borrowing / funding.

Land

The proposed facility is spread across an area of 6,53,500 square feet with a proposed installed capacity of 90,000 MTPA. The Company, it has currently opted to set up the plant at 4456/2729, Village-Chandesara, Tehsil- Ghasa, Distt.-Udaipur 313024, however it believes that if there is a larger plot of land that serves its purpose, it may opt to move to the new parcel of land provided. To scout for such land, the Company has appointed an external agency vide an agreement dated July 19, 2024 to acquire land. The Company may intend to move to the new land, provided that: 1) All the necessary paperwork to acquire the said land in the name of the Company has been completed. 2) All the necessary approvals needed for setting up a factory on the said land have been initiated and obtained to the extent necessary. We have assessed both, the current plot of land that is proposed to be used for setting up the plant as well as the land that is proposed to be acquired. In our opinion, both the parcels of land are suitable for setting up the facility.

Break-down of estimated expense

The detailed break-down of these estimated costs for new manufacturing facility is provided in the table below.

A. Land and Site Development Costs:

The estimated cost for development of the site based on an estimated 653,500 sq. ft. of usable area is estimated to be ₹ 22.43 million on the basis of the following:

Particulars	Estimated Cost (₹ million) (1)	Name of Vendor	Date of Quotation	Validity of quotation / Period of validity
Rock cutting, levelling works, boundary wall, architecture drawings for the entrance gate and roadworks.	22.43	Shri Vinayak Build-con (Civil Contractor and Engineer)	September 14, 2024	6 months

Note (1): Includes applicable GST and contingency cost of 5% of the total amount

S. No	Particular	Qty	Rate per Unit	Amount in Million
1	Granular sub-base with close graded material Plant Mix Method (Construction of granular sub- base by providing close graded Material, mixing in a mechanical mix plant at OMC, carriage of mixed Material to work site, spreading in uniform layers with motor grader on prepared surface and compacting with vibratory power roller.	1,631.96	700.00	0.97
2	Wet Mix Macadam (Providing, laying, spreading and compacting graded stone aggregate to wet mix macadam specification including premixing the Material with water at OMC in mechanical mix plant carriage of mixed Material by tipper to site, laying in uniform layers with paver in sub- base / base course on well prepared surface and compacting with vibratory roller to achieve the desired density.)	715.98	1,400.00	0.85
3	Providing and applying primer coat with Bitumen emulsion (SS-1) on prepared surface of granular base (Stabilised soil baes/ Crusher Run Macadam) including cleaning of road surface and spraying primer,	436.72	34.00	0.01
4	Providing and applying tack coat with Bitumen emulsion (RS-1) on the prepared granular surfaces treated with primer & cleaned with Hydraulic broom.	4,369.72	10.00	0.03
5	Bituminous Macadam (Providing and laying bituminous macadam with 100-120 TPH 410.00 hot mix plant producing an average output of 75	361.11	6,400.00	1.96

S. No	Particular	Qty	Rate per Unit	Amount in Million
	tonnes per hour using crushed aggregates of specified grading premixed with bituminous binder, transported to site, laid over a previously prepared surface with paver finisher to the required grade, level and alignment and rolled as per clauses 501.6 and 501.7 to achieve the desired compaction) for Grading II (19 mm nominal size)			
6	Bituminous Concrete (Providing and laying bituminous concrete using crushed aggregates of specified grading, premixed with bituminous binder and filler, transporting the hot mix to work site, laying with a hydrostatic paver finisher with sensor control to the required grade, level and alignment, rolling with smooth wheeled, vibratory and tandem rollers to achieve the desired compaction.	268.67	7,800.00	1.78
7	**Compacting original ground supporting subgrade** (loosening of the ground up to a level of 500mm below the subgrade level.)	738.42	68.00	0.04
8	**Clearing and Grubbing Road Land.** (Cleaning and grubbing road land including uprooting rank vegetation, grass, bushes, shrubs, sapling and trees girth, removal of stumps of tress cut earlier and disposal of unserviceable materials and stacking of serviceable material to be used or auctioned up to a lead of 1000 meters including removal and disposal of top organic soil.)	1.50	15,293.00	0.02
9	**Scarifying Existing Granular Surface**	837.39	49.00	0.03
10	**Construction of Boundary Wall**	9,435.00	1,665.00	13.31
	Sub-Total (A)			19.01
	GST @ 18%			3.42
	Total Amount in Million			**22.43**

B. Construction cost – factory shed

The Company intends to develop 568,500 sq. ft. of space to house the factory. The estimated cost for the construction of the factory shed is based on the following:

Particulars	Estimated Cost (₹ million) (1)	Name of Vendor	Date of Quotation	Validity of quotation / Period of validity
Dressing, Levelling, Excavation, Structural, Masonry, Finishing, Flooring, Joinery, Furniture, Plumbing and Sanitation, Electric, CCTV, Networking.	339.78	Shri Vinayak Build-con (Civil Contractor and Engineer)	September 14, 2024	6 months
PEB Structure – Material Supply and attendant accessories	234.60	FMT Engineers Private Limited	September 7, 2024	6 months
Total	**574.38**			

Note (1): Includes applicable GST and contingency cost of 5% of the total amount

The detailed break-up of the construction cost on the basis of the aforementioned quotation is given below:

#	Particulars	Amount
1	Dressing/Levelling/Excavation Work	22.03
2	Structural Work (R.C.C., Shuttering, Reinforcement Work)	53.34
3	Masonry Work (Stone, Brick Masonry Work)	50.16
4	Finishing Work (Plaster, Colour etc.)	18.50
5	Flooring Work	123.47

#	Particulars	Amount
6	Joinery Work	17.07
7	Furniture Work	3.50
	Total Amount Rs	288.07
8	Plumbing and Sanitation Work	5.76
9	Electric Work	14.40
10	ELV & LAN (@15% of Electric Work)	2.16
11	CCTV Installation	0.90
	Net Total Amount Rs	311.29
	Deduct Discount @7.50%	23.35
	Net Amount Rs	287.95
	Add GST @18%	51.83
	Total Amount Rs	339.78
	Add Contingencies @ 5%	16.99
	Total Cost Rs	**356.77**

#	Particulars	Total Factory Shed
1.	PEB Structure - Material Supply	189.43
2.	Poly Carbonate Sheet	1.50
3.	Metallic Eave Gutter	0.66
4.	Valley Gutter	1.03
5.	Profile Down Take Pipe	0.83
6.	24" DIA Turbo Ventilator	2.21
7.	Louvres	3.14
8.	**Sub-Total**	**198.81**
9.	GST @ 18%	35.78
10.	**Total**	**234.60**
	Factory Shed - Sub-Total	**486.77**
	GST@18%	87.61
	Total	**574.38**
	Contingencies	28.72
	Total	**603.10**

C. Construction cost – support infrastructure

The Company intends to develop 85,000 sq. ft. of space towards support infrastructure. The estimated cost for the construction of the support infrastructure is based on the following:

Particulars	Estimated Cost (₹ million) (1)	Name of Vendor	Date of Quotation	Validity of quotation / Period of validity
Generator set station, fuel station, packaging area, raw material area, chiller (utility area), store area, mixer and grinder area, R&D / quality management, plant and machinery area, floor manager, value addition area, balance area, bike parking, staff / labour drop off point, total packaging area, finished good area, transformer room and staff parking	204.90	Shri Vinayak Build-con (CIVIL Contractor and Engineer)	September 14, 2024	6 months

Note (1): Includes applicable GST and contingency cost of 5% of the total amount

The detailed break-up of the costs based on the aforementioned quotations is given as under:

Sr No	Particular	Amount (₹ million)
1	Dressing/Levelling/Excavation Work	4.26

Sr No	Particular	Amount (₹ million)
2	Structural Work (R.C.C., Shuttering, Reinforcement Work)	42.61
3	Masonry Work (Stone, Brick Masonry Work)	20.68
4	Finishing Work (Plaster, Colour etc.)	38.66
5	Flooring Work	30.17
6	Joinery Work	2.81
7	Furniture Work	17.97
	Total Amount Rs	157.18
8	Plumbing and Sanitation Work	8.55
9	Electric Work	19.95
10	ELV & LAN (@ 20% of Electric Work)	3.99
11	CCTV	0.25
12	HVAC	4.64
	Net Total Amount Rs	194.56
	Deduct Discount @15.00%	29.18
	Net Amount Rs	165.37
	Add GST @18%	29.77
	Total Amount Rs	195.14
	Add Contingencies @ 5%	9.76
	Total Cost for the construction of the support infrastructure.	**204.90**

D. Cost of Plant and Machinery

The current machineries chosen for setting up the new facility have been assessed by the management of the Company based on their expertise, the current machinery available in the market and attendant factors. Due to technological advancements, new machineries offering larger capacities or advanced technology could be available before orders are placed for the machineries described in this DPR. In such a case, the management of the Company could opt for such newer machines in place of those described in the DPR, however the Company has informed us that it undertakes to ensure that different machines will be choses in a manner that (i) does not reduce the capacity proposed to be added, (ii) does not exceed the cost of the project mentioned in this DPR and if it does, such additional costs will be funded from the internal accruals of the Company and (iii) is beneficial to the Company.

We intend to expand our capacity by setting up a total of 22 lines aggregating to 90,000 MT of additional capacity in the new facility, details of which are given below:

Particulars	Capacity in MT			Cost of Project (₹ million)
	Number of lines	Output in MT Per Month per Line	Total Output in MT Per Annum	
Sheet	18	278	60,000	670.59
Flooring (SPC)	4	600	28,800	332.60
Total			**90,000**	**1,003.19**

The detailed cost of the sheet line is given below:

#	Item Description	Quantity	Supplier	Cost per Unit (₹ million)	GST (₹ million)	Total Cost per Unit including levies (₹ million)	Total Cost for all units including levies (₹ million)	Date of Quotation	Date of Expiry of Quotation
1	Extruder	16	Qingdao Sanyi Plastic Machinery Company Limited.	14.40	-	14.40	230.46	September 14, 2024	March 13, 2025
2	Extruder	2	Qingdao Sanyi Plastic Machinery Company Limited.	18.42	-	18.42	36.85	September 10, 2024	March 9, 2025

#	Item Description	Quantity	Supplier	Cost per Unit (₹ million)	GST (₹ million)	Total Cost per Unit including levies (₹ million)	Total Cost for all units including levies (₹ million)	Date of Quotation	Date of Expiry of Quotation
3	Coextruder (Automatic Loader)	5	Qingdao Sanyi Plastic Machinery Company Limited	4.19	-	4.19	20.94	September 14, 2024	March 13, 2025
4.1	Automatic loading, mixing and conveying	1	Suzhou Everplast Machinery Co., Ltd	53.89	-	53.89	53.89	September 10, 2024	March 9, 2025
4.2	Mixer	6	Suzhou Everplast Machinery Co., Ltd	3.48	-	3.48	20.85	September 10, 2024	March 9, 2025
5	Grinder	1	Suzhou Everplast Machinery Co., Ltd	10.83	-	10.83	10.83	September 10, 2024	March 9, 2025
6	Compressor	4	Nb Mercantile (Atlas Copco Make Compressor)	5.30	0.95	0.00	6.25	September 13, 2024	March 12, 2025
7	Chiller	9	Prasad GWK Cooltech Pvt Ltd	16.31	2.94	0.00	19.25	September 14, 2024	March 13, 2025
8	Eot	3	Mg Engineers	7.82	1.41	0.00	9.22	September 4, 2024	March 3, 2025
9	Forklift	8	Ananta Energy And Creation (Ace)	8.80	1.58	0.00	10.38	September 13, 2024	March 12, 2025
10	Diesel Generator	3	Sudhir Power Ltd	18.60	3.35	0.00	21.95	September 13, 2024	March 12, 2025
11	Transformer	2	Uttam (Bharat) Electricals Private Limited	8.20	1.48	0.00	9.68	September 10, 2024	March 9, 2025
12	Cooling Tower	5	Servo Chemical	0.93	0.17	0.00	1.09	September 3, 2024	March 2, 2025
13	Water Softener	2	Jeel Aqua	0.24	0.04	0.00	0.28	September 4, 2024	March 3, 2025
14	Power Cable	2	Light House	10.03	1.81	0.00	11.84	August 24, 2024	February 20, 2025
15	***Electrical***			-	-	-			
15.1	33 KV Outdoor VCB	2	HEI Power System Pvt Ltd	2.83	0.51	0.00	3.33	September 13, 2024	March 12, 2025
15.2	Power Line From Grid	1		10.00	1.80	0.00	11.80	NA	NA
15.3	Distribution Panel	2	Sr Switch Gear	12.40	2.23	0.00	14.63	September 10, 2024	March 9, 2025
15.4	Power Security Deposit	1		10.00	1.80	0.00	11.80	NA	NA
16	UPS	6	Riello Power India (P) Ltd	17.33	3.12	0.00	20.44	September 10, 2024	March 9, 2025
17	Solar	1	SP Green Solar	60.45	8.34	0.00	68.79	September 12, 2024	March 11, 2025
18	Silo	3	Laxmi Engineering Industries	3.75	0.68	0.00	4.43	September 10, 2024	October 10, 2024
19	Miscellaneous (Tools And Tackers)	1		7.50	1.35	0.00	8.85		
20	Erection @ 3%			-	-	-	18.24		
21	Contingencies @ 5%			-	-	-	30.39		
	TOTAL			-	-	-	**656.46**		
22	Transportation		Transportation Costs For Shipping Machinery And Ancillary Items	-	-	-	14.12		
	Grand Total			-	-	-	**670.59**		

The detailed cost of the flooring (SPC) line is given below:

#	Item Description	Quantity	Supplier	Cost per Unit (million)	GST (₹ million)	Total Cost per Unit including levies (₹ million)	Total Cost for all units including levies (₹ million)	Date of Quotation	Date of Expiry of Quotation
1	Extruder Line	2	Jiangsu Kingshine Plastic Machine Co. Ltd.	21.12	-	21.12	42.25	September 9, 2024	March 8, 2025
2	Extruder Line	2	Jiangsu Kingshine Plastic Machine Co. Ltd.	17.44	-	17.44	34.88	June 28, 2024	August 27, 2024

#	Item Description	Quantity	Supplier	Cost per Unit (million)	GST (₹ million)	Total Cost per Unit including levies (₹ million)	Total Cost for all units including levies (₹ million)	Date of Quotation	Date of Expiry of Quotation
3.1	Ancillary Items - Mixer, Doser Etc.	2	Suzhou Everplast Machinery Co. Ltd.	10.00	-	10.00	20.00	September 10, 2024	March 9, 2025
3.2	Ancillary Items - Mixer	2	Suzhou Everplast Machinery Co. Ltd.	5.55	-	5.55	11.10	September 10, 2024	March 9, 2025
4	SPC Accessory	1	Suzhou Everplast Machinery Co. Ltd.	11.75	-	11.75	11.75	September 10, 2024	March 9, 2025
5	Grinder	1	Suzhou Everplast Machinery Co. Ltd.	3.29	-	3.29	3.29	September 10, 2024	March 9, 2025
6	SPC Profile Line Downstream	2	Homag India Private Limited	38.62	-	38.62	77.25	May 18, 2024	June 2, 2024
7	Compressor	2	NB Mercantile	1.33	0.48	1.80	3.13	September 13, 2024	March 12, 2025
8	Chiller	2	Prasad GWK Cooltech Private Limited	1.81	0.65	2.46	4.28	September 14, 2024	March 13, 2025
9	EOT	1	MG ENGINEERS	2.61	0.47	3.07	3.07	September 4, 2024	March 3, 2025
10	Forklift	4	Ananta Energy and Creation	1.10	0.79	1.89	5.19	September 13, 2024	March 12, 2025
11	DG	1	Sudhir Power Limited	6.20	1.12	7.32	7.32	September 13, 2024	March 12, 2025
12	Transformer	1	Uttam (Bharat)Electricals Private Limited	4.10	0.74	4.84	4.84	September 10, 2024	March 9, 2025
13	Cooling Tower	1	Servo Chemical	0.19	0.03	0.22	0.22	September 3, 2024	March 2, 2025
14	Water Softener	1	Jeel Aqua	0.12	0.02	0.14	0.14	September 4, 2024	March 3, 2025
15	Power cable for M/C	1	Light House	5.02	0.90	5.92	5.92	August 24, 2024	February 20, 2025
16.1	33 KV Outdoor VCB	1	HEI Power System Private Limited	1.41	0.25	1.67	1.67	September 13, 2024	March 12, 2025
16.2	Power Line From Grid	1	HEI Power System Private Limited	7.50	1.35	8.85	8.85	September 13, 2024	March 12, 2025
16.3	Distribution Panel	1	SR Switch Gear	6.20	1.12	7.32	7.32	September 10, 2024	March 9, 2025
16.4	Power Security Deposit	1	HEI Power System Private Limited	5.00	0.90	5.90	5.90	September 13, 2024	March 12, 2025
17	UPS	2	Riello Power India (P) ltd	2.89	1.04	3.93	6.81	September 10, 2024	March 9, 2025
18	Solar	1	SP Green Solar	30.23	4.17	34.40	34.40	September 12, 2024	March 11, 2025
19	Silo Cost	2	Laxmi Engineering Industries	1.25	0.45	1.70	2.95	September 10, 2024	October 10, 2024
20	Installation			-	-	-	9.08		
21	Erection (3% of total project value)			-	-	-	15.13		
	Total Costs for Machinery including Installation			-	-	-	**326.71**		
22	Transportation cost for Machinery		Sea Freight, Clearing and Forwarding, and Transportation	0.19	0.08	0.27	5.89		
	GRAND TOTAL						**332.60**		

Note (1): Assuming an exchange rate of ₹ 83.7440 per US Dollar and ₹91.7406 per Eur

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these quotations pursuant to any taxes, levies payable and/or freight or installing cost, if any, on such items. Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment in the newly expanded portion as proposed as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Prospectus. For further details, see "Risk Factors - ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***" on page 37.

Contingencies

Our Company envisages that there might be price fluctuations and the currently estimated project cost may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes.

The total estimated cost for contingencies is ₹84.00 million as estimated by DPR, based on its past experience which is 10% of the amount proposed to be funded from the Net Proceeds for setting up the TIPL Project.

Government approvals

In relation to the TIPL Project, we are required to obtain approvals, which are routine in nature, from certain governmental or local authorities as provided in the table below and as per the DPR:

Sr. No.	Approval Description	Approving Authority and Department	Status
1	Environmental Clearance from Ministry of Environment, Forest, and Climate Change	Central Pollution Control Board	To be obtained before commencement of business
2	Consent to Establish	Rajasthan State Pollution Control Board	To be obtained before commencement of business
3	Factory License	Factories and Boilers Inspection Department, Government of Rajasthan	To be obtained before commencement of business
4	Import Export Code (IEC)	Directorate general of foreign trade, Ministry Commerce, and industry	Obtained
5	Electrical Load Sanction	Rajasthan State Electricity Board (RSEB)	To be obtained before commencement of trials
6	Consent to Operate	Rajasthan State Pollution Control Board	To be obtained before commencement of business
7	Fire NOC	Udaipur Fire Department	To be obtained before commencement of trials

As on the date of this Draft Red Herring Prospectus, we have not commenced the setting up of the manufacturing facilities, including construction of building and other civil works. Accordingly, we are not required to obtain any licenses / approvals from any governmental authorities for the TIPL Project at this stage of setting up, and will apply for all necessary approvals that we may require at the relevant stages in due course, as and when applicable. We will file necessary applications for the TIPL Project with the relevant authorities for obtaining such approvals as applicable. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "*Risk Factors* – ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.***" on page 37.

Proposed schedule of implementation of the TIPL Project

The proposed schedule of activities as per the DPR, in respect of the TIPL Project are as follows:

S. No	Particulars	Actual / Estimated Commencement Date	Expected completion date#
1.	Land acquisition	Completed^	-
2.	Site development	December 1, 2024	September 20, 2025
3.	Construction	February 1, 2025	December 31, 2026
4.	Procurement of plants and machineries, utilities, and attendant items.	August 16, 2024**	January 31, 2027
5.	Installation of plant and machineries	August 10, 2025	March 31, 2027
6.	Trial run	2 – 3 months after installation	
7.	Commencement of commercial production	Immediately after trial run	

 # Subject to receipt of proceeds from the IPO and this date represents the last date by which all phases are expected to be completed. Some of these items may get completed before the date mentioned herein.

^ Our Company opted to set up the plant at 4456/2729, Village – Chandesara, Tehsil- Ghasa, District Udaipur 313024, however it believes that if there is a larger plot of land that serves its purpose and future expansion whenever needed, it may opt to move to the new parcel of land provided. The Company has appointed an external agent vide an agreement dated July 30, 2024 to acquire land. The Company may intend to move to the new land provided that: 1) All the necessary paperwork to acquire the said land in the name of the Company has been completed. 2) All the necessary approvals needed for setting up a factory on the said land have been initiated and obtained to the extent necessary.

*** Date on which the first advance was paid*

With respect to the utilities, equipment and machinery, construction and other expenses, we have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment and machinery and other items or at the same costs. The quantity of equipment and machinery and other items to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. Additionally, there may be revision in the final amounts payable towards these quotations pursuant to any taxes or levies payable on such item. No second-hand or used equipment and machinery is proposed to be purchased out of the Net Proceeds.

The form of infusion of such amount allocated for this object will be, by way of equity shares or preference shares or debt (including inter-corporate deposits), the modalities of which shall be decided by our Board before infusion of the proceeds into our wholly owned Subsidiary, TIPL after considering certain commercial and financial factors.

The brief financials of TIPL are provided in the table below:

In ₹ million)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Equity Capital	22.20	22.20	22.20
Other Equity	67.38	11.81	(4.69)
Short Term Borrowings (including from the holding company)	359.45	195.45	35.28
Non-Current Assets (including Land)	305.99	232.79	100.37
Revenue from Operations	273.51	120.04	3.20
Profit / (loss) after tax	55.56	16.50	(4.08)

Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations in relation to such proposed acquisition of the plant and machinery for the TIPL Project.

2. General corporate purposes

Our Company intends to deploy any balance left out of the Net Proceeds aggregating to ₹ [●] million towards general corporate purposes, as approved by our management from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Such general corporate purposes may include, but are not restricted to, the following:

(i) strategic initiatives;

(ii) funding growth opportunities;

(iii) strengthening marketing capabilities;

(iv) meeting ongoing general corporate contingencies;

(v) meeting fund requirements and other working capital requirements of our Company and our Subsidiaries in the ordinary course of their business;

(vi) meeting expenses incurred in the ordinary course of business including payment of commission and/or fees to consultants; and

(vii) any other purpose, as may be approved by the Board or duly appointed committee, from time to time, subject to compliance with applicable law.

In the event our Company is unable to utilise the Net Proceeds towards other Objects for any of the reasons as aforementioned, our Company may at its discretion utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscals.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Issue Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Offer Related Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprises, among other things, listing fees, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal advisors, Registrar to the Offer, Banker(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by UPI Bidders using UPI Mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Except for (i) the listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue and audit fees of statutory auditors (to the extent not attributable to the Offer), which shall be borne solely by our Company and expenses in relation to product or corporate advertisements, i.e., any corporate advertisements consistent with past practices of our Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which shall be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders, our Company and each of the Selling Shareholders shall share the costs and expenses, (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the BRLMs, legal counsel and other intermediaries, advertising and marketing expenses, printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer), on a pro rata basis, in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, upon listing of the Equity Shares on the Stock Exchange(s) pursuant to the Offer in accordance with Applicable Law. Our Company shall advance the cost and expenses of the Offer, in the first instance, and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, our Company will be reimbursed, severally and not jointly, by each of the Selling Shareholders for their respective proportion of such costs and expenses. Such payments, expenses and taxes, to be borne by each of the Selling Shareholders will be deducted from their respective proceeds from the sale of Offered Shares, directly from the Public Offer Account, in accordance with applicable law, in proportion to their respective Offered Shares. Further, in the event the Offer is withdrawn or the requisite approvals required for the Offer are not received, the Company and each of the Selling Shareholders shall, in accordance with the manner stated above, share the costs and expenses (including all applicable taxes) directly attributable to the Offer, in proportion to the extent of the amount proposed to be raised by the Company through the Fresh Issue and the amount corresponding to the extent of participation of each Selling Shareholder in the Offer for Sale.

The break-up for the estimated Offer expenses are as follows:

Sr. No	Activity	Estimated amount(1) (*in ₹ million*)	As a % of total estimated offer expenses(1)	As a % of Offer Size(1)
1.	BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission/processing fee for SCSBs, Banker(s) to the Offer, Sponsor Bank(s) and fee payable to the Sponsor Bank(s) for Bids made by RIBs(2)(3)(4)	[●]	[●]	[●]
3.	Bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(5)	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Other expenses:			
	(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
	(ii) Printing and stationery	[●]	[●]	[●]
	(iii) Advertising and marketing expenses	[●]	[●]	[●]
	(iv) Fee payable to legal counsel	[●]	[●]	[●]
	(v) Fee payable to statutory auditors	[●]	[●]	[●]
	(vi) Fee payable to Chartered Engineer	[●]	[●]	[●]

Sr. No	Activity	Estimated amount(1) (*in ₹ million*)	As a % of total estimated offer expenses(1)	As a % of Offer Size(1)
	(vii) Miscellaneous	[●]	[●]	[●]
	Total estimated Offer Expenses	**[●]**	**[●]**	**[●]**

(1) *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Offer expenses include applicable taxes, where applicable. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non- Institutional Investors, which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE*

No uploading/processing fees shall be payable by our Company and the Promoter Selling Shareholder to the SCSBs on the applications directly procured by them.

(3) *Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non- Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for Retail Individual Bidders	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹[●] per valid Bid cum Application Form (plus applicable taxes)*

(4) *The processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:*

Sponsor Bank(s)	*₹[●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank(s) shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *For each valid application*

(5) *Selling commission on the portion for UPI Bidders using the UPI Mechanism and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for Retail Individual Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by UPI Bidders procured through the UPI Mechanism and Non-Institutional Bidder which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

(6) *The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

(7) *Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for UPI Bidders using the UPI Mechanism and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Bidders **	*₹[●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

* *Based on valid applications*

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Bridge financing facilities

We have not availed bridge financing from any bank or financial institution as on the date of this Draft Red Herring Prospectus. However, prior to filing of the Red Herring Prospectus, we may consider availing bridge financing, including through secured or unsecured loans or any short-term instrument like non-convertible debentures, commercial papers etc. pending receipt of the Net Proceeds. Any such bridge financing availed will be repaid out of the Net Proceeds, and such utilisation (towards repayment of the bridge financing) shall be construed to be done for the specific object itself.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised, require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law. See the risk titled "*Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.*" on page 37 for further details.

Monitoring utilization of funds from the Offer

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with the RoC, we will appoint a SEBI registered credit rating agency as a monitoring agency to monitor the utilization of the Gross Proceeds as the size of the Fresh Issue exceeds ₹ 1,000.00 million. Our Audit Committee and the monitoring agency will monitor the utilisation of the Gross Proceeds (including in relation to the utilisation of the Gross Proceeds towards the general corporate purposes) and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such unutilised Gross Proceeds.

Pursuant to the Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Gross Proceeds. The Audit Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only till such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Gross Proceeds of the Offer from the Objects as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. We will disclose the utilization of the Gross Proceeds under a separate head along with details in our balance sheet(s) until such time as the Gross Proceeds remain unutilized clearly specifying the purpose for which such Gross Proceeds have been utilized.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorised to do so by way of a special resolution passed in a general meeting of its Shareholders or through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution, shall specify the prescribed details and be published in accordance with the Companies Act, 2013. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI Regulations. For further details see, "*Risk Factors - **Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.**"* on page 38.

Other Confirmations

All quotations and letter of intent received from the vendors and the purchase orders issued to the vendors for purchasing plant and machinery are valid as on the date of this Draft Red Herring Prospectus. As on September 15, 2024, we are yet to place orders for ₹ 1,802.92 million of capital expenditure to be incurred for the TIPL Project, which is 99.31 % of the estimated cost of the TIPL Project yet to be deployed.

Other than as disclosed herein above, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by us from our internal accruals and/or additional debt from existing and/or future lenders. The quantity of equipment and other materials to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment in relation to the capital expenditure or such other equipment as maybe considered appropriate, according to our business requirements and based on the estimates of our management.

No second-hand or used machinery/equipment is proposed to be purchased out of the Net Proceeds.

There is no proposal whereby any portion of the Net Proceeds will be paid to our Promoters, members of the Promoter Group, Group Companies, Directors or Key Managerial Personnel/ Senior Management Personnel. Further, there are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Group Companies, Directors or Key Managerial Personnel/ Senior Management Personnel. Our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel do not have any interest in the TIPL Project mentioned above or in the entity from whom we have obtained quotations in relation to the project mentioned above.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, and in accordance with applicable law, based on assessment of market demand for the Equity Shares offered through the Book Building Process and based on the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹ 2 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to "***Our Business***", "***Risk Factors***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" on pages 161, 27, *230* and 279, respectively, to have an informed view before making an investment decision.

Qualitative factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- Largest manufacture and exporter of PVC blend-based building material products and an emerging domestic player in majorly unorganised Indian Market, well – positioned to capture industry tailwinds;
- Robust and diversified product portfolio supported by innovation capabilities and an understanding of material science;
- Established credentials in developed markets with repeat business from large-scale customers
- Scaled-up infrastructure with a skilled workforce delivering consistently and efficiently, providing promised quality products to our customers on time
- Demonstrated growth track record, with impeccable margins and return metrics; and
- Highly Experienced Promoters and senior management team;

For further details, see "***Our Business – Our Competitive Strengths***" on page 166.

Quantitative factors

Certain information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For further information, see "***Restated Consolidated Financial Information***" on page *230*.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and diluted earnings per share for continuing operations ("EPS") (face value of each Equity Share is ₹ 2)

Fiscal/Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2024	6.45	6.45	3
March 31, 2023	3.67	3.67	2
March 31, 2022	1.19	1.19	1
Weighted Average	4.65	4.65	-

Notes:

1. *Basic EPS is calculated by dividing the net profit or loss for the year / period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year / period.*
2. *For the purpose of calculating Diluted EPS, the net profit or loss (interest and other finance cost associated) for the year / period attributable to equity shareholders and the weighted average number of shares outstanding during the year / period are adjusted for the effects of all dilutive potential equity shares.*
3. *Weighted Average = Aggregate of year wise weighted EPS divided by the aggregate of weights i.e. (EPS x weight) for each year / Total of weights.*
4. *Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 57,275,400 comprising of 5,727,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 57,275,400 comprising of 28,637,700 Equity Shares of face value of ₹ 2 each. Further, pursuant to our Board resolution dated August 2, 2024 and our Shareholders' resolution dated August 6, 2024, approved the Allotment of 143,188,500 bonus Equity Shares in the ration of 5 bonus Equity Shares for every 1 Equity Share held. Consequently, the issued, subscribed and paid-up equity share capital of our*

Company increased from 28,637,700 Equity Shares of face value of ₹ 2 each to 171,826,200 Equity Shares of ₹ 2 each. In terms of Ind AS 33, the earnings per share has been accordingly adjusted.

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share(1):

Particulars	P/E at the lower end of the Price Band (number of times)*	P/E at the higher end of the Price Band (number of times)*
Based on Basic EPS for Fiscal 2024	[●]	[●]
Based on Diluted EPS for Fiscal 2024	[●]	[●]

** To be updated in the Prospectus upon the finalization of the price band.*

III. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 99.60, the lowest P/E ratio is 61.06 and the average P/E ratio is 75.74.

Particulars	P/E Ratio
Highest	99.60
Lowest	61.06
Average	75.74

Notes:

1. *The industry high and low has been considered from the industry peer set provided herein below. The highest, lowest and average P/E has been considered as same number since we have only one industry peer.*
2. *The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on NSE as on September 25, 2024 divided by the Diluted EPS as on for the financial year ended March 31, 2024.*

IV. Average Return on Net Worth ("RoNW")

Fiscals	RoNW	Weight
March 31, 2024	48.52%	3
March 31, 2023	53.68%	2
March 31, 2022	37.98%	1
Weighted Average	**48.48%**	**-**

Notes:

1. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
2. *Return on Net Worth means the net profit after tax attributable to owners of our Company, as restated divided by restated net worth at the end of the year/period.*
3. *Net Worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

V. Net asset value per Equity Share (face value of ₹ 2 each)

Net Asset Value per Equity Share	Amount (in ₹)
As on March 31, 2024	398.68
After the Offer	
(i) Floor Price*	[●]
(ii) Cap Price*	[●]
(iii) Offer Price*	[●]

** To be updated in the Prospectus upon the finalization of the price band.*

Notes:

1. *Net Asset Value per Equity Share represents net worth as at the end of the year / period, as restated, divided by the number of Equity Shares outstanding at the end of the year / period after taking effect of bonus shares and split of equity shares.*
2. *Net Worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

For further details, see "***Other Financial Information***" on page 272.

VI. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Face value per equity share (₹)	P/ E	Revenue from operations (in ₹ million)	EPS (Basic) (₹)	EPS (Diluted) ₹	RoNW (%)	Net Asset Value per Equity Share (₹)	Closing Share Price as on September 25, 2024 (₹ per equity share)
Kumar Arch Tech Limited	2.00	N.A.	4,078.77	6.45	6.45	48.52%	398.68	NA
Listed peers								
Century Plyboards (India) Limited	1.00	61.06	38,859.53	14.69	14.69	14.76	99.39	897.00
Greenply Industries Limited	1.00	66.56	21,799.20	5.67	5.61	9.86	57.35	377.40
Astral Limited	1.00	99.60	56,414.00	20.33	20.33	17.13	118.52	2,024.95

Notes:

1. *The listed industry peer P/E ratio mentioned above is computed based on the closing market price of equity shares on NSE on September 25, 2024 divided by the Diluted EPS as on for the financial year ended March 31, 2024.*
2. *Net Worth has been defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations as 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
3. *Return on Net Worth means the net profit after tax attributable to owners of our Company, as restated divided by restated net worth at the end of the year/period.*
4. *Net Asset Value per Equity Share represents net worth as at the end of the year / period, as restated, divided by the number of Equity Shares outstanding at the end of the year / period after taking effect of bonus shares and split of equity shares.*

VII. Key performance indicators ("KPIs")

The table below sets forth the details of KPIs that our Company considers have a bearing for arriving at the basis for the Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 27, 2024 and the Audit Committee has confirmed that verified and audited details of all the KPIs pertaining to our Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section. Further, the KPIs herein have been certified by A Y & Company, Chartered Accountants pursuant to certificate dated September 27, 2024. This certificate has been included as a material document for inspection in connection with the Offer. See "***Material Contracts and Documents for Inspection***" on page 389.

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help it in analysing the growth of various verticals in comparison to its peers.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by our Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "***Objects of the Offer***" on page 89, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

(in ₹ million, unless stated otherwise)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Financial Indicators			
Revenue from Operations (₹ million)	4,078.77	4,072.55	2,505.64
Gross Profit (₹ million)	2,617.51	2,275.47	1,103.54
Gross Margin (%)	64.17	55.87	44.04
EBITDA (₹ million)	1,476.18	898.57	306.21
EBITDA Margin (%)	36.19	22.06	12.22
PAT (₹ million)	1,107.99	630.05	204.26
PAT Margin %	27.16	15.47	8.15
Cash flow from operations after working capital changes (₹ million)	563.17	442.81	(12.25)
Return on Capital Employed (RoCE) *(%)*	54.98	58.39	32.37
Return on Equity (RoE) *(%)*	64.10	73.62	46.93
Debt to Equity Ratio	0.13	0.25	0.55
Operational Indicators			
Capacity (in MTPA)	27,600.00	27,600.00	22,920.00
Revenue Split by Geography (₹ million)	4,078.77	4,072.55	2,505.64
Outside India (₹ million)	3,355.52	3,264.69	2,135.43
Within India (₹ million)	723.25	807.86	370.21

Notes:

KPI	Formula / Calculation
Revenue from Operations	Revenue from operations as per Restated Consolidated Financial Information
Gross Margins (₹ million)	Gross Margin is calculated as Revenue from operations as per Restated Consolidated Financial Information minus Cost of materials consumed, Purchases of Stock In Trade and Changes in inventories of finished goods and work-in-progress.
Gross Margin (%)	Gross Margin (%) is computed as Material Margin divided by Revenue from operations *100
EBITDA	EBITDA is calculated as Restated profit before share of profit/(loss) from joint venture and tax plus finance costs, depreciation, amortisation expense and impairment of goodwill
EBITDA %	EBITDA Margin (%) is computed as EBITDA divided by revenue from operations*100
PAT	Restated profit for the year as per Restated Consolidated Financial Information
PAT Margin %	PAT Margin (%) is calculated as Restated profit for the year divided by Total Income
Cashflow from operations (₹ million)	Restated Cashflow from operations for the year as per Restated Consolidated Financial Information
Return on Capital Employed (RoCE) *(%)*	ROCE is calculated as EBIT as a % of Average Capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed refers to sum of shareholders'' equity plus non-current liabilities plus current borrowings less cash and cash equivalents
Return on Equity (RoE) *(%)*	Return on Equity (%) is calculated as PAT divided by Average Total Equity multiplied by 100
Debt to Equity Ratio	Total borrowings (current + non-current)/Total Equity
Capacity (in MT)	Indicates aggregate capacity across all the plants operated as at the last date of the year/period.

We have described and defined the KPIs, as applicable, in the section entitled "***Definitions and Abbreviations***" on page 1. For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 161 and 279, respectively.

VIII. Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Explanation for the KPIs metrics

The list of our KPIs along with brief explanation of the relevance of the KPIs for the business operations of our Company is set out below:

KPIs Explanation	**Explanation by the management of the Company**
Financial	
Revenue from Operations (₹ million)	Revenue from Operations is used by the Company to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business
Gross Margins (₹ million)	Gross Profit provides information regarding the profits earned by reducing the material cost from Revenue from operations.
Gross Margin (%)	Gross Profit Margin is an indicator of the profitability on Revenue from Operations.
EBITDA (₹ million)	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 the business.
PAT (₹ million)	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 the business
Cashflow from operations (₹ million)	Cashflow from operations represents the cash impact of a company's net income from its primary business activities and it is key indicator of a company's financial health
Return on Capital Employed (RoCE) *(%)*	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
Return on Equity (RoE) *(%)*	RoE provides how efficiently the Company generates profits from shareholders' funds.
Debt Equity Ratio	The debt-to-equity ratio (D/E ratio) is a financial metric that shows how much debt the Company has compared to its equity.
Operational	
Capacity (in MTPA)	This metrics enables tracking of gross installed capacity for all the operational facilities and thereby provides various operational insights which are used to improve offerings.
Revenue Split by Geography (₹ million)	Revenue from Operations of the business split for its share within India and outside India enables the Company to track the progress of the revenues in the domestic and export markets

IX. Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

X. Comparison with listed industry peers

While our listed peers (mentioned below), like us, operate in the building materials industry and may have similar offerings, material science focus or end use applications, our business may be different in terms of differing business models, different product verticals serviced or focus areas or different geographical presence.

(a) Comparison of Financial and Operational Parameters of Fiscal 2024 with the Industry Peers

(in ₹ million, unless stated otherwise)

Particulars	Kumar Arch Tech Limited	Astral Limited	Century Plyboards (India) Limited	Greenply Industries Limited
Financial Indicators				
Revenue from Operations (₹ million)	4,078.77	56,414.00	38,859.53	21,799.20
Gross Margins (₹ million)	2,617.51	21,824.00	18,505.99	8,643.76
Gross Margin (%)	64.17	38.69	47.62	39.65
EBITDA (₹ million)	1,476.18	9,604.00	5,647.24	2,006.35
EBITDA Margin (%)	36.19	17.02	14.53	9.20
PAT (₹ million)	1,107.99	5,456.00	3,253.25	852.40
PAT Margin %	27.16	9.67	8.37	3.91
Cashflow from operations (₹ million)	563.17	8,234.00	2,516.84	1,109.11
Return on Capital Employed (RoCE) *(%)*	54.98	26.10	15.79	11.79
Return on Equity (RoE) *(%)*	64.10	17.52	15.83	12.60
Debt to Equity Ratio	0.13	0.03	0.33	0.74
Operational Indicators				
Capacity (in MT)	27,600.00	5,12,582.00	NA	NA
Revenue Split by Geography (₹ million)	4,078.77	56,414.00	38,859.53	21,799.21
Outside India (₹ million)	3,355.52	4,281.00	2,027.79	84.59
Within India (₹ million)	723.25	52,133.00	36,831.74	21,714.62

(b) Comparison of Financial and Operational Parameters of Fiscal 2023 with the Industry Peers

Particulars	Kumar Arch Tech Limited	Astral Limited	Century Plyboards (India) Limited	Greenply Industries Limited
Financial Indicators				
Revenue from Operations (₹ million)	4,072.55	51,585.00	36,465.67	16,631.47
Gross Margins (₹ million)	2,275.47	17,238.00	17,303.61	6,303.73
Gross Margin (%)	55.87	33.42	47.45	37.90
EBITDA (₹ million)	898.57	8,366.00	6,063.53	1,713.88
EBITDA Margin (%)	22.06	16.22	16.63	10.31
PAT (₹ million)	630.05	4,725.00	3,769.77	1,060.08
PAT Margin %	15.47	9.16	10.34	6.37
Cashflow from operations (₹ million)	442.81	5,569.00	4,378.68	621.69
Return on Capital Employed (RoCE) *(%)*	58.39	25.80	23.73	10.95
Return on Equity (RoE) *(%)*	73.62	17.75	21.80	17.94
Debt to Equity Ratio	0.25	0.03	0.16	1.03
Operational Indicators				
Capacity (in MT)	27,600.00	4,27,611.00	NA	NA
Revenue Split by Geography (₹ million)	4,072.60	51,585.00	36,465.67	16,631.47
Outside India (₹ million)	3,264.69	3,867.00	1,832.11	72.00
Within India (₹ million)	807.86	47,718.00	34,633.56	16,559.47

(c) Comparison of Financial and Operational Parameters of Fiscal 2022 with the Industry Peers

Particulars	Kumar Arch Tech Limited	Astral Limited	Century Plyboards (India) Limited	Greenply Industries Limited
Financial Indicators				
Revenue from Operations (₹ million)	2,505.64	43,940.00	30,270.24	15,628.04
Gross Margins (₹ million)	1,103.54	14,660.00	15,249.45	6,274.97

Particulars	Kumar Arch Tech Limited	Astral Limited	Century Plyboards (India) Limited	Greenply Industries Limited
Gross Margin (%)	44.04	33.36	50.38	40.15
EBITDA (₹ million)	306.21	7,902.00	5,539.19	1,601.64
EBITDA Margin (%)	12.22	17.98	18.30	10.25
PAT (₹ million)	204.26	4,904.00	3,131.59	947.26
PAT Margin %	8.15	11.16	10.35	6.06
Cash flow from operations (₹ million)	(12.25)	5,431.00	2,761.84	916.09
Return on Capital Employed (RoCE) *(%)*	32.37	30.39	26.82	16.05
Return on Equity (RoE) *(%)*	46.93	22.91	22.21	19.43
Debt to Equity Ratio	0.55	0.04	0.14	0.54
Operational Indicators				
Capacity (in MT)	22,920.00	3,78,318.00	NA	NA
Revenue Split by Geography (₹ million)	2,505.64	43,940.00	30,270.24	15,628.04
Outside India (₹ million)	2,135.43	3,947.00	1,583.82	1,593.71
Within India (₹ million)	370.21	39,993.00	28,686.43	14,034.32

The KPIs set out above are not standardised terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

Notes: Please refer to VII. - Key performance indicators ("KPIs") – Notes for details of the formulas used in the calculation of this subsection.

XI. Disclosures in relation to valuation of our Company

(a) The price per share of our Company based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the employee stock option schemes and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Our Company has not issued any Equity Shares or convertible securities or employee stock options during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(b) The price per share of our Company based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving our Promoters, the members of the Promoter Group and the Selling Shareholders during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities (excluding gifts), where our Promoters, or Promoter Group or the Selling Shareholders are a party to the transaction (excluding gifts) during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

(c) Price per share based on last five primary or secondary transactions

Since there are no such transaction to report to under (a) and (b) above, the following are the details based on the last five primary issuances or secondary transactions (secondary transactions where our Promoters or the members of the Promoter

Group or the Selling Shareholders are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions:

Date of Transaction	Number of Shares (#)	Face Value per share (₹)	Price per share (₹)	Nature of Transaction	Nature of Consideration	Total Consideration (₹ million)
September 24, 2024	32,00,000	2.00	N.A.	Gift from Surbhi Jitendrakumar Taylia to Shakun Taylia	NA	NA
August 9, 2024	14,31,88,500	2.00	N.A.	Bonus Issuance	NA	NA
March 31, 2022	15,010	10.00	N.A.	Gift from Kanta Agarwal to Shubham Taylia	NA	NA
March 31, 2022	3,04,750	10.00	N.A.	Gift from Rishi Dave to Jitendra Kumar Taylia	NA	NA
March 31, 2022	7,500	10.00	75.00	Transfer from Munna Agarwal to Jitendra Kumar Taylia	NA	NA

XII. Weighted average cost of acquisition, floor price and cap price

The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by our Promoters, the members of the Promoter Group and the Selling Shareholders in the last 18 months preceding the date of this Draft Red Herring Prospectus are disclosed below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share having face value of ₹ 2 each)	Floor price* (i.e., ₹ [●])	Cap price* (i.e., ₹ [●])
WACA of 5 Primary Transactions	Nil	[●] times	[●] times
WACA of 5 Secondary Transactions	0.63	[●] times	[●] times

Note: As certified by A Y & Company, Chartered Accountants, by way of their certificate dated September 27, 2024.
** To be updated in the Prospectus upon the finalization of the Price Band.*

XIII. Justification for Basis of Offer Price

(a) ***Explanation for the Offer Price / Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by our Promoters, the members of the Promoter Group and the Selling Shareholders by way of Primary and Secondary Transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Fiscals 2024, 2023 and 2022.***

[●]*
** To be updated in the Prospectus upon the finalization of the Price Band.*

(b) Explanation for Offer Price / Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by our Promoters, the members of the Promoter Group and the Selling Shareholders by way of Primary and Secondary Transactions in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any, which may have influenced the pricing of the Issue

[●]*
** To be updated in the Prospectus upon the finalization of the Price Band.*

(c) The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLMs based on the demand from investors for the Equity Shares through the Book Building process. Our Company in consultation with the BRLMs is justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "***Risk Factors***", "***Our Business***", ***Management Discussion and Analysis of Financial Position and Results of Operations***" and " ***Other Financial Information***" on pages 27, 161, 279 and 272, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "***Risk Factors***" on page 27 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors,
Kumar Arch Tech Limited
(Formerly known as Kumar Arch Tech Private Limited)
302 Parshwnath Business Park,
Prahladnagar,
Ahmedabad-380051
(The **"Company")**

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower,
RahimtullahSayani Road,
Opposite Parel ST Depot, Prabhadevi,
Mumbai- 400 025, Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai - 400 013, India

(**Motilal Oswal Investment Advisors Limited and Equirus Capital Private Limited** with any other book running lead managers that may be appointed in connection with the Issue, the "**BRLMs**")

Re: Proposed initial public offering of equity shares of face value of Rs. 2 each (the "Equity Shares" and such offering, the "Issue") of 'Kumar Arch Tech Limited' (Formerly known as Kumar Arch Tech Private Limited) (the "Company")

This report is issued in accordance with the Engagement Letter dated 01/05/2024

We hereby report that the enclosed **Annexure I** prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date, which are defined in **Annexure I**. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, material subsidiaries and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure II** cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed **Annexure II** and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on this Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2019)" (the "**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 Charted Accountants of India.

We have 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.

We do not express any opinion or provide any assurance as to whether:

i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) The conditions prescribed for availing the possible special tax benefits where applicable, have been/ would be met with.

The contents of enclosed Annexures are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, and the Prospectus, and in any other material used in connection with the proposed Issue. The Statement is not to be used, referred to our distributed for any other purpose without our prior written consent.

This certificate may be relied on by the BRLMs, their affiliates and Legal Counsels to the Company and BRLMs and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate letter being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to update you in writing of any changes in the abovementioned position, until the date the Equity Shares issued pursuant to the Issue commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours faithfully,

For R. R. S. & Associates
Chartered Accountants
FRN NO: 118336W

Rajesh Shah
Partner
Membership No: 034549
UDIN: 24034549BKGRFR8557
Date: 26/09/2024

Place: Ahmedabad

Encl: As above

ANNEXURE-I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KUMAR ARCHTECH LIMITED (Formerly known as Kumar Arch Tech Private Limited) AND ITS SHAREHOLDERS

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

Special tax benefits available to the Company under the ACT

There are no special tax benefits available to the Company.

Special tax benefits available to the shareholders under the ACT

There are no special tax benefits available to the Shareholders of the Company.

Notes:
a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefit or benefit under any other law.

c) The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25.

d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company

e) No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE-II

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KUMAR ARCHTECH LIMITED (Formerly known as Kumar Arch Tech Private Limited) AND ITS SHAREHOLDERS

The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Custom Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred as "indirect tax")

Special indirect tax benefits available to the Company

There are no indirect tax benefits available to the Company.

Special indirect tax benefits available to Shareholders

There are no indirect tax benefits applicable in the hands of the shareholders for investing in the shares of the Company.
Notes:

a. The above statement is based upon the provision of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b. The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefit under any other law.
c. His statement in intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

d. No assurance in given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of laws and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV- ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report titled 'Industry report on PVC blend-based building material' dated September, 2024 prepared and issued by Wazir. We commissioned the Wazir Report for the purpose of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the Wazir Report. Further, the Wazir Report was prepared based on publicly available information, data and statistics as of specific dates and may no longer be current or reflect current trends. Wazir has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The Wazir Report may also be based on sources that base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Wazir has advised that it does not guarantee the accuracy, adequacy or completeness of the Wazir Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of Wazir Report or the data therein. Further, the Wazir Report is not a recommendation to invest / disinvest in any company covered in the report. Wazir especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the Wazir Report. Prospective investors are advised not to unduly rely on the Wazir Report when making their investment decision. Unless otherwise stated Fiscal refers to the financial year ended March 31 of that year.

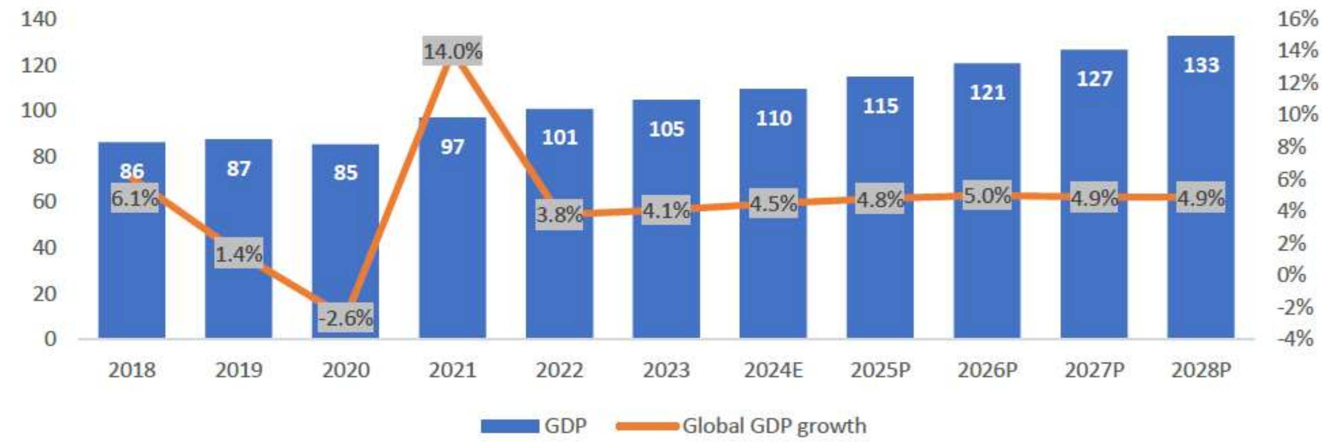
1. Overview of global economy

Global economy (GDP at current prices) is estimated to be US$110 trillion in CY 2024. Global growth, was 4.1% in CY 2023, is estimated to remain at 4.5% in CY 2024 before rising modestly to 5% in CY 2026. Compared with CY 2023, the forecast for CY 2024 is about 0.4 percentage points higher, reflecting upgrades for China, US, large emerging economies and developing economies. Emerging economies and developing economies are expected to experience stable growth through CY 2024 and CY 2025, with regional differences.

Growth in China is projected at 4.6% in CY 2024 and 4.1% in CY 2025, with an upward revision of 0.4 percentage point for CY 2024 since CY 2023. The upgrade reflects carryover from stronger-than expected growth in CY 2023 and increased government spending on capacity building against natural disasters.

1.1. Review and outlook of global GDP and GDP growth CY 2018 - 2028P

Figure 1: Global GDP & GDP growth



Source: IMF
Note: Data is based on calendar year; E: Estimated data; P: Projected data; GDP at current prices in US$ tn

1.2. Outlook of real GDP growth in key global economies CY 2018 - 2028P

Table 1: Real GDP growth (%) comparison of major economies with world

	2018	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
US	3.0%	2.5%	-2.2%	5.8%	1.9%	2.5%	2.7%	1.9%	2.0%	2.1%	2.1%
China	6.8%	6.0%	2.2%	8.4%	3.0%	5.2%	4.6%	4.1%	3.8%	3.6%	3.4%
Europe	2.3%	2.0%	-5.4%	6.3%	2.5%	1.0%	1.4%	1.8%	1.7%	1.6%	1.6%
Japan	0.6%	-0.4%	-4.1%	2.6%	1.0%	1.9%	0.9%	1.0%	0.8%	0.6%	0.6%
India	6.8%	6.5%	3.9%	-5.8%	9.7%	7.0%	8.2%	6.5%	6.5%	6.5%	6.5%

Source: IMF, MoSPI
Note: All data other than India are based on calendar year; India data is based on financial year; E: Estimated data; P: Projected data; Real GDP

1.3. Review and outlook of global inflation

Global headline Consumer Price Inflation (inflation) is expected to fall from an estimated 6.8% in CY 2023 (annual average) to 5.9% in CY 2024 and 4.5% in CY 2025. The drivers of declining inflation differ by country but generally reflect lower core inflation as a result of still-tight monetary policies, a related softening in labour markets, and pass-through effects from earlier and ongoing declines in relative energy prices.

Table 2: Inflation rate, average consumer prices (% change Y-o-Y)

	2018	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
World	3.6%	3.5%	3.2%	4.7%	8.7%	6.8%	5.9%	4.5%	3.7%	3.5%	3.4%
US	2.4%	1.8%	1.2%	4.7%	8.0%	4.1%	2.9%	2.0%	2.1%	2.1%	2.1%
China	2.1%	2.9%	2.5%	0.9%	2.0%	0.2%	1.0%	2.0%	2.0%	2.0%	2.0%
Europe	2.2%	2.0%	1.1%	3.5%	9.9%	6.3%	3.4%	2.7%	2.5%	2.4%	2.4%
Japan	1.0%	0.5%	0.0%	-0.2%	2.5%	3.3%	2.2%	2.1%	2.0%	2.0%	2.0%
India	3.4%	4.8%	6.2%	5.5%	6.7%	5.4%	4.6%	4.2%	4.1%	4.0%	4.0%

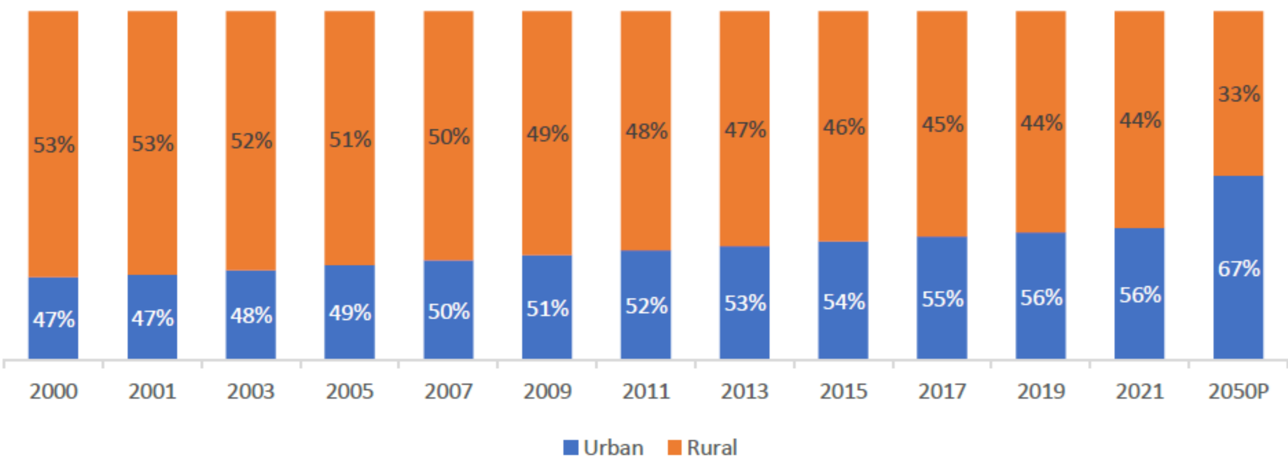
Source: IMF
Note: All data are based on calendar year; E: Estimated data; P: Projected data

Overall, about 80% of the world's economies are expected to see lower annual average headline and core inflation in CY 2024. Most of these economies are expected to reach their targets (or target range midpoints) by CY 2025. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

1.4. Urbanization trends across globe

Over 56% of the world's population lived in urban areas in CY 2019; by CY 2050, this proportion will grow to two-thirds. The United Nations calls urbanization one of four "demographic mega-trends" (UNDESA 2019), along with population growth, aging, and international migration. Yet patterns of urbanization are highly heterogeneous, both within and across countries. Asia and Africa will see both the largest numbers of urban dwellers and the fastest growth in urbanization.

Figure 2: Comparison between rural and urban population (%) of world



Source: UN Population division
Note: Data represents calendar year; P: Projected

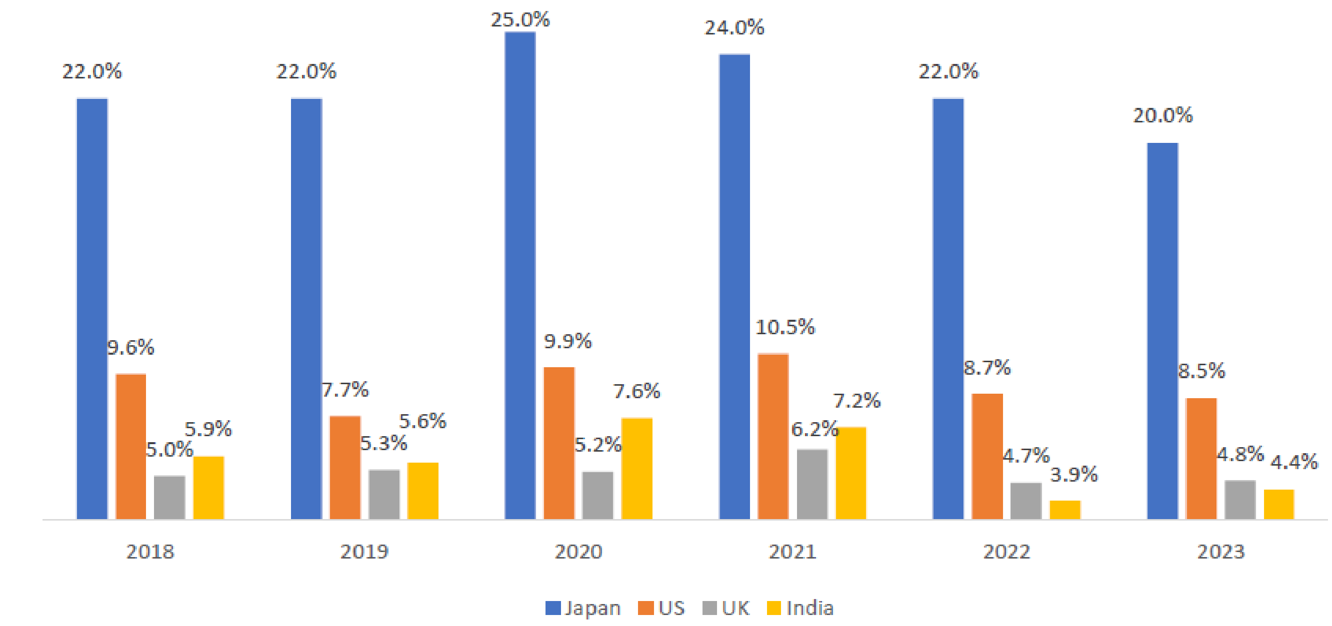
1.5. Overview of the emerging geo-political scenario

Political scientists' conjecture that the emergence of China as a new superpower against the incumbent US might lead to strategic competition between these countries —one in which geopolitical forces and the desire to limit interdependence take primacy over win-win international cooperation. Rising support for populist and isolationist parties in many Western countries points towards the same direction. Additionally, the CY 2022 War in Ukraine and the subsequent strong retaliation of the European Union, US, and their allies against Russia suggest that the international economic order based on open markets and expanded globalization could be replaced by a more fragmented international economic system.

1.6. Changing outlook on trading from China

The decreasing trend in trade with China reflects a multifaceted shift in global economic dynamics. Escalating trade tensions, particularly between China and US, have led to the imposition of tariffs and trade barriers, dampening the flow of goods between the two economic powerhouses. Concurrently, geopolitical concerns, such as territorial disputes and human rights issues, have prompted some countries to reassess their trade relations with China. Additionally, the COVID-19 pandemic exacerbated existing disruptions to global supply chains, further impacting trade flows. Moreover, rising labour costs in China and efforts to diversify supply chains have prompted companies to seek alternative manufacturing bases, contributing to the declining trend. While China remains a key player in the global economy, these factors collectively underline a significant recalibration in trade patterns. Imports of some major economies is illustrated below. Imports from China in major markets have declined in past 5 years.

Figure 3: Import share of major economies from China (% of total imports)

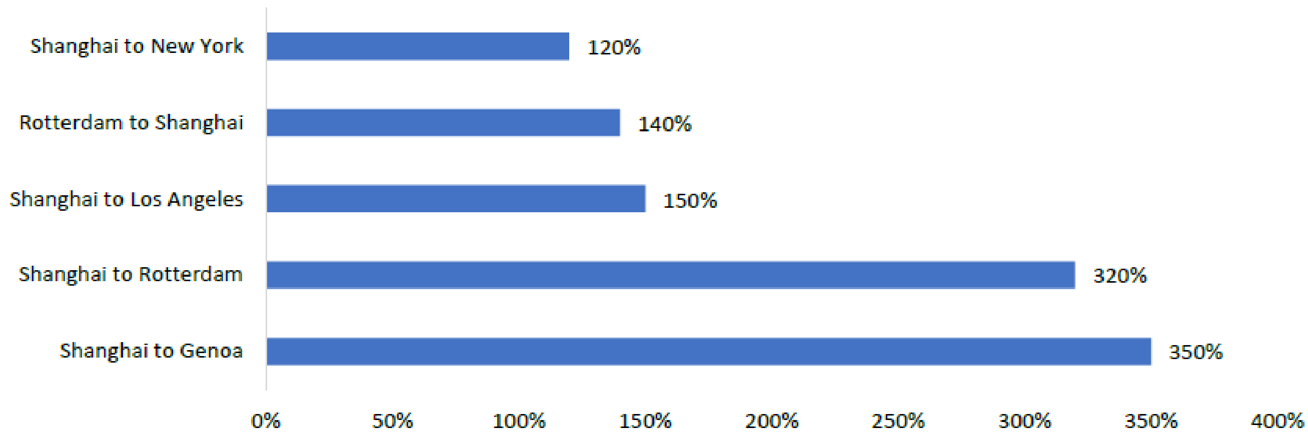


Source: IMF
Note: Data represents calendar year

1.7. Impact on trade due to conflicts in Middle East

The Red Sea, a critical conduit for 30% of the world's container traffic, is currently facing a shipping crisis of unprecedented scale. The recent economic and social developments and special issues is in difficult situations in the Middle East and North Africa (MENA), is due to the impact of the Red Sea shipping crisis. The recent conflict in the Middle East has led to attacks on commercial vessels, causing a significant downturn in maritime activity. As of end-March CY 2024, the volume of traffic through the strategic Suez Canal and Bab El-Mandeb Strait has dropped 50%, while the alternative route via the Cape of Good Hope route has witnessed a 100% increase in navigation. This crisis has far-reaching implications, not only for the shipping industry but also for the environment and the global economy. The longer routes required by the current situation have increased travel distances for cargo and tankers by up to 53%, causing a rise in CO_2 emissions due to the additional fuel burned.

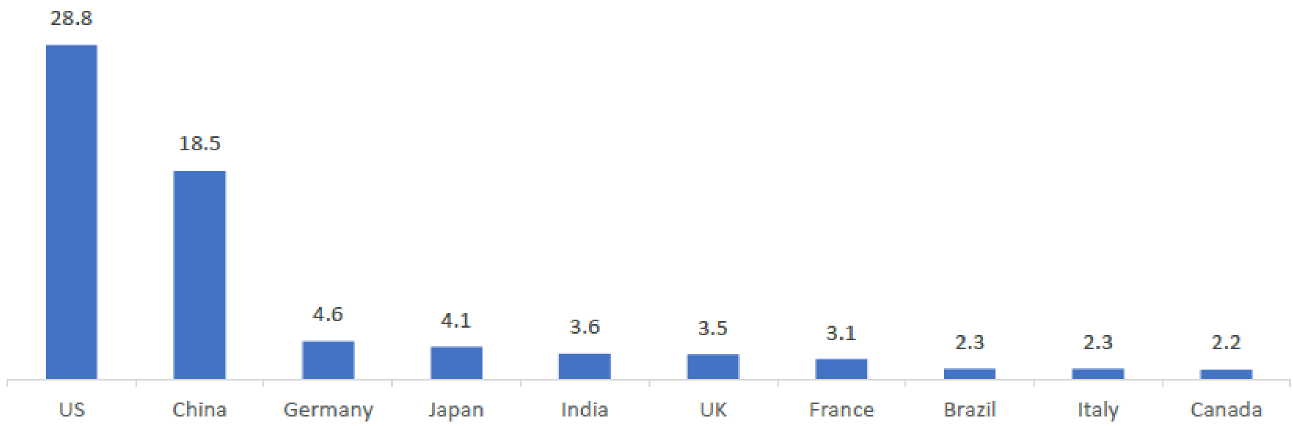
Figure 4: Percentage Change of shipping cost of some major shipping routes



Source: Drewy WCI, World Bank
Note: Data as on 1st Dec 2023

2. Overview of Indian economy

Figure 5: Estimated GDP at current prices in 2024 for top 10 countries (US$ tn)

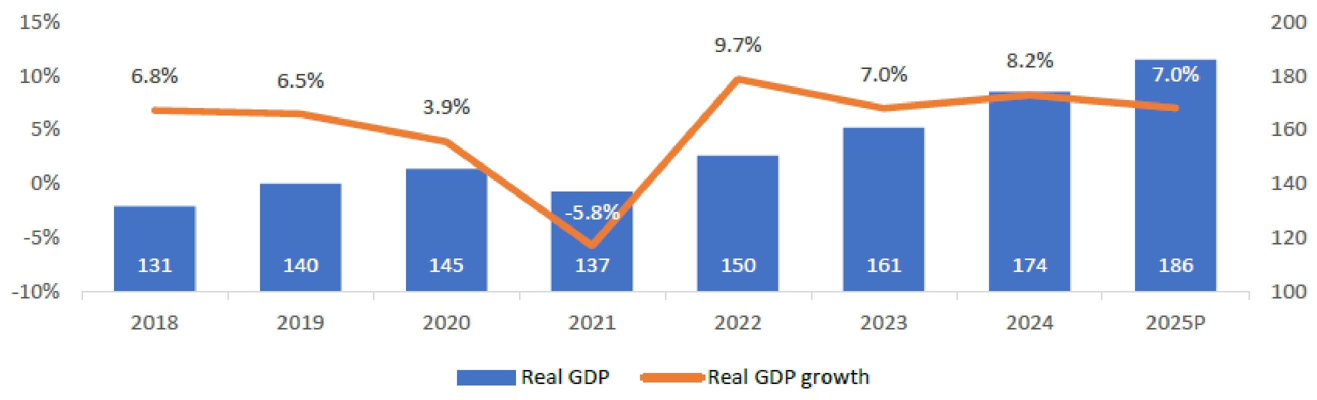


Source: IMF, MoSPI
Note: Data represents calendar year

India is the 5th largest country with a GDP (at current prices) of US$3.6 trillion, despite the pandemic covid -19 and despite inheriting an economy with macro imbalances and a broken financial sector. In the next three years, India is expected to become the third-largest economy in the world, with a GDP of US$5 trillion (estimated). If the prognosis for CY 2025 turns out to be right, that will mark the fourth-year post-pandemic that the Indian economy will have grown at or over 7%. The growing strength in both domestic and external demand has sustained the response of the various sectors on the supply side.

2.1. India's GDP and GDP growth – FY 2018 - 2028P

Figure 6: India's real GDP & GDP growth



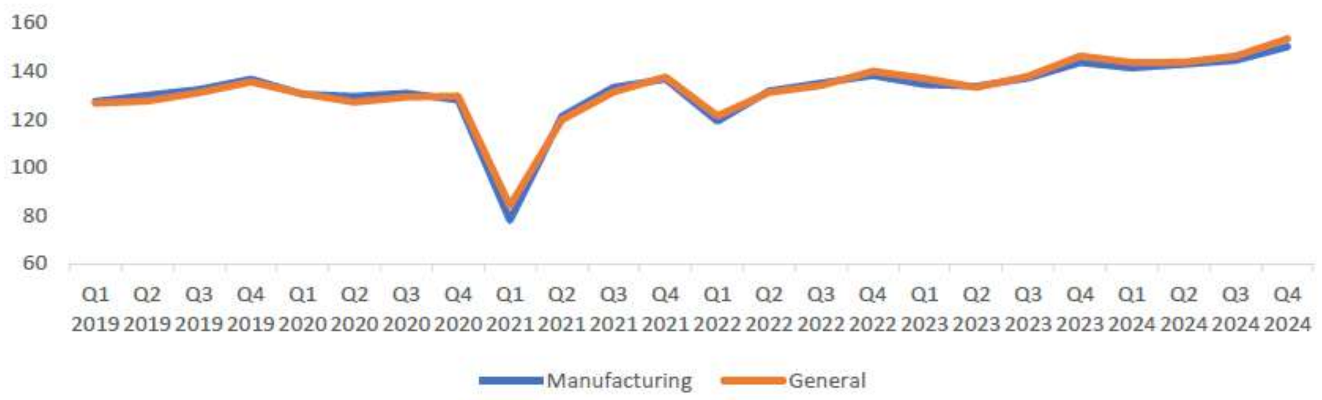
Source: IMF, RBI, PIB
Note: P: Projected Data; Data represents financial year; GDP in Rs. '00,000 cr.

India's real GDP or GDP at constant price value stood at Rs. 174 lakh cr. in FY 2024 has grown by 8.2% compared to the growth of 7.0% in FY 2023.

2.2. Index of Industrial Production (IIP) trends

The average general IIP has grown from 138.5 in FY 2023 to 146.6 in FY 2024 with a growth of 6% and average manufacturing IIP has grown from 137.1 in FY 2023 to 144.6 in FY 2024 with a growth of 5%. Both of these indices have individually grown by 7% in Q2 of FY 2024 compared to Q2 of FY 2023 which has remained the highest growth in FY 2024.

Figure 7: Quarter-wise average of General & Manufacturing IIP

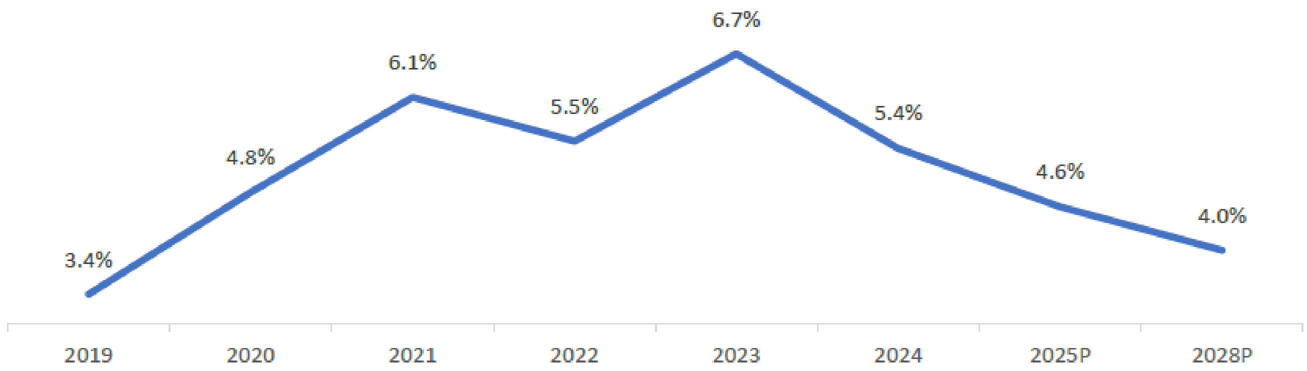


Source: MoSPI, DEA.
Note: Data represents financial year

2.3. Near term review and outlook on inflation

Post-pandemic, CY 2022 saw a revival of the economy, with growth gaining momentum and inflation coming down. However, by the end of CY 2022, the global economic environment worsened with the escalation of geopolitical conflicts and accompanying sanctions. Global commodity prices shot up substantially across the board amidst volatility, and crude oil prices jumped to a 10-year high in June CY 2022. This spurred inflation globally, which affected India's external account and price situation. Supply chain pressures, which were set to ease after the pandemic, were rising again. Elevated edible oil prices due to global supply chain disruptions and higher vegetable prices due to uneven weather conditions led to high food inflation. Thus, the beginning of CY 2023 presented fresh, multi-frontal challenges to keeping macro vulnerabilities in check. However, India managed to keep its retail inflation below the levels of several other countries. The war in Ukraine and US sanctions led to supply disruptions and price volatility.

Figure 8: Consumer Price Index (CPI) – annual % change



Source: MoSPI, DEA, IMF
Note: E: Estimated data; P: Projected data; Year: Financial Year

The Consumer Price Index (CPI) demonstrates an upward trend from FY 2019 to FY 2023, indicating a persistent increase in the overall price level of goods and services over this period. Beginning at 3.4% in FY 2019, the CPI climbed steadily to 4.8% in FY 2020 and further accelerated to 6.1% in FY 2021, signalling rising inflationary pressures. This upward trajectory continued into FY 2022 and FY 2023, with the CPI reaching 5.5% and 6.7% respectively, reflecting sustained inflationary trends and potentially impacting consumers' purchasing power. However, FY 2024 saw a decrease in the CPI to 5.4%, suggesting a possible moderation in inflation rates.

2.4. Per capita Private Final Consumption Expenditure (PFCE)

PFCE in India serves as a critical indicator of household spending patterns and economic well-being. Analysing the data from FY 2018 to FY 2022 reveals significant fluctuations in both nominal and real terms, alongside changes in the growth rates. At current prices, per capita PFCE witnessed a steady increase from Rs. 76,379 cr. in 2018 to Rs. 1,04,811 cr. in FY 2022, indicating overall growth in consumer spending over the period. However, when adjusted for inflation to reflect constant prices, the per capita PFCE figures present a clearer picture. While there was a consistent rise from Rs. 55,789 cr. in FY 2018 to Rs. 63,595 cr. in FY 2022, the growth rates fluctuated, with a peak of 6.0% in FY 2018-19 followed by a notable decline of -6.2% in FY 2021, likely influenced by the economic disruptions caused by the COVID-19 pandemic. Nonetheless, a remarkable recovery was observed in FY 2022, marked by a substantial 10% increase in real per capita PFCE, indicating a regrowth in consumer spending and potentially signalling a broader economic rebound.

Table 3: Per capita PFCE at constant and current price with % change

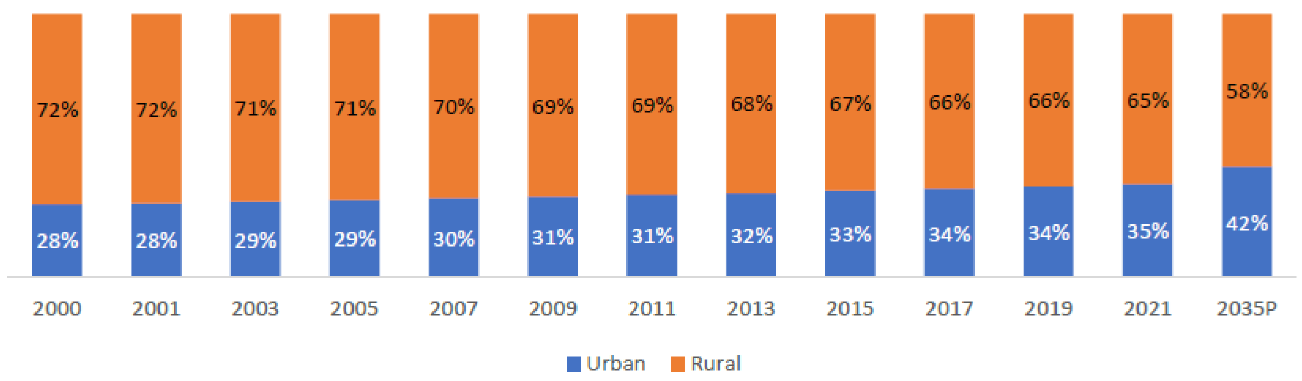
(Values in Rs.)	2018	2019	2020	2021	2022
Per Capita PFCE at current price	76,379	84,441	91,315	89,641	1,04,811
Per Capita PFCE at constant price	55,789	59,159	61,568	57,728	63,595
Real Per Capita PFCE (% change Y-o-Y)	5.0%	6.0%	4.1%	-6.2%	10%

Source: MoSPI
Note: PFCE: Private Final Consumption Expenditure; Data represents financial year

2.5. Key trends

Rapid urbanization in India: Urbanisation is driving a shift in India's workforce from lower productivity (agriculture) to higher productivity sectors (services and industry). The proportion of Indians living in urban areas reached 33% in CY 2015. The United Nations projects that India's urbanisation rate will rise to 42% by CY 2035, lifting the urban population from 64 million in CY 1950 to 640 million.

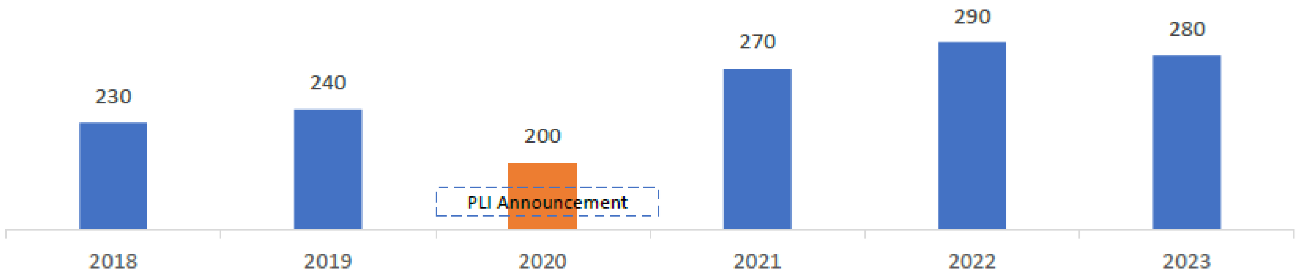
Figure 9: Growth of urban vs rural population in India (%)



Source: UN, World Bank
Note: Calendar Year; P: Projected data

Make in India initiative: It is an initiative which was launched on 25th September 2014 to facilitate investment, foster innovation, build best in class infrastructure and make India a hub for manufacturing, design and innovation. The Production Linked Incentive (PLI) Schemes for 14 key sectors was announced in CY 2020 in light of Make in India initiative with an outlay of Rs. 1.97 lakh cr. to enhance India's manufacturing capabilities and exports. India's exports of manufactured goods have been on an upward trend from CY 2018 to CY 2022, with a notable increase from US$230 billion in CY 2018 to US$290 billion in CY 2022. The introduction of the PLI scheme in CY 2020 has contributed to this growth, with exports rebounding from US$200 billion in CY 2020 to US$270 billion in CY 2021, and then further increasing to US$290 billion in CY 2022, with a slight decline in CY 2023.

Figure 10: Exports of manufactured goods from India (US$ bn)

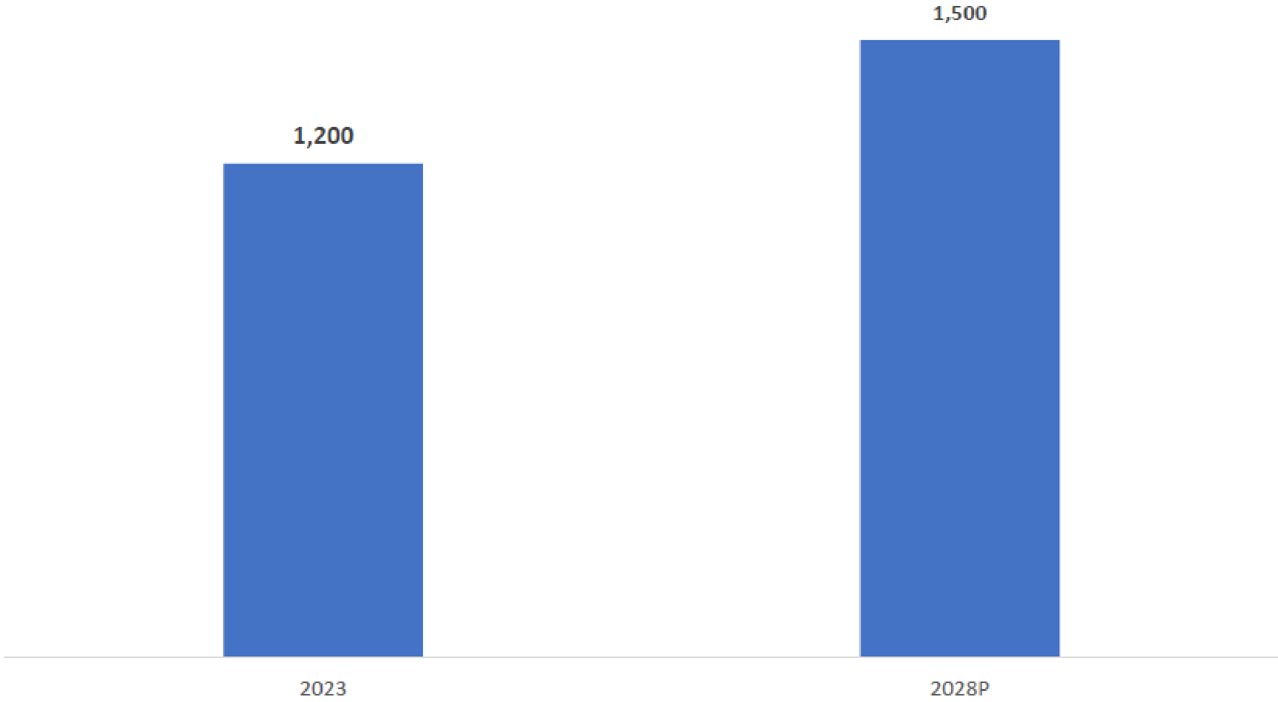


Source: CMIE;
Note: Data represent calendar year

3. Global building products market

The global building products market was estimated to be US$1,200 billion in CY 2023 and is projected to reach at US$1,500 billion in CY 2028 with a CAGR of 5%. In CY 2023, the US building product market with a value of US$123 billion constitutes of 10% of total global market is projected to grow at 4% CAGR. The building product market is experiencing transition from traditional products like wood, MDF, etc. to new age products like PVC blend-based building material, solid acrylic, quartz, etc. In CY 2023, Indian building product market was US$18 billion and growing at a CAGR of 8% is one of the fastest growing markets of building products in the world. Global PVC blend-based building material market was estimated to be US$81 billion in CY 2023 comprising of 6.8% of the total building product market. It is projected to reach US$116 billion in CY 2028 by a CAGR of 7% comprising of 7.7% of the total building product market

Figure 11: Global building product market (US$ bn)



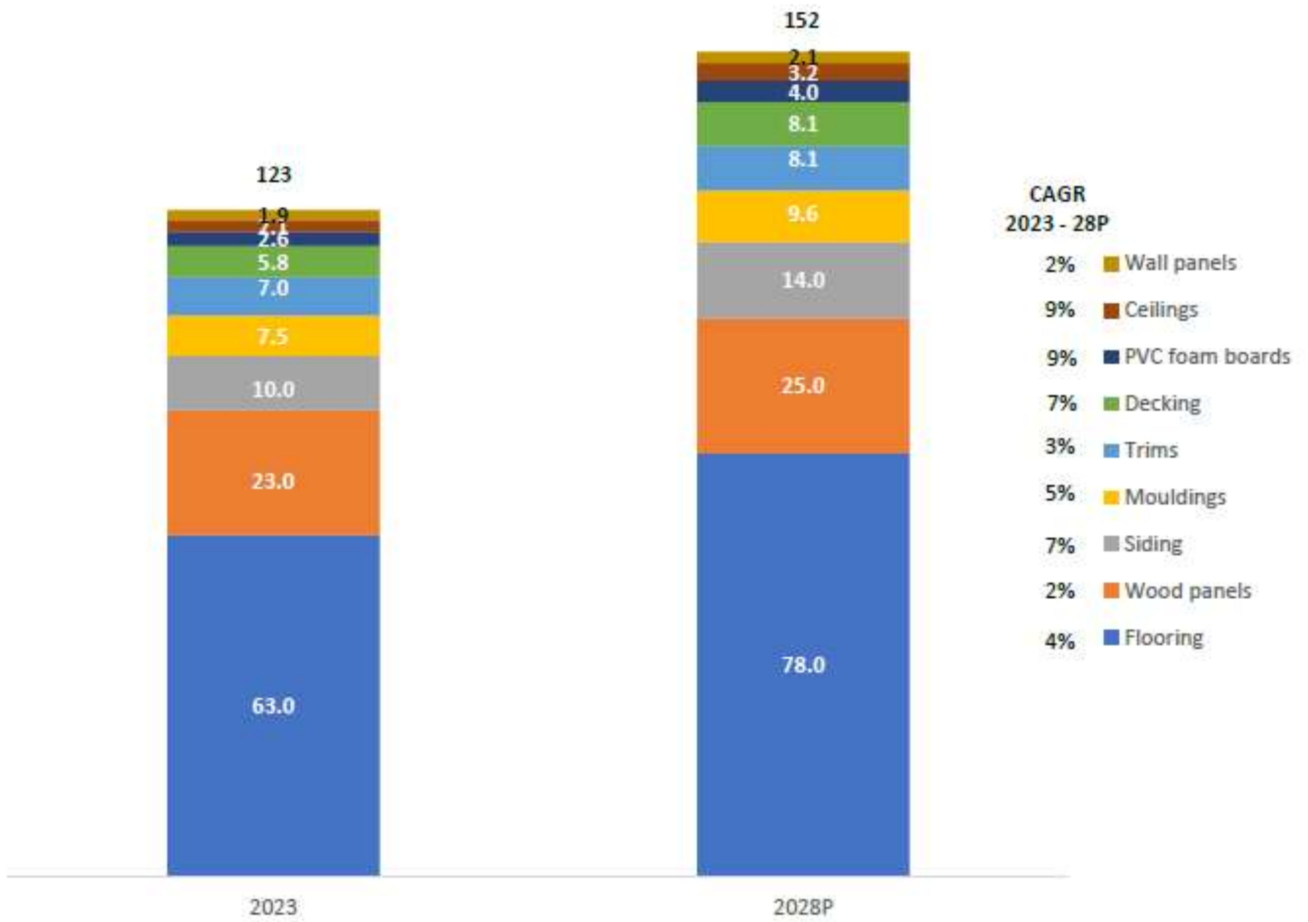
	Market size of PVC-based building material (US$ bn)	%share of the total building product market
2023	81	6.8%
2028P	116	7.7%

Source: Hyde capital park; Technavio
Note: Data represents calendar year; We've considered for all building material to project the market numbers

4. US building products market

The US building products market was estimated to be US$123 billion in CY 2023 and is projected to reach at US$152 billion in CY 2028 with a CAGR of 4%. In CY 2023, flooring market with a value of US$63 billion had the highest share of 51% out of the total US building products market, followed by wood panels market with a value of US$23 billion and siding market with a value of US$10 billion at second and third with 19% and 8% of the market share respectively. US PVC blend-based building material market was estimated to be US$14 billion in CY 2023, comprising 11.4% of the total building product market and is the largest market globally. It is projected to reach US$19 billion in CY 2028 with a CAGR of 6% comprising 12.5% of the total market.

Figure 12: US building products market (US$ bn)



PVC blend-based building material	Market size (US$ bn)	%share of the total US building product market
2023	14	11.4%
2028P	19	12.5%

Source: Principia & Wazir analysis

Note: Data represents calendar year; Wood panels include MDF, Plywood, Hardwood, softwood, etc.; P: Projected; Considered ECHON specific products for market projections

4.1. Distribution structure of US building products

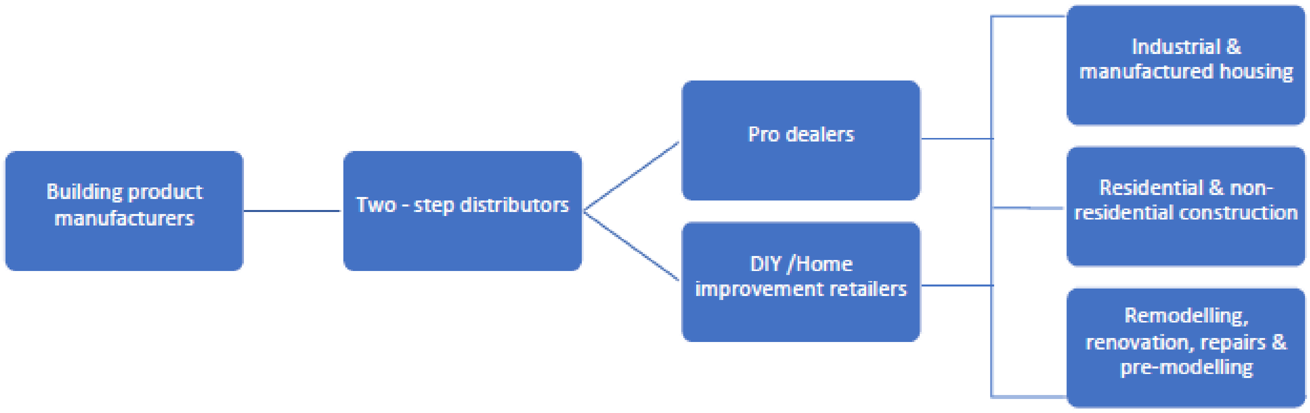
Manufacturers/brands in the building products segment follow a two-step distribution model which constitute of the following key intermediaries:

1. **Two-step distributors** form a vital link between manufacturers and retail stores. Generally, the two-step distributor purchases bulk quantity directly from manufacturer and then sells it to pro dealer or local retailer. Manufacturers prefer to ship in large quantities to two step distributors to minimize efforts, time and money spent on shipping.

2. **Pro dealers** sell their products to residential and industrial consumers. Pro dealers offer to manage warranties, errors and damaged goods cannot be replicated by manufacturers without a vast sales force.

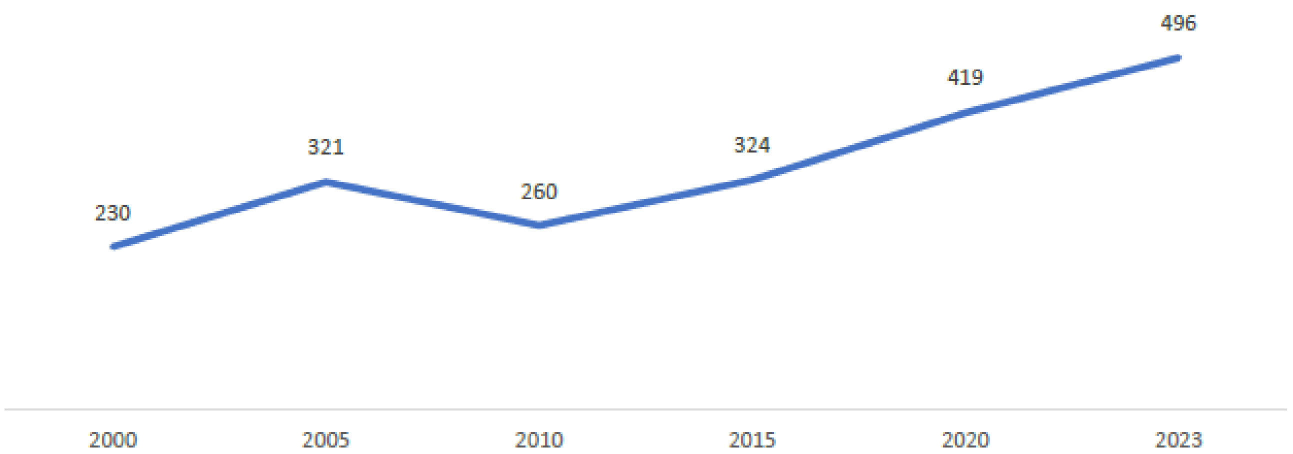
3. **DIY /Home improvement retailers** serve as one stop shops for home owners, contractors and Do- it- Yourself (DIY) enthusiasts, looking to improve, renovate, or improve their homes. They sell their products at competitive prices and offer value added services like installation and repair. The top three DIY retailers in this segment includes The Home Depot, Lowe's Companies, Menard’s.

Figure 13: Two-step distribution in US building products industry



Source: Delancey street partners – infrastructure sector review

Figure 14: Home improvement sales of building products and garden equipment and supplies dealers (US$ bn)



Source: US Census Bureau
Note: Sales adjusted seasonally; Data for calendar year

The two – step distribution industry remains highly fragmented. The industry continues to attract capital from private equity and large national and regional participants are actively pursuing acquisitions to expand their product lines and geographic footprints.

Table 4: Key players in building products market of US

Type	Company Name	Key Products	Revenue 2023 (US$ mn)	Revenue CAGR (2019-23)	EBITDA% 2023	No. of retail outlets
Manufacturer	Mohawk Industries	Hardwood flooring, laminate flooring. Vinyl (PVC) tile & plank, Vinyl (PVC) sheet, etc.	11,135.12	2.80%	5.30%	-
	Westlake Royal Building Products	Vinyl (PVC) siding, trims & mouldings, windows, doors, exteriors & interiors etc.	4,200.00	21.90%	22.50%	-
	The Azek Company	PVC sides, trims, moulding, flooring, cladding, etc.	1,370.32	14.60%	9.57%	-
	Palram Industries	Polycarbonate, PVC sheets, panels systems & outdoor structures	458.78	5.70%	20.00%	-

Type	Company Name	Key Products	Revenue 2023 (US$ mn)	Revenue CAGR (2019-23)	EBITDA% 2023	No. of retail outlets
Two step - distributor	The Wayerheuser Company	Wood products, cellulosic fibres & others	7,674.00	4.00%	22.37%	-
	BlueLinx Holdings	PVC sides & trims, exterior stone veneer, wood, composites & others	3,136.38	4.40%	4.39%^	-
DIY / Home improvement retailers	The Home Depot	Building material wood & composites, PVC pipes & fittings, flooring, drywall, etc	1,57,403.00	8.50%	17.20%	2,335
	Lowe's Companies*	Building material wood & composites, PVC pipes & fittings, flooring, drywall, etc	97,059.00	4.60%	12.55%	1,746
	Menard's	Building material, roofing, flooring, PVC panels, PVC pipes, etc	~13,000.00	N/A	N/A	349

Source: Company financials, secondary research

Note: Data represents calendar year; *Financial year is Feb – Jan. Years have been adjusted for meaningful comparison

N/A: Data not available, private company; ~Estimated revenue of CY 2022; ^ 30% of BlueLinx Holdings' revenue is from structural products which includes lumber, plywood, oriented strand board, rebar, and remesh is which have low margins.

4.2. Importing to US requires various quality adherence

The USA is the largest and one of the most mature markets for PVC blend-based building materials, dominated by leading DIY retailers like The Home Depot, Lowe's Companies, Menards's etc. and key distributors. These players have established stringent and mature standards for product quality, production processes, vendor nomination and thus, their acceptance is a mark of product quality.

The Home Depot, one of the largest retailers in the United States, has established specific guidelines that suppliers must adhere to when exporting products to the U.S. These guidelines ensure that all imported goods meet certain standards before they can be sold in their stores. Suppliers looking to do business with The Home Depot must comply with a comprehensive set of requirements, which include but are not limited to the following parameters

1. **Retail Ethical Sourcing Audits (RESA)**: Retail ethical sourcing audits are essential processes that help ensure compliance with ethical standards throughout the supply chain. These audits assess suppliers' practices regarding labour conditions, environmental impact, and overall governance.

2. **Labour Standards**: Suppliers must adhere to strict labour standards, including prohibitions against child labour, forced labour, and human trafficking. They are required to provide a safe working environment and ensure fair compensation for workers.

3. **Legal Compliance**: Suppliers must operate in full compliance with all applicable laws and regulations in their respective countries. This includes adherence to local labour laws, environmental regulations, and safety standards.

4. **Quality Assurance**: Products must meet The Home Depot's quality standards and specifications. This includes testing for durability, safety, and performance to ensure that they are suitable for consumer use.

5. **Documentation and Transparency**: Suppliers must provide all necessary documentation related to the sourcing and production of their products. This includes transparency in the supply chain to ensure that materials are sourced responsibly.

6. **Environmental Considerations**: Suppliers are encouraged to adopt sustainable practices in their manufacturing processes. This includes minimizing waste, reducing energy consumption, and using environmentally friendly materials.

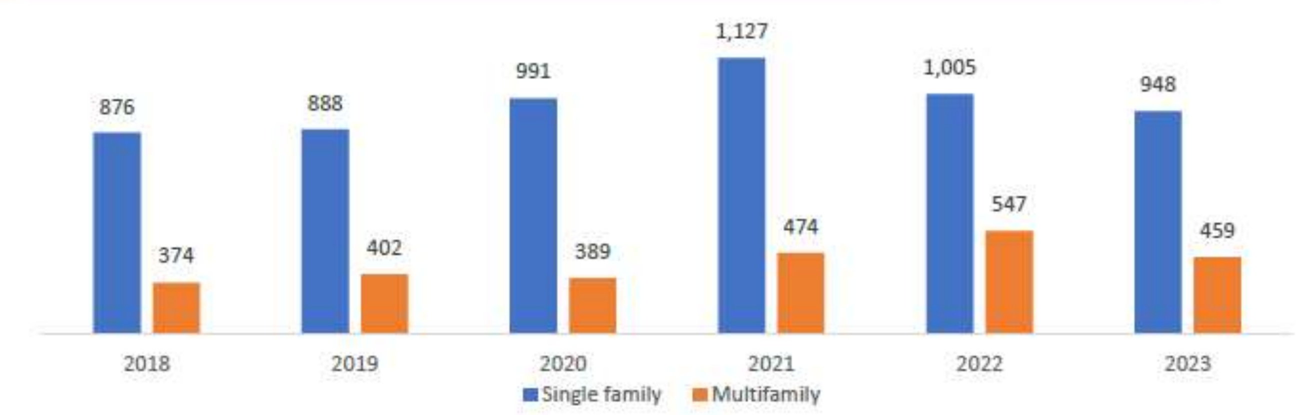
7. **Ethical Business Practices**: Suppliers must conduct their business with integrity and honesty, avoiding any actions that could be perceived as unethical, such as bribery or corruption.

By adhering to these guidelines, suppliers can ensure that their products meet The Home Depot's standards for quality, safety, and ethical sourcing, thereby facilitating a smoother import process into the US. Companies which adhere to stringent quality requirements are able to differentiate themselves and are able to establish strong relationship with retailers like The Home Depot, Lowe, etc.

4.3. Growth drivers in US building products market

New housing developments: Housing developments are the total number of single or multifamily houses that started construction in a given month/year in the US. Housing development can be viewed as a forward looking metric to gauge the outlook for an economy. The commencement of new housing projects serves as a key growth driver for the building demand. As construction endeavours intensify with the onset of new home constructions, there emerges a parallel demand for diverse building products. The new housing construction market has started to show signs of recovery in CY 2024 with single housing development increased by 4% (year – on – year) over the period Jan to Apr CY 2024.

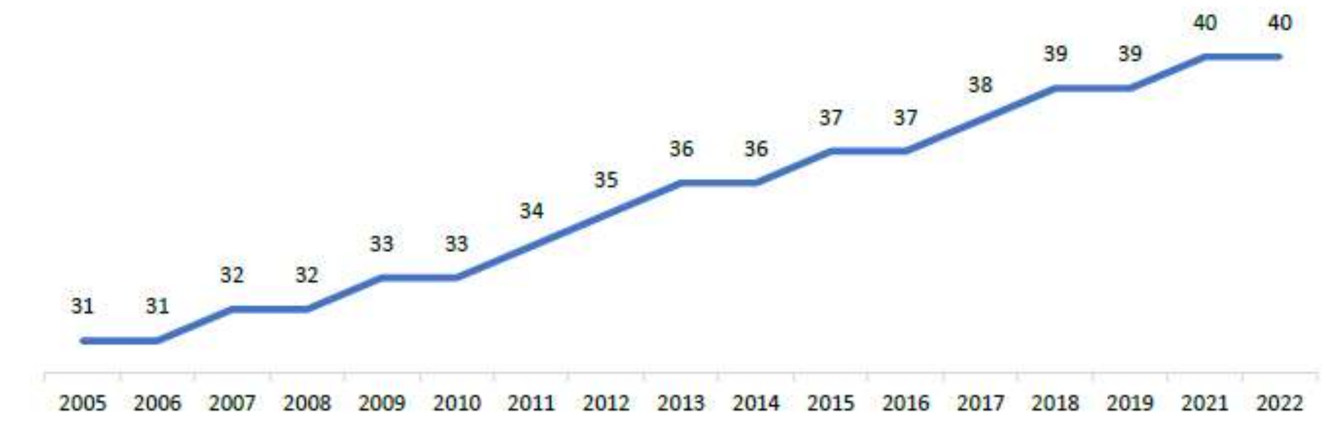
Figure 15: Annual new housing developments for single & multifamily in US (values in '000)



Source: Harvard_JCHS_State _Nations Housings, US Census Bureau, New Privately - Owned Housing Units Started, US Census Bureau
Note: Data represents calendar Year; Housing developments are the total number of single or multifamily houses that started construction in a given month/year in the US. Housing developments can be viewed as a forward looking metric to gauge the outlook for an economy.

Increasing spends on remodelling with ageing housing stock: The median age of owner-occupied homes is at an all - time high of 40 years old in CY 2022. US owner-occupied housing stock is aging rapidly and coupled with a lack of sufficient supply of new housing stock., as old structures need to add new amenities or repair/replace old components. Over the long run, the aging of the housing stock implies that remodelling market is expected to grow rapidly as existing households spends money on making the house energy efficient and undertake physical modifications to aid the ageing demographic profile. ECHON offers a comprehensive product portfolio that caters to both interior and exterior home improvement needs, strategically positioning the company for substantial growth.

Figure 16: Median age of owner – occupied home in US (years)



Source: NAHB
Note: Data represents calendar year

Increasing spends on remodelling: Remodelling spends constitutes an important part of revenue for most of the building product companies as demonstrated by the table below

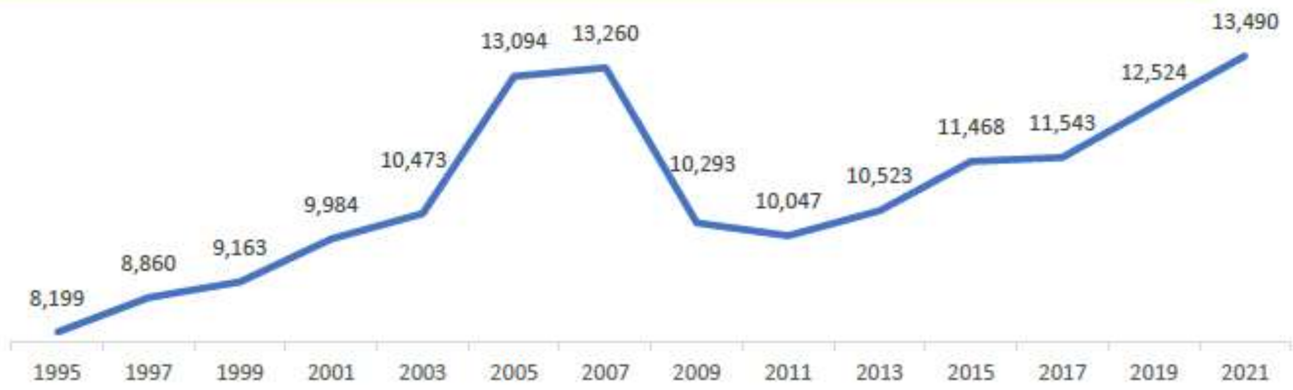
Table 5: %share of remodelling revenue of the total revenue for major manufacturers

S. No.	Company	% share of remodelling revenue of total revenue
1	The Azek Company	70%
2	Westlake Royal Building Products *	50%
3	Trex Company Inc.	90%

Source: Company financials
Note: * includes housing improvement & infrastructure revenue of Westlake Industries

Older homes often require extensive repairs or upgrades, including roofing, plumbing, electrical systems, and structural enhancements, driving the need for a wide range of building products. As, homeowners invest in upgrading and improving their properties, there is a continuous need for products like flooring, paint, fixtures, and appliances, etc. driving growth in the market. This consistent growth over the years reflects the resilience and stability of the building products markets. Repair and remodelling market contribute to significant share of revenue for most of the building products manufacturers. Companies like ECHON stand to benefit from the swiftly expanding remodelling market. As existing households increasingly invest in renovations and replace traditional products with modern alternatives, the company is poised to reap benefits from growth of these spends.

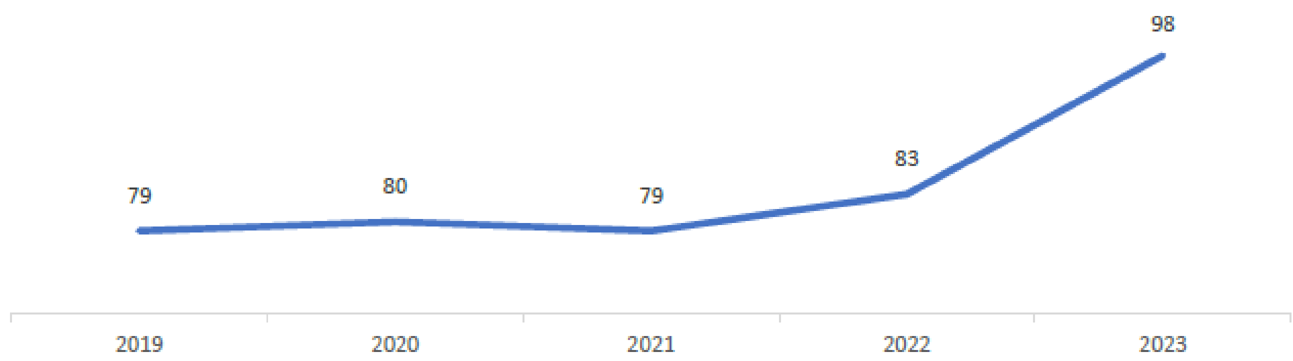
Figure 17: Average expenses per homeowner for home improvement in US (US$)



Source: Harvard_JCHS_State _ Improving _ Americas _ Housing, 2023, US Census Bureau
Note: Data represents calendar year

Increase in office construction spending: Office construction spending in the US is primarily driven by two factors. Firstly, long planning and development cycles involve meticulous design, regulatory approvals, and financing arrangements, requiring substantial time and resources. Secondly, retrofitting and modernization projects to upgrade existing office spaces to meet evolving standards for efficiency, sustainability, and technology integration are also significant contributors to spending. Office construction spending has grown from US$81 billion in CY 2019 to US$98 billion in CY 2023 with a CAGR 4%. ECHON's products offers durability, easy maintenance, and a wide range of customizable designs, providing both aesthetic appeal and functional comfort. ECHON's products can be used for partition walls, window frames and doors, etc. ensuring both functional efficiency and aesthetic enhancement in modern workspaces.

Figure 18: Office construction spending (US$ bn)



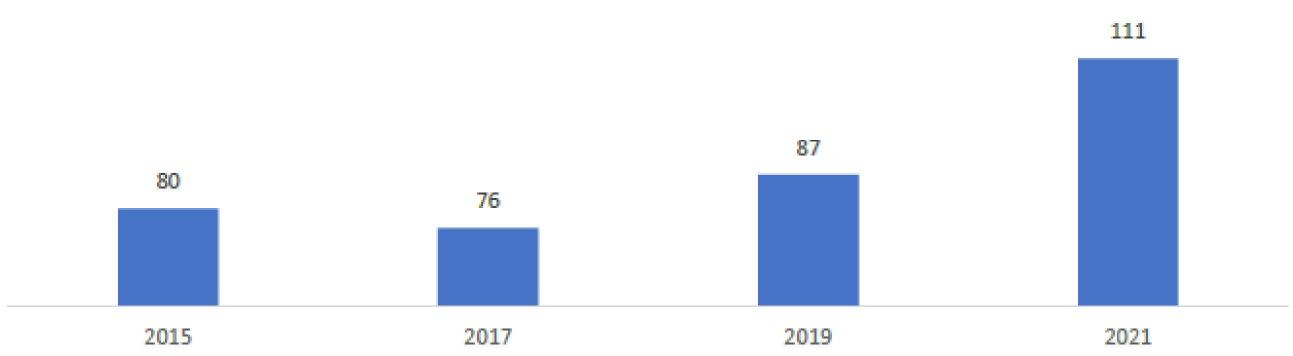
Source: TM capital
Note: Data represents calendar year – Month of July

Strategic acquisitions driving market leadership and innovation: In CY 2005, Mohawk significantly strengthened its position as a total flooring company by acquiring Unilin, a leading laminate flooring manufacturer, making it the largest laminate supplier in the US. Similarly, Azek has expanded its market presence through strategic acquisitions, including TimberTech in CY 2012, Ultralox in CY 2017, and StruXure Outdoor in CY 2022, driving innovation and broadening its product portfolio across engineered railing systems and outdoor living solutions.

4.4. Key trends

Growing investments in energy efficient products: Building products market is witnessing an increasing demand for energy-efficient products. Consumers are prioritizing products that offer better insulation, reduced heat transfer, and overall energy savings. This trend is fuelled by environmental concerns, stricter regulations, and the desire for cost-effective solutions, leading to a growing market for energy-efficient building products across the country.

Figure 19: Owner spending towards energy efficiency (US$ bn)



Source: Harvard_JCHS_State _Nations Housings, US Census Bureau
Note: Data represents calendar year

Shift from traditional to new age products: One prominent trend in the building products market of the US involves substituting traditional products with innovative alternatives. This change is propelled by concerns regarding deforestation, shortage of timber, functionality, sustainability, durability, ease of installation, maintenance, and an emphasis on energy efficiency. Consumers are progressively embracing eco-friendly composites, cutting-edge insulations, and intelligent technologies to address contemporary construction requirements, aiming to reduce environmental footprints and enhance longevity. This flexibility positions PVC blend-based building material products not only as strong competitors to conventional materials but also as potential standalone product groups with the capability to dominate market segments. As the demand for innovative, sustainable, and efficient building material products grows, PVC blend-based building material products are poised to become a major force, redefining standards and expectations within the industry.

Figure 20: Life cycle cost of of PVC blend-based building material vs peers in flooring segment (US$/sq.ft)

Source: Wazir analysis
Note: - Data represents floor material comparison; * Annual average maintenance cost after 7 years

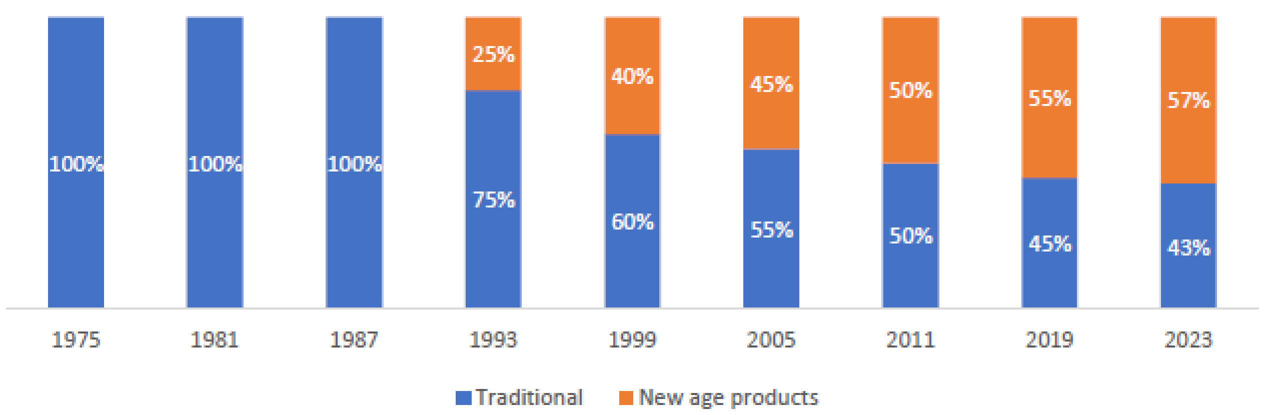
Table 6: Comparison of PVC over its peers materials

	PVC	Plywood	MDF	Particle board	Solid acrylic
Ease of installation	Lightweight and easy to install	Requires more effort than PVC	Similar to plywood	Prone to breaking during installation	Requires more effort than PVC
Shape deformity	Highly resistant	Moderate resistance	Moderate resistance	Low resistance	Experience shape deformity.
Termite resistance	Highly resistant	Termite resistant if treated	Similar to plywood	Susceptible to termites	Highly resistant
Water resistance	Highly resistant	Water-resistant if treated	Swells and deforms when exposed to water	Highly susceptible to water damage	Highly resistant
Fire resistance	High fire resistance	No fire resistance	No fire resistance	No fire resistance	Low fire resistance
Cleaning & maintenance	Easy to clean and maintain	Requires regular maintenance	Requires regular maintenance	Difficult to maintain	Easy to clean and maintain

	PVC	PP sheets	Cement boards	Quartz surface	Tiles
Ease of installation	Lightweight and easy to install	Lightweight and easy to install	Requires more effort than PVC	Easy to install	Require a skilled labour force for proper installation
Shape deformity	Highly resistant	Can experience shape deformity.	Moderate resistance	Moderate resistance	Can deform under certain circumstances
Termite resistance	Highly resistant	Resistance to termites	Resistance to termites	Resistance to termites	Resistance to termites
Water resistance	Highly resistant	Highly resistant	Moderate resistance	Highly resistance	Highly resistance
Fire resistance	High fire resistance	Moderately resistance	Resistant to fire	Sensitive to fire	High fire resistance
Cleaning & maintenance	Easy to clean and maintain	Low maintenance	Low maintenance	Low maintenance	Easy to clean and maintain

Source: Wazir analysis in discussion with company

Figure 21: Shift from traditional to new age products (% share)

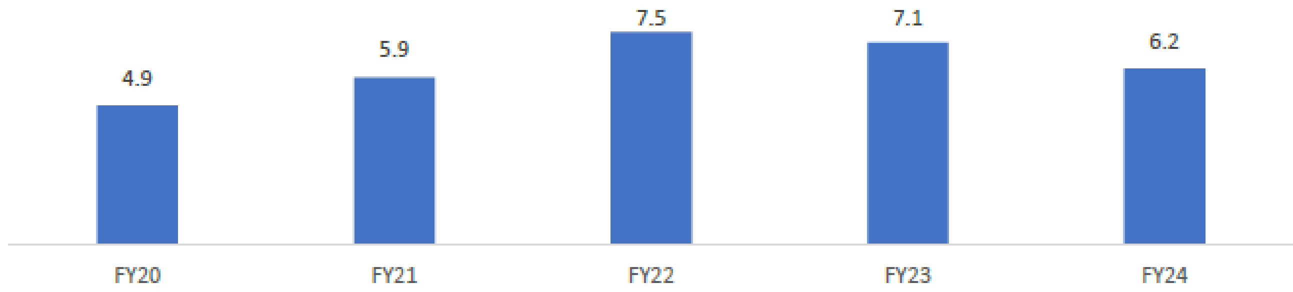


Source: Wazir analysis in discussion with company

Note: Data represents calendar year; Traditional products include- wood, brick, cement, aluminium, etc.; New age products include PVC, acrylic, quartz, etc.

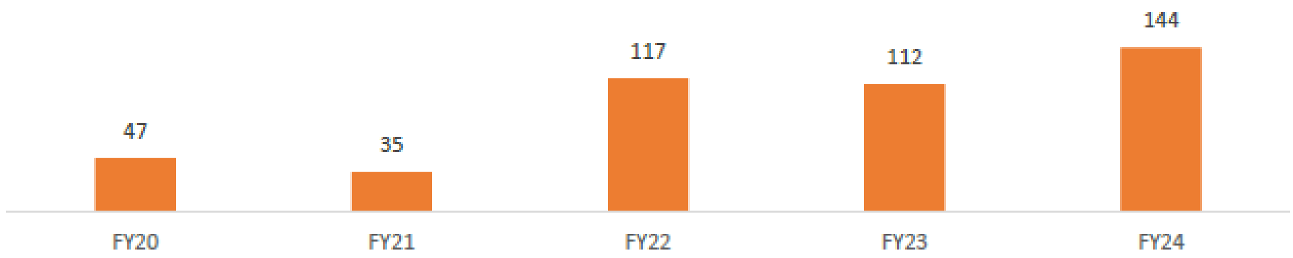
Increasing imports of PVC blend-based building material: US imports of PVC blend-based building materials have grown at a CAGR of 6%, increasing from US$4.9 billion as on 31st March FY20 to US$6.2 billion as on 31st March FY24. India's exports in these materials to US has increased from US$47 million as on 31st March FY20, which represented 1.0% of total imports, to US$144 million as on 31st March FY24, accounting for 2.3% of total US imports with a CAGR of 32%.

Figure 22: US import of PVC blend based building material (US$ bn)



Source: UN Comtrade
Note: Data represents financial year Apr - Mar; this includes HSNs 391810, 392043, 392112, 392590

Figure 23: India's export of PVC blend-based building material to US (US$ mn)

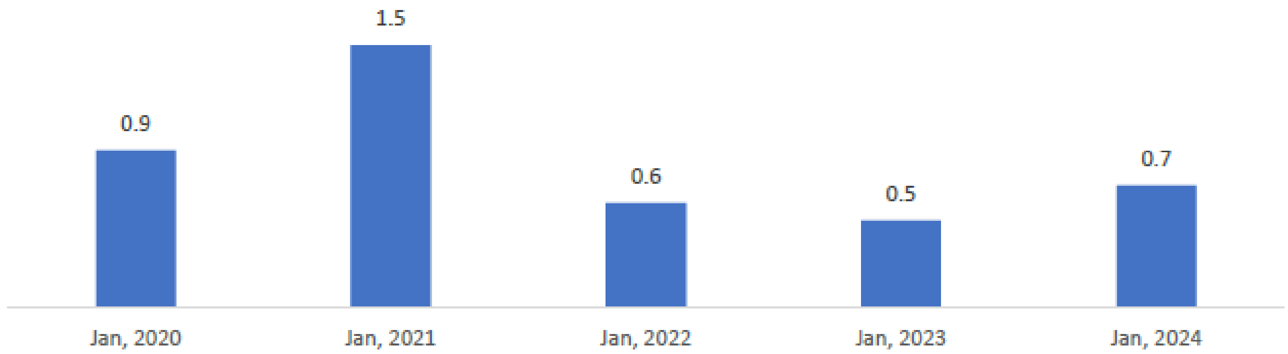


Source: UN Comtrade
Note: Data represents financial year; this includes HSNs 391810, 392043, 392112, 392590

Technological advancement: Integration of advanced technologies, innovations such as smart sensors, 3D printing, and AI-driven design are revolutionizing construction processes, enhancing efficiency, sustainability, and customization. Companies are investing heavily in technology to meet evolving consumer demands for more intelligent, eco-friendly, and adaptable building solutions.

Growing demand for easily installed products: The construction industry has long been plagued by labour shortages, a problem that persists despite last year's increase in job openings. With skilled labours being among the hardest to recruit, one obvious trend has been the rise in prefabrication. There is a greater need for construction products that can be installed onsite with smaller crews. PVC blend-based building material simplifies installation in construction by being lightweight, versatile, and easy to combine, while also reducing labour and maintenance costs through its durability and resistance to corrosion. The available worker ratio (available worker ratio is calculated as number of workers available by total number of jobs), which defines the availability of labours in the market has declined from 0.9 in CY 2020 to 0.7 in CY 2024, thus, resulting in significant shortage of skilled labours in US.

Figure 24: US available worker ratio



Source: America Works Data Centre
Note: Data for calendar year

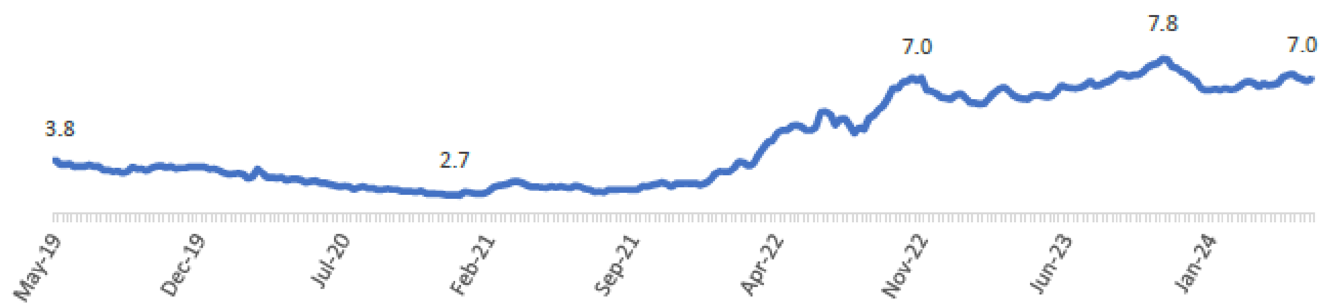
4.5. Key challenges

4.5.1. Demand side

Slowdown in economic activities impacting buying decision: US which is key market for ECHON is currently witnessing a slowdown in the economy, with its GDP projected to grow at 2.7% in CY 2024 and 1.8% in CY 2025 (Source: OECD economic outlook). Similarly, India's GDP growth is projected to be 6.8% for FY 2025 and is expected to grow at a CAGR of 6% to 8% between FY 2024 and FY 2029 (Source: CRISIL). The demand for building products is directly linked to GDP growth and hence any slowdown in GDP growth can potentially impact ECHON

Rise in mortgage rate: US mortgage rates was at an all-time high of 7.8% in October 2023 led by tightening of money supply by Fed. High mortgage rates impact home sales directly as new home buyers prefer to basically wait for reduction in mortgage rates before spending on new house buying. With inflation recently appearing to gradually settle closer to the Fed's 2% target and Morgan Stanley Research expecting three Fed rate cuts this year, of 25 basis points each, starting in September 2024. Morgan Stanley strategists expect the average 30-year fixed mortgage rate to stabilize around 6.25% by the middle of CY 2025, down from nearly 7.8% in October 2023

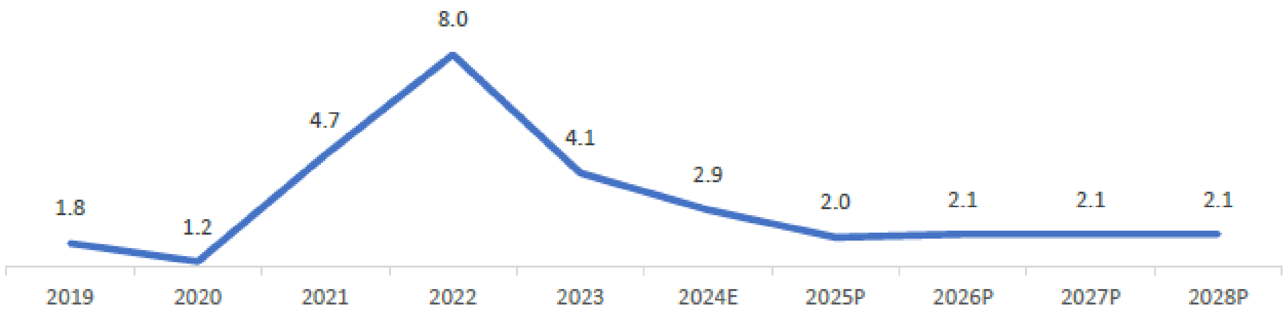
Figure 25: Rate of mortgage in US (%)



Source: Fred economic data

Inflation: Rising inflation leads to increased costs for raw materials, transportation, and labour, squeezing profit margins for manufacturers and driving up prices for consumers. Additionally, inflationary pressures may impact investment decisions, project budgets, and overall market demand, affecting the stability and growth of the industry.

Figure 26: US Inflation rate, average consumer prices (annual % change)



Source: IMF
Note: Data represents calendar year; E: Estimated; P: Projected

Increase in tariff and non-tariff barriers: Building products industry faces various tariff and non-tariff barriers that affect trade. Tariff barriers include high customs duties and safeguard duties, all of which can significantly raise the cost of imported materials. Non-tariff barriers involve stringent standards and certifications, import licensing requirements, bureaucratic delays, technical regulations, and local content requirements, which can complicate and delay the import process. Any increase in import duties or non-tariff barriers can impact demand for ECHON products in key geographies of US & Europe.

New age product research and development Continuous research and development in the building materials industry has led to the development of innovative materials. These new-age materials represent a significant leap forward in building technology, offering improved performance, sustainability, and cost-effectiveness in construction projects.

4.5.2. Supply side

Geo-political risks and infrastructure bottlenecks: Global events significantly impact the building materials industry. Recent disruptions in two key shipping routes have hindered global trade. Attacks on vessels in the Red Sea have reduced traffic through the Suez Canal, causing ships to divert around the Cape of Good Hope and increasing delivery times. Additionally, a severe drought at the Panama Canal has led to restrictions that slow maritime trade. The Gaza-Israel conflict threatens regional stability, potentially affecting oil and gas exports. Continued attacks in the Red Sea and the war in Ukraine have further disrupted supply chains, raising food, energy, and transportation costs. Also, infrastructure bottlenecks, such as inadequate transportation networks or port congestion, hinders the efficient movement of materials from production sites to construction projects.

PVC price fluctuation: Global PVC prices are driven by fluctuating raw material costs, notably ethylene sourced from crude oil, and supply-demand dynamics tied to economic growth and construction activity. Energy costs, such as natural gas and electricity, also play a significant role, alongside currency exchange rates affecting PVC prices. These factors collectively influence the end price for consumers and hence extreme volatility can have negative impact on margins.

Increasing competitive intensity: In recent years, the building materials industry has witnessed rise in competition intensity. This surge can be attributed to several factors, including advancements in technology that have lowered barriers to entry, leading to a proliferation of new market players. Additionally, globalization has enabled easier access to international markets, intensifying competition among both local and global suppliers

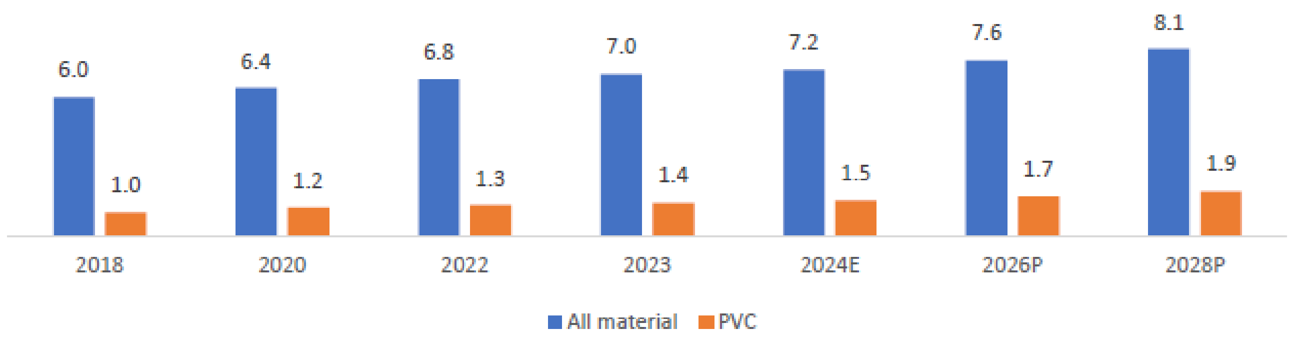
Supply chain challenges: US building product market faces a number of supply chain challenges due to disruptions in raw material availability, transportation delays, and fluctuating demand. Additionally, issues such as production bottlenecks, trade restrictions, and labour shortages further complicate the supply chain, impacting the timely delivery and cost stability of building products.

4.6. US market size & growth projections

4.6.1. Trims market

Trims market in US, was valued at US$7.0 billion in CY 2023 and is projected to reach US$8.1 billion in CY 2028, with a CAGR of 3%. PVC trims market was valued at US$1.4 billion in CY 2023 comprising 20.0% of the total market share and is projected to reach US$1.9 billion in CY 2028 with a CAGR of 6% and a market share of 23.1%.

Figure 27: US trim market (US$ bn)



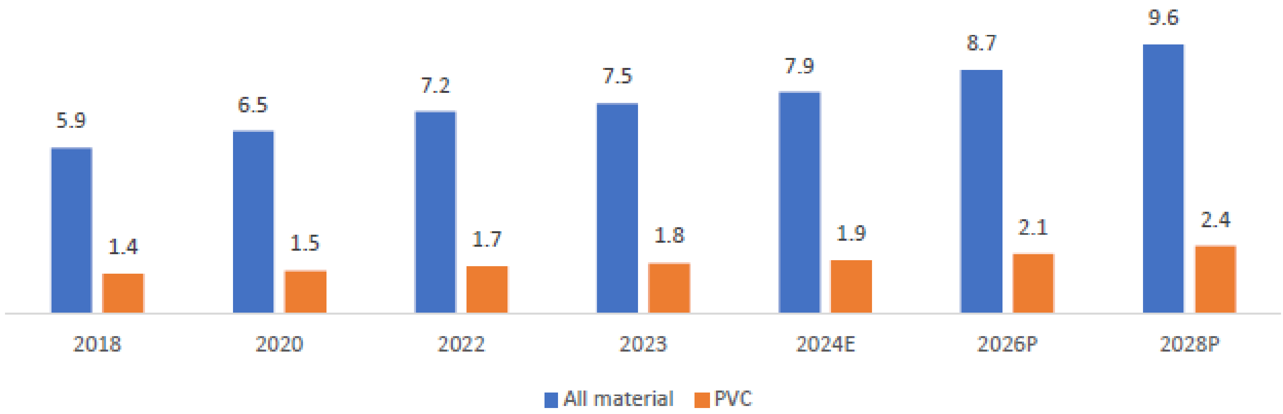
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	17.3%	18.3%	19.4%	20.0%	20.6%	21.8%	23.1%

Source: VMR; Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected

4.6.2. Moulding market

Moulding (Moulding are decorative strips made from wood, composites, PVC etc, are used to cover transitions between surfaces in aesthetically pleasing ways) market in US, was valued at US$7.5 billion in CY 2023 and is projected to reach US$9.6 billion in CY 2028, with a CAGR of 5%. PVC moulding market was valued at US$1.8 billion in CY 2023 comprising 23.7% of the total market share and is projected to reach US$2.4 billion in CY 2028 with a CAGR of 6% and a market share of 25.0%.

Figure 28: US moulding market (US$ bn)



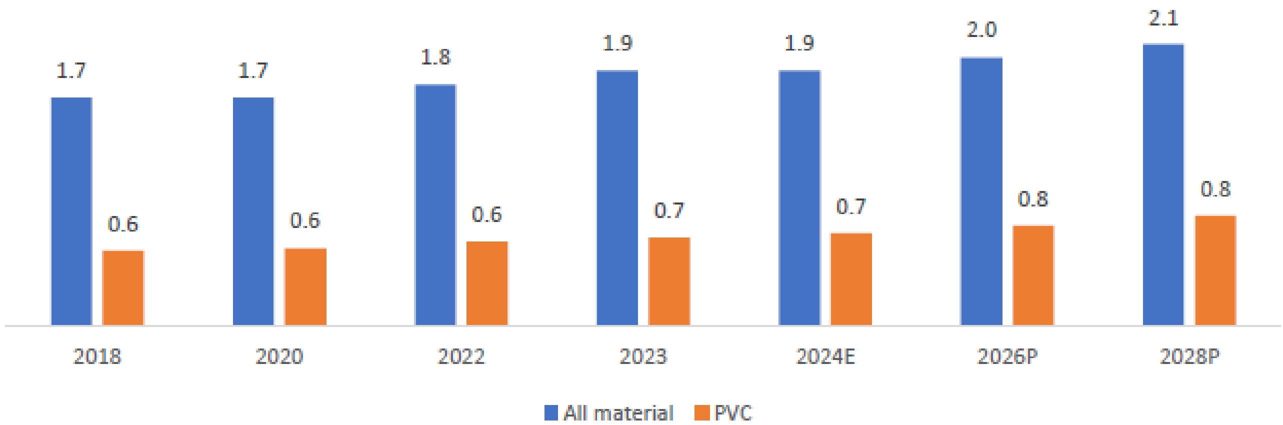
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	23.7%	23.1%	23.3%	23.7%	23.9%	24.1%	25.0%

Source: Principia & Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected;

4.6.3. Wall panels market

Wall panels market in US, was valued at US$1.9 billion in CY 2023 and is projected to reach US$2.1 billion in CY 2028, with a CAGR of 2%. PVC wall panels market was valued at US$0.7 billion in CY 2023 comprising 34.7% of the total market share and is projected to reach US$0.8 billion in CY 2028 with a CAGR of 4% and a market share of 39.0%.

Figure 29: US wall panels market (US$ bn)



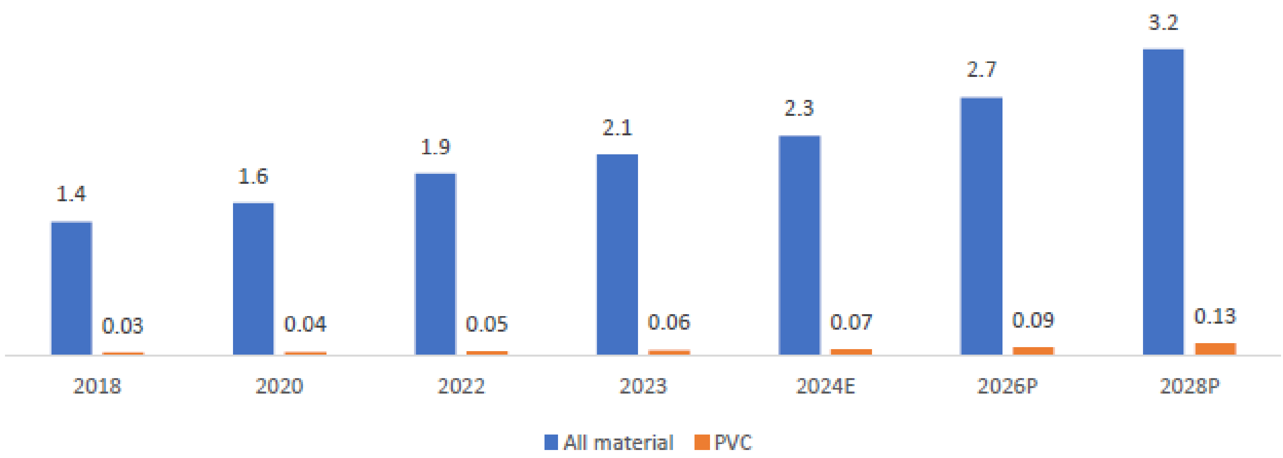
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	32.9%	34.1%	35.0%	34.7%	36.3%	37.5%	39.0%

Source: Mordor Intelligence & Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected

4.6.4. Ceiling market

Ceiling market in US, was valued at US$2.1 billion in CY 2023 and is projected to reach US$3.2 billion in CY 2028, with a CAGR of 9%. PVC ceiling market was valued at US$0.06 billion in CY 2023 comprising 2.9% of the total market share and is projected to reach US$0.13 billion in CY 2028 with a CAGR of 17% and a market share of 4.1%.

Figure 30: US ceiling market (US$ bn)



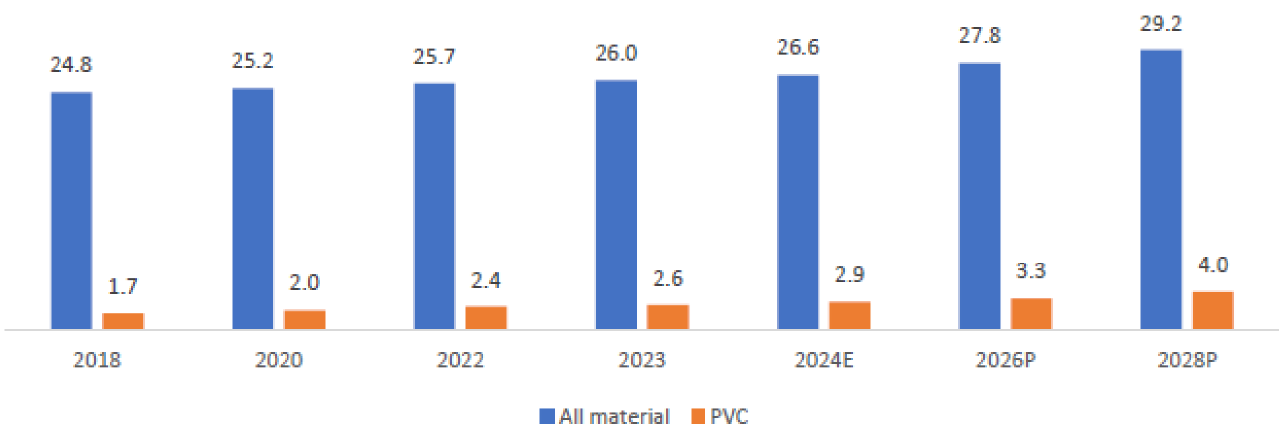
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	2.1%	2.5%	2.6%	2.9%	3.0%	3.3%	4.1%

Source: Grand View Research & Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected

4.6.5. Boards & panels market

Boards & panels market in US, was valued at US$26.0 billion in CY 2023 and is projected to reach US$29.2 billion in CY 2028, with a CAGR of 2%. PVC foam boards market was valued at US$2.6 billion in CY 2023 comprising 10.0% of the total market share and is projected to reach US$4.0 billion in CY 2028 with a CAGR of 9% and a market share 13.6%.

Figure 31:US boards & panels market (US$ bn)



% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	6.8%	8.0%	9.3%	10.0%	10.8%	11.9%	13.6%

Source: United States Forest Products Annual Market Review and Prospects: Country Market Report, 2021-2025 and Wazir analysis
Note: All Material includes wood (hardwood, plywood, softwood, MDF, MDO, etc) & PVC; Data represents calendar year; E: Estimated; P: Projected

Echon offers a wide range of PVC blend-based building material boards with thickness ranging from 0.9 – 50 mm, this ensures application across wide range of products and its ability to address a large segment of the market. ECHON is the only player amongst key branded players to offer this wide range of PVC blend-based sheets and boards from 3 inches to 7 feet wide with a thickness between 0.9 mm and 50 mm.

Table 7: Comparison between ECHON & key branded players of PVC blend-based building material board thickness

Companies	Thickness (mm)
ECHON	0.9 – 50
Mohawk Industries	4.5 – 54

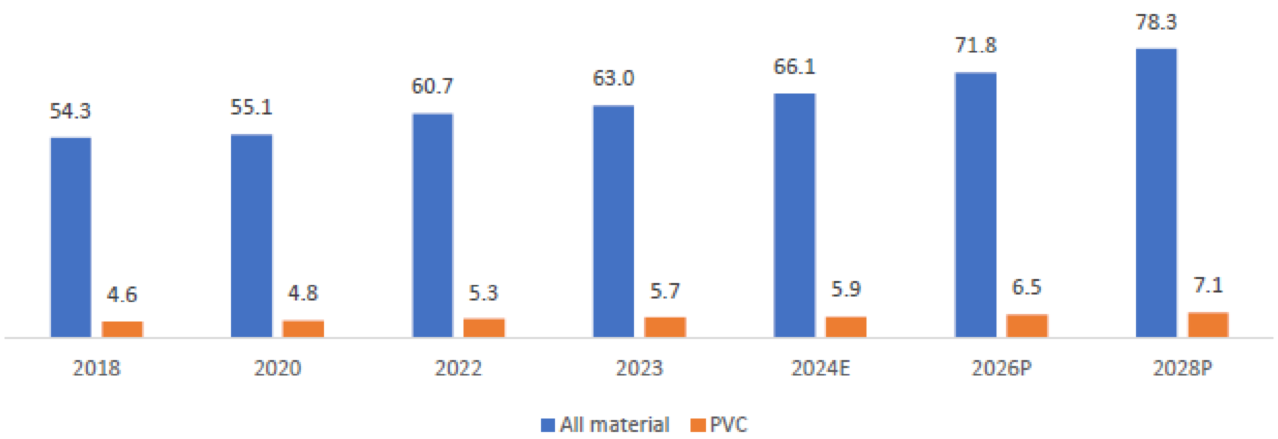
Westlake Royal Building Products*	6 – 35
The Azek Company	8 – 35
Palram Industries	2 – 12

Source: Company data, product data

4.6.6. Flooring market

Flooring market in US, was valued at US$63.0 billion in CY 2023 and is projected to reach US$78.3 billion in CY 2028, with a CAGR of 4%. PVC flooring market was valued at US$5.7 billion in CY 2023 comprising 9.0% of the total market share and is projected to reach US$7.1 billion in CY 2028 with a CAGR of 4% and a market share of 9.1%.

Figure 32: US flooring market (US$ bn)



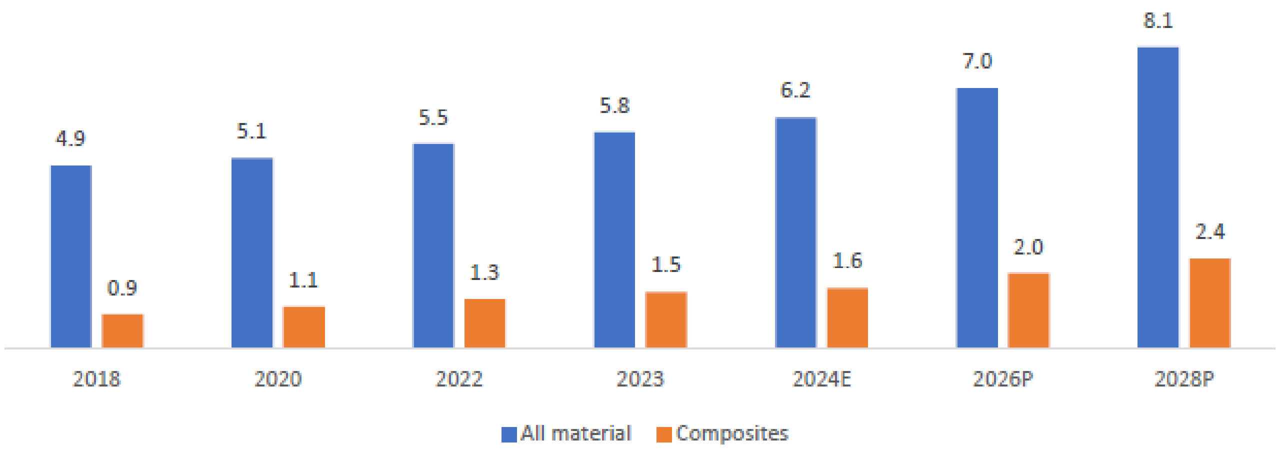
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	8.5%	8.7%	8.7%	9.0%	9.0%	9.0%	9.1%

Source: Mordor Intelligence
Note: Data represents calendar year; E: Estimated; P: Projected

4.6.7. Decking market

Decking market in US, was valued at US$5.8 billion in CY 2023 and is projected to reach US$8.1 billion in CY 2028, with a CAGR of 7%. Composites market was valued at US$1.5 billion in CY 2023 comprising 25.9% of the total market share and is projected to reach US$2.4 billion in CY 2028 with a CAGR of 10% and a market share of 29.6%.

Figure 33: US decking market (US$ bn)



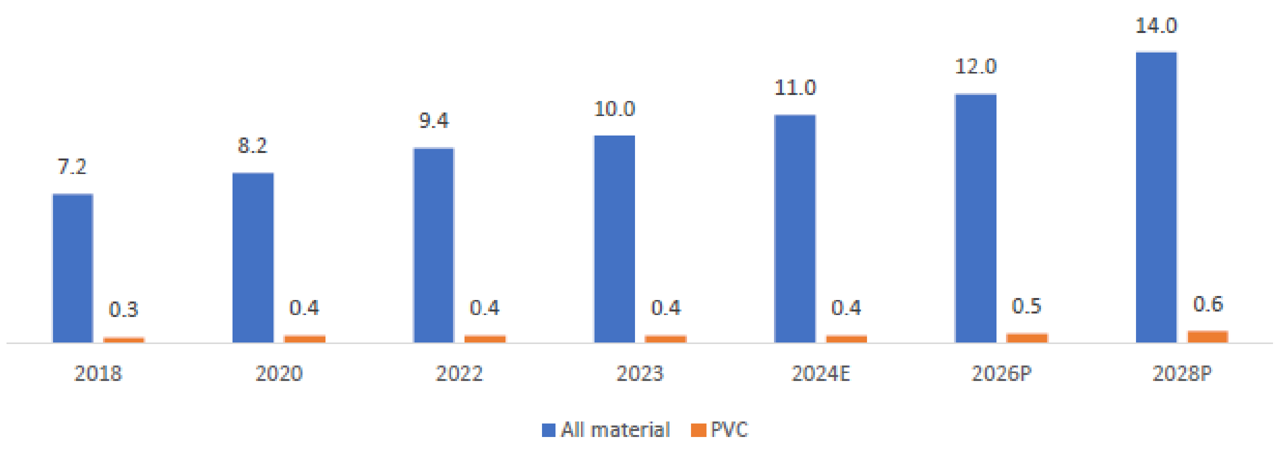
% share	2018	2020	2022	2023	2024E	2026P	2028P
Composites	18.4%	21.6%	23.6%	25.9%	25.8%	28.6%	29.6%

Source: Technavio & Wazir analysis
Note: Composites: Deck boards made blend of wood, plastics and additives; Data represents calendar year; P: Projected; E: Estimated

4.6.8. Siding market

Siding market in US, was valued at US$10 billion in CY 2023 and is projected to reach US$14 billion in CY 2028, with a CAGR of 7%. PVC siding market was valued at US$0.4 billion in CY 2023 comprising 4.2% of the total market share and is projected to reach US$0.6 billion in CY 2028 with a CAGR of 8% and a market share of 4.0%.

Figure 34: US siding market (US$ bn)



% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	4.4%	4.4%	4.3%	4.2%	4.2%	4.1%	4.0%

Source: Mordor Intelligence & Principia Consulting
Note: Data represents calendar year; E: Estimated; P: Projected

The US market is witnessing increasing demand for PVC blend-based material which is evident from high growth rate of companies like Westlake, Azek and Trex. This high growth provides opportunities for new brands to enter the market and build a scalable business.

Table 8: ECHON comparison with US peers

Manufacturer	FY22 (Rs. mn)	FY23 (Rs. mn)	FY24 (Rs. mn)	CAGR (FY22-24)
ECHON	**2,505.64**	**4,072.55**	**4,078.77**	**27.59%**

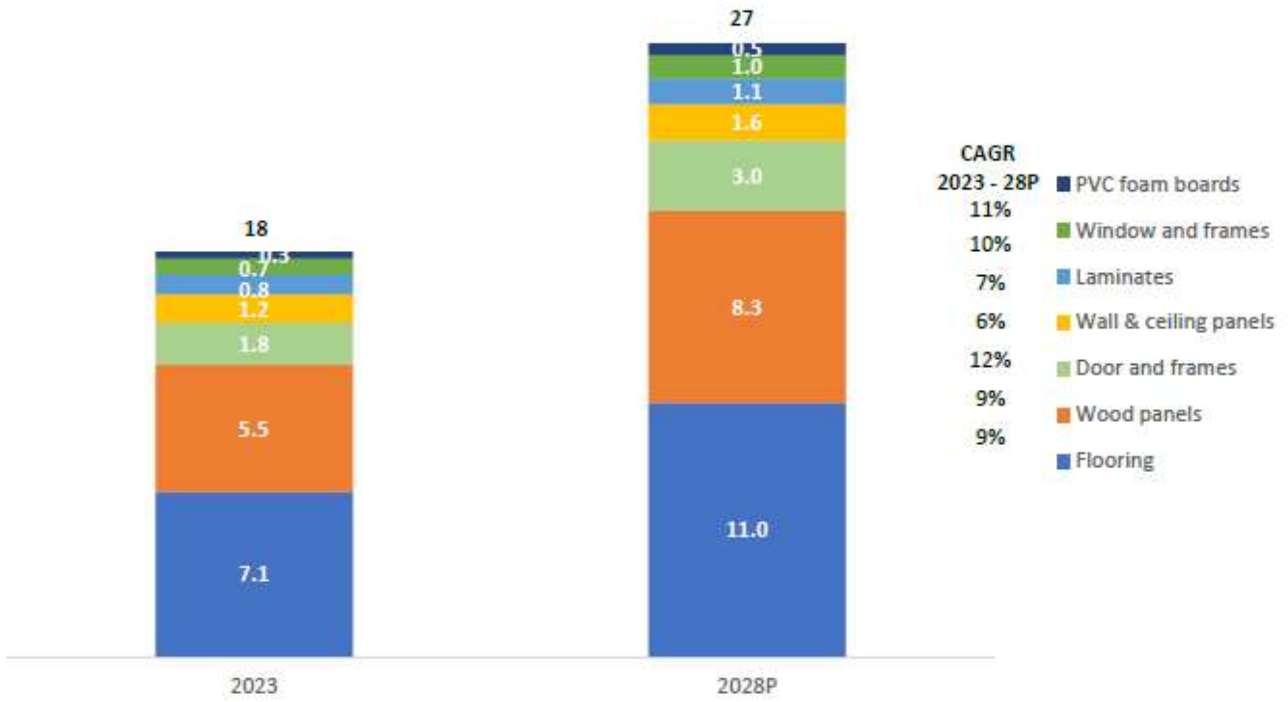
Manufacturer	2021 (US$ mn)	2022 (US$ mn)	2023 (US$ mn)	CAGR (2021 – 23)
Mohawk Industries	11,200.61	11,737.07	11,135.12	-0.29%
Westlake Royal Building Products*	3,100.00	4,800.00	4,200.00	16.40%
The Azek Company	1,178.97	1,355.59	1,370.32	7.81%
Trex Inc.	1,196.95	1,106.04	1,094.84	-4.36%
Palram Industries Ltd.	485.27	484.05	458.78	-2.77%

Source: Company financials
Note: *Revenue for Housing & Infrastructure Products (HIP) segment; Data represents financial year

5. India building products market

The India building products market was US$18 billion in CY 2023 and is projected to grow at US$27 billion by CY 2028 with a CAGR of 8%. In CY 2023, flooring market with a value of US$7.1 billion had the highest share of 40.2% out of the total India building products market, followed by wood panels market with a value of US$5.5 billion at second with 31.2% of the market share. In CY 2028 it is projected that the flooring will continue to have the largest market share of 40.4% followed by wood panels market with 30.5% of the total market share. India's PVC blend-based building material market was estimated to be US$1.3 billion in CY 2023, comprising 7.4% of the total building product market. It is projected to reach US$2.9 billion in 2028 with a CAGR of 17% comprising 10.9% of the total market.

Figure 35: India's building product market (US$ bn)



PVC blend-based building material	Market size (US$ bn)	%share of the total India building product market
2023	1.3	7.4%
2028P	2.9	10.9%

Source: Wazir analysis

Note: Data represents calendar year, P: Projected; Wood Panels: MDF, Plywood, etc.; Considered ECHON specific products for market projections

5.1. Distribution structure of building products

Figure 36: Distribution channel structure of building products in India

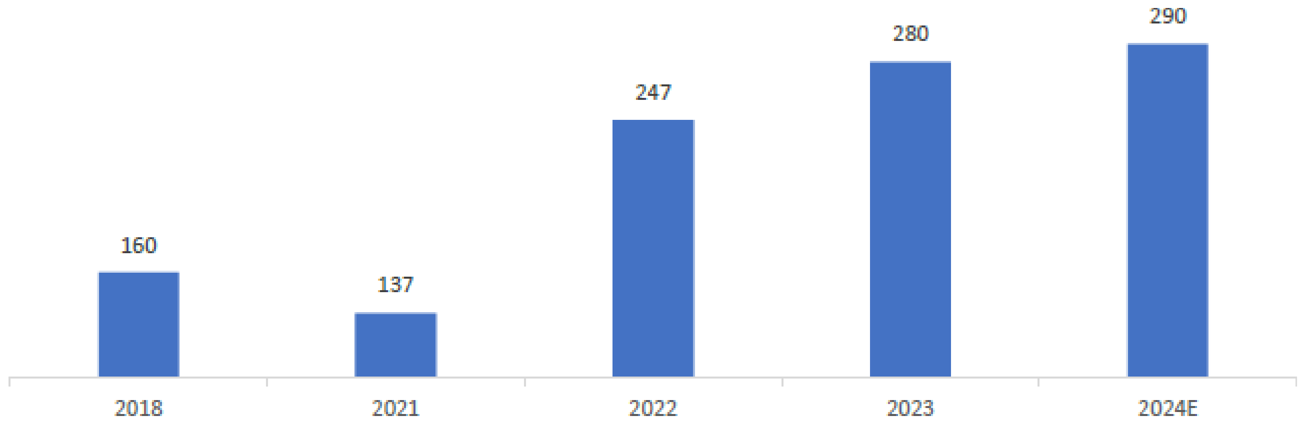
Distribution of building products remain highly fragmented with a number of distributors and retailers spread across the country. Most players have built a strong distribution network to reach out to Indian consumers.

5.2. Growth drivers of India building products market

Rising number of residential units: The residential real estate comprises housing units such as apartments, villas and plots. The sector has made a strong post covid recovery and has more than doubled from CY 2021 with number of new residential launches increasing from 137,000 in CY 2021 to 280,000 in CY 2023. More than 60% of the total residential units launched in the first three quarters of CY 2023 came from Mumbai, Pune and Hyderabad. The growth of the residential segment is likely to continue with focus on the launch of diversified projects including plotted developments, low-rise apartments and villas.

ECHON products offer durability against weather, moisture, and corrosion, particularly in applications such as window frames, doors and outdoor usage. Low maintenance requirements of these products, including resistance to rot, warping, and pests, make it a practical choice for any new house construction.

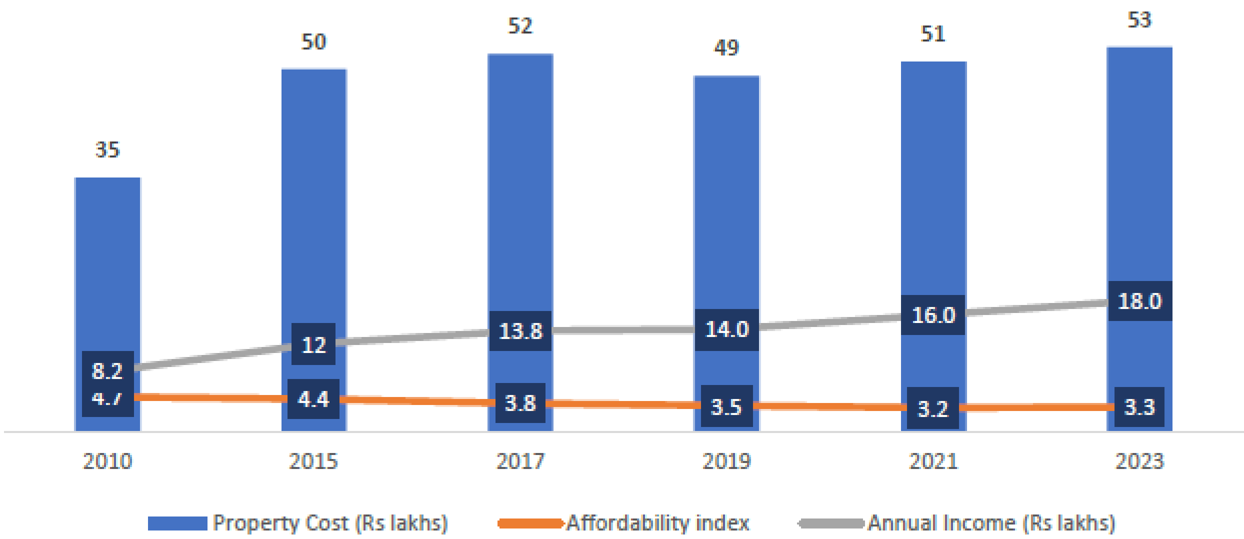
Figure 37: No. of residential units launched



Source: NAREDCO
Note: Data represents calendar year; E: Estimated; Values in '000s

Improved affordability: The affordability index measures how easily people can buy property compared to their yearly income. When the index is lower, it means people can buy more with their income. Affordability index is at an all - time low since FY 2010 from 4.7, it has decreased to 3.3 in FY 2023, this is primarily due to the fact that income has risen faster than the property prices.

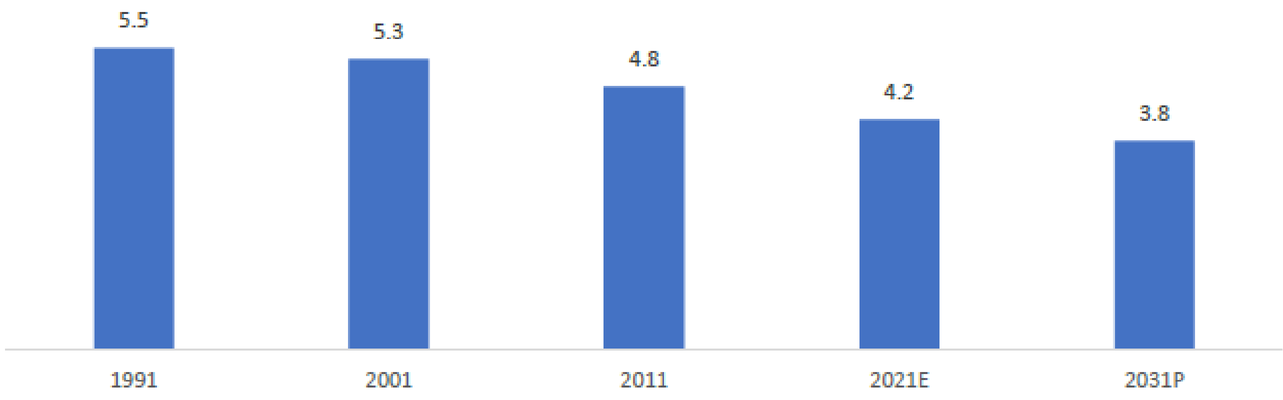
Figure 38: Improved affordability index



Source: HDFC;
Note – Data is for HDFC customers in key large markets; Data represents financial year

Nuclearization of households: Nuclearization, the transition from joint to single-family living, is rising in India especially in urban areas due to shifting lifestyles, individualism, evolving social norms, and increased labour mobility. These trends are anticipated to persist, driven by pursuit of better job prospects. Therefore, the demand for new houses and living spaces will continue to increase further in upcoming years. The average size of household is expected to reduce from 4.2 in CY 2021 to 3.8 in CY 2031.

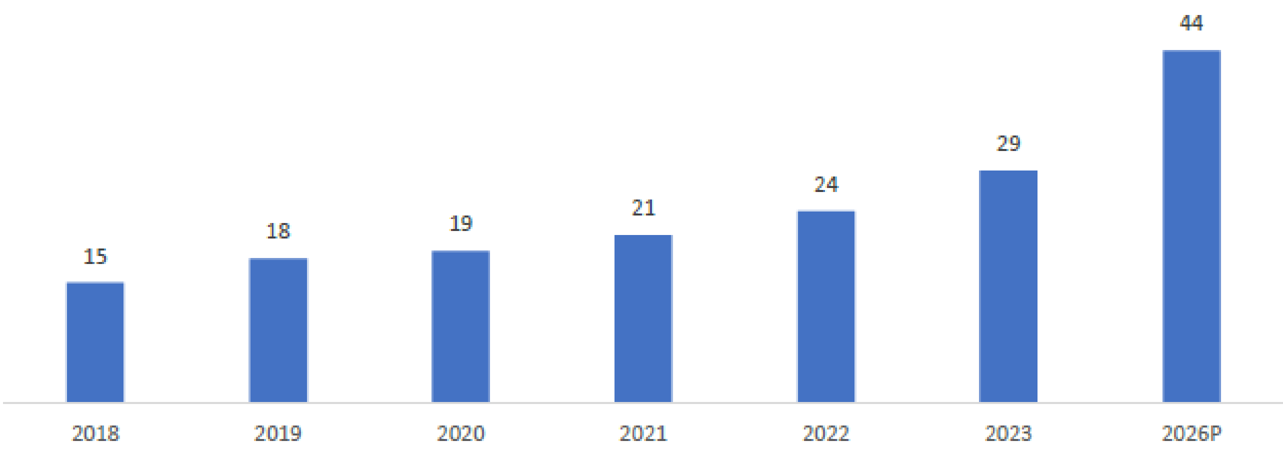
Figure 39: Trend in average household size



Source: Census 2011
Note: Data represents calendar year; E: Estimated; P: Projected

Growth of housing loans: The home loan market is projected to be Rs. 44 lakh cr. in FY 2026 and will grow at a CAGR of 16% from Rs. 24 lakh cr. in FY 2022. In FY 2023, the RBI started increasing repo rates owing to concerns over increasing inflation and its impact on the macro economy amid geopolitical issues. Despite the aggressive rate hikes during the fiscal, credit growth remained intact, with healthy growth by both banks and HFCs/NBFCs. In the past, demand for home loans rose due to higher demand from tier II and III cities, rising disposable incomes and government steps, such as interest rate subvention schemes and fiscal incentives.

Figure 40: Growth in housing loans

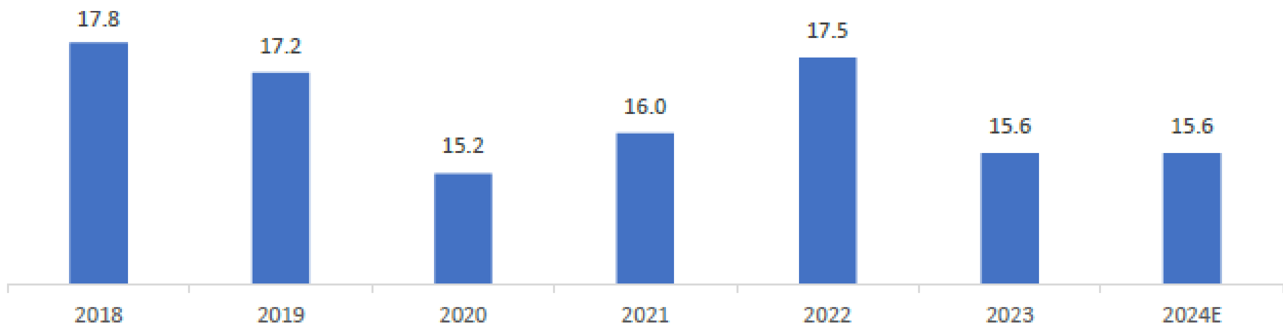


Source: CIBIL, CRISIL
Note: P: Projected; Data represent financial year; P: Projected year; Values in Rs. '00,000 cr.

Gen Z and Millennials transforming the Indian real estate market: In CY 2023, the Indian real estate market has experienced a significant shift driven by Gen Z and Millennials. As per United Nations, India's has 55% population between the age of 15 – 49 and these younger generation is increasingly investing in homeownership and adopting new-age building materials. The average age of first-time homebuyers is now between 24 and 25 years, a notable decrease from the average age of 35 to 38 years observed a decade ago.

Declining vacancy rate in commercial office space: The office vacancy rate in India's top seven (Bengaluru, Chennai, Delhi/NCR, Hyderabad, Kolkata, Mumbai, Pune) cities dropped to 15.6% in Q2 CY 2024, down from the 10-year average of 17.8%. This trend signals growing demand for new offices and commercial spaces, with expansion in India's building products industry.

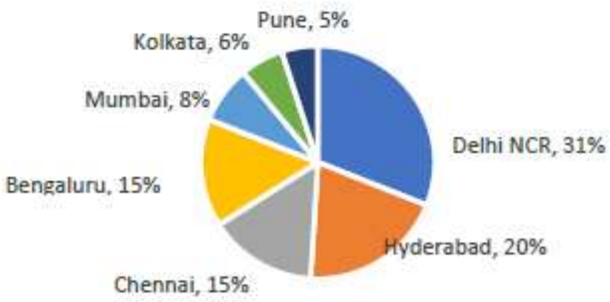
Figure 41: Vacancy rate in commercial office space (%)



Source: Industry, BOBCAPS
Note: Data represents calendar Year; E: Estimated

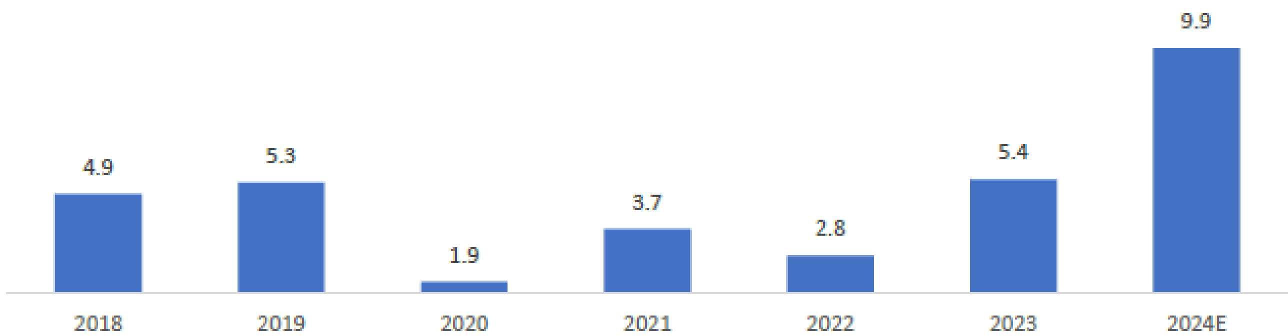
Growth in retail space: Retail developments encompassing a total retail space (shopping malls) of 23.82 mn sq. ft are expected to become operational during CY 2024-26 across the top seven cities of India. The supply of new retail spaces is expected to grow by a CAGR of 12% from 4.9 mn sq. ft in 2018 to 9.9 mn sq. ft in CY 2024. Delhi NCR and Hyderabad will be the major contributors with a combined ~51% share in the upcoming supply. ECHON offers reusable, efficient, and cost-effective installation solutions suitable for signage applications both indoors and outdoors. These solutions effectively display store logos, directional cues, promotions, and product information, thanks to the smooth surface that allows for vibrant printing, ensuring excellent visibility and customer attraction.

Figure 42: Percentage share of new retail space projected for 2024 - 26



Source: JLL
Note: Data represents calendar year; E: Estimated; Total retail space is23.82 mn sq. ft; Data highlights only top seven cities of India

Figure 43: Year-wise new supply of retail space in India (mn sq. ft.)

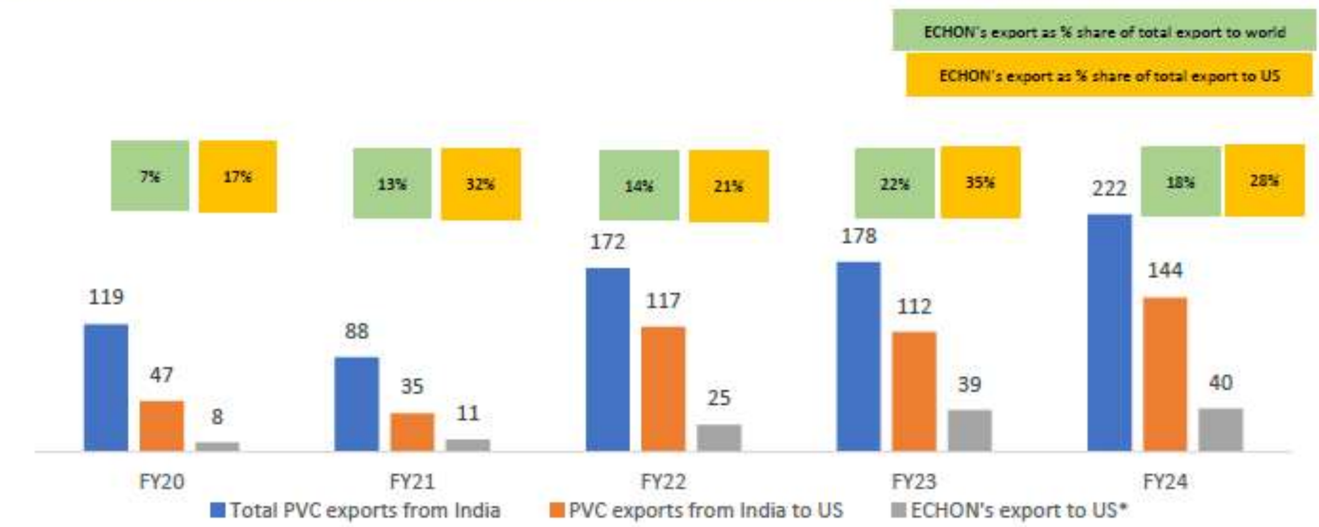


Source: JLL
Note: Data represents calendar year; E: Estimated

Increasing exports of PVC blend-based materials from India: India's export globally in PVC blends-based material has grown from US$119 million as on 31st March FY24 to US$222 million as on 31st March FY24 with a CAGR of 17%. Exports to US has increased from US$47 million as on 31st March FY20 to US$144 million as on 31st March FY24 with CAGR of 32%. ECHON is the largest manufacturer and exporter of PVC blend-based building material from India in value terms as on

31st March FY24. ECHON's share in India's PVC blend-based building products has grown from 7% as on 31st March FY20 to 18% as on 31st March FY24. Similarly, in US exports the share has increased from 17% as of March FY20 to 28% as on 31st March FY24. India's export growth in PVC blend-based material is expected to accelerate owing to competitive positioning of players, recovery of demand and China-plus-one strategy of buyers.

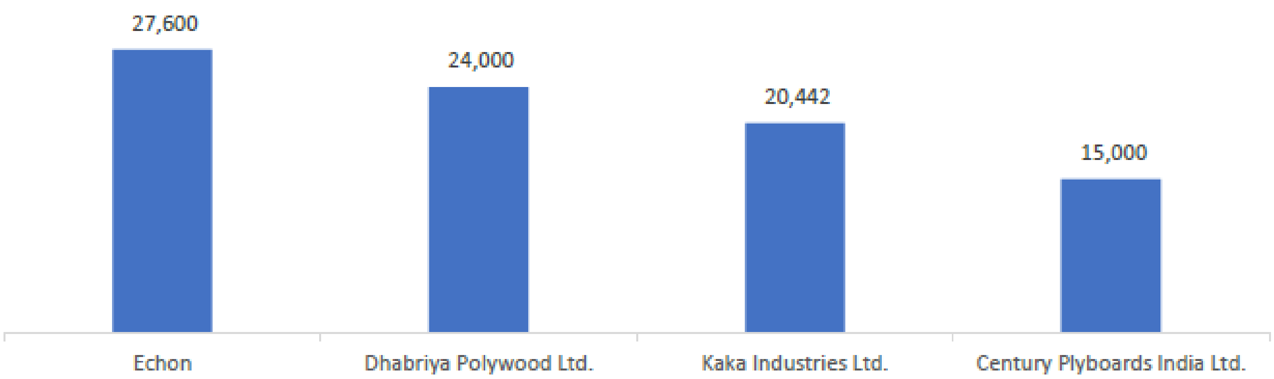
Figure 44: India's export of PVC blend- based material to World and US and Echon's share (US$ mn)



Source: UN Comtrade, wazir analysis
Note: Data represents financial year; this includes HSNs 391810, 392043, 392112, 392590; *ECHON data represent exports to North America, majority of which is exported to US; exchange rate considered 1US$ = Rs. 83
Computation of ECHON'S share: $\frac{\text{Total export of ECHON to North America}}{\text{Total PVC export of India to US}} \times 100$

ECHON is the largest player in India in terms of capacity in the PVC blend - based building material segment, with a production capacity of 27,600 MTPA. The big capacities facilitate ECHON to become the largest exporter from India.

Figure 45: Capacity in PVC blend-based building board segment (MTPA) in India

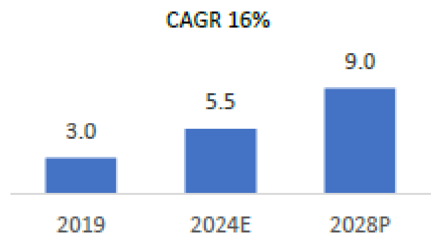
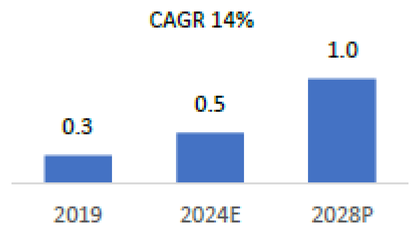


Source: Company financials, Wazir Analysis

5.3. Key trends

New age products that are replacing traditional products: Indian consumers are replacing with better quality product which ensures better performance and high durability. PVC blend-based building material offers numerous advantages over wood, including superior durability, low maintenance requirements, cost-effectiveness, and a variety of aesthetic options. Its resistance to moisture, insects, and fire. It has a higher life cycle of more than 20-25 years compared to wood and MDF which has a life span of 10 – 12 years

Table 9: New age polymers of PVC blend-based building material that are replacing traditional products

<table>
<tr><th></th><th colspan="4">cPVC</th><th colspan="4">uPVC</th></tr>
<tr><td>About the product</td><td colspan="4">cPVC, Chlorinated Polyvinyl Chloride is a thermoplastic produced by chlorination of polyvinyl chloride resin. It can also withstand higher temperatures. cPVC offers a better alternative over traditional products like GI and Copper pipes as it offers superior high-temperature corrosion resistance, flexibility, fire and chemical resistance and is also ideal for tanks, scrubbers, and ventilation systems.</td><td colspan="4">uPVC, which stands for Unplasticized Polyvinyl Chloride, and offers a better alternative for traditional products like wood. uPVC is favoured for durability, sound insulation, dust resistance, and low maintenance.</td></tr>
<tr><td>Growth with total market size</td><td colspan="4">cPVC building materials market size (US$ bn)

</td><td colspan="4">uPVC doors & windows market size (US$ bn)

</td></tr>
<tr><td>Reference image</td><td colspan="4"></td><td colspan="4"></td></tr>
<tr><td>Reasons for its growth</td><td colspan="4">Resistance to corrosion and chemicals
High temperature performance
Ease of installation and simplified joining methods
Cost efficiency due to lower material, labor and transportation cost</td><td colspan="4">Energy efficient
Durable
Sound insulation
Aesthetic versatility</td></tr>
<tr><td rowspan="4">Key companies and its financial performance</td><th>Astral LTD.</th><th>Revenue (Rs. mn)</th><th>Revenue growth (2019 – 24)</th><th>EBITDA %</th><th>Fenesta</th><th>Revenue (Rs. mn)</th><th>Revenue growth (2019 – 24)</th><th>PBIT%</th></tr>
<tr><td>2019</td><td>25,070</td><td rowspan="3">17.6%</td><td>15.0%</td><td>2019</td><td>3,900</td><td rowspan="3">16.2%</td><td>12.0%</td></tr>
<tr><td>2022</td><td>43,940</td><td>17.9%</td><td>2022</td><td>5,290</td><td>13.0%</td></tr>
<tr><td>2024</td><td>56,414</td><td>17.0%</td><td>2024</td><td>8,250</td><td>17.6%</td></tr>
</table>

Source: Wazir analysis; Astral Pipes & DCM Shriram annual report
Note- Data represent financial year

Table 10: Case study on Astral - Building market leadership through new age products

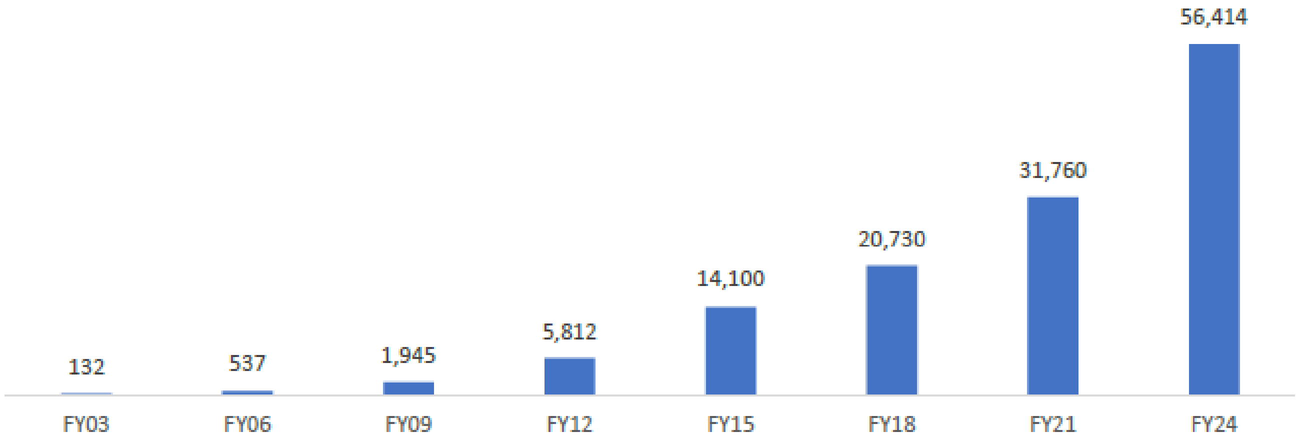
	Case study on Astral's introduction of cPVC pipes in India
Brief history	Started manufacturing cPVC pipes for industrial use in 1998 at Santej. This was a paradigm shift from conventional piping system which was dominated by GI (Galvanized Iron) pipes. The cPVC pipes offered multiple advantages of GI pipes which included resistance to high temperature, corrosion and chemicals. The company focused on building consumer and trade communities between 1998 to 2000, by demonstrating the superiority of the products over GI pipes which started building consumer acceptance of the new category. The company also focused on marketing efforts by launching its first nation-wide campaign in 2003, focusing on cPVC pipes. With growing awareness and increasing popularity of cPVC pipes the company revenue increased from Rs. 132 mn in FY03 to Rs. 537 mn in FY06. The company got listed in FY07, and since then it has grown from Rs. 969 mn to Rs. 56,414 mn in FY24, thus, demonstrating a revenue CAGR of 27.0% over 17 years. Currently, the company is the largest player in the cPVC pipes with a market share ~25%.
Key reason for growth	Building the cPVC pipes category through early identification of global trend of shift towards new age products. Collaboration with best in the class international partners like Lubrizol which ensured high quality product delivering on the stated benefits over GI pipes. Changing target market from Industrial pipes to household pipes. Building affinity with key market influencers including dealers, plumbers and real estate players.

	Case study on Astral's introduction of cPVC pipes in India
	Less expensive as compared to branded GI pipes. Focused on building a strong brand at a very early stage to capture market shares from incumbents and traditional products like GI pipes.
Challenges	Presence of strong players like Tata steel & Jindal steel in India for GI pipes Presence of market leaders like Supreme in plastics pipers High product price of cPVC pipes

Source: Secondary research

Astral has grown from Rs. 132 million in FY 2003 to Rs. 56,414 million in FY 2024, with a CAGR of 33%.

Figure 46: Revenue (Rs.mn) growth of Astral Ltd.



Source: Company financials

Strong potential to replace wood panel: The overall market size of wood panel in CY 2022 was estimated to be US$5 billion which is currently dominated by plywood. For PVC blend-based building material as a product has attributes such as resistance to moisture, stains and scratches and hence has a significant upside potential to replace wood especially in interior segment as demonstrated in mature markets like US and Europe. This segment can be penetrated through

11. B2B – Tie ups with real estate developers to develop interior at better rates.

12. B2C – Spread awareness about the product to create demand.

Increasing application of PVC blend-based building material: There is an increasing adoption of PVC blend-based building material products across diverse applications and thus, establishing it as a preferred choice for modern construction needs for its usage and versatility. Currently, it can be utilized for a vast majority of home construction/remodeling requirements as illustrated in the table below:

Table 11: % share of PVC blend-based building material in home construction/remodelling

Items	Application	Typical % share
Wall panels (Bedroom, Livingroom, Washroom& Kitchen)	Yes	42 – 44
Ceiling (Bedroom, Livingroom, Washroom& Kitchen)	Yes	16 – 18
Flooring (Bedroom, Livingroom, Washroom& Kitchen)	Yes	14 – 16
Windows (Bedroom, Livingroom, Washroom& Kitchen)	Yes	2 – 4
Doors (Bedroom, Livingroom, Washroom& Kitchen)	Yes	1 – 2
Plumbing	No	4 – 6
Electrical	No	7 – 9
Total (% share of PVC blend-based building material)		**75 - 84**

Source: Wazir analysis in discussions with company
Note: Remaining share includes other building product materials like woods, MDF, etc.; The % share is excluding building construction costs

PVC blend-based building material can cover upto 75 - 84% of any home surface area, if added together—wall panels, ceilings flooring, windows and doors.

ECHON is one of the pioneers in PVC blend-based material products in India, starting from CY 1998, have diversified its product offering along with innovation and quality well suited to meet the requirements of international and Indian markets.

Table 12: Comparing peers of ECHON with PVC blend-based material offerings

	Year of incorporation	Key products categories	Entering into PVC segments
Kumar Arch Tech (ECHON)	1998	PVC blend-based building boards, PVC – trims, mouldings, wall panels, ceilings, signages, etc	Since inception
Century plyboards	1982	Plywood, laminates, MDF, Particle boards & PVC blend-based building material	2017
Greenply Industries	1984	Plywood, blockboard, veneer, PVC blend-based building material & other MDF boards, etc.	2018

Source: Company annual reports; Wazir analysis

Wood shortage drives shift to new-age materials: India is facing a significant wood shortage due to extensive deforestation and rising demand. According to Global Forest Watch, the country lost 414,000 hectares of primary forest (4%) from 2002 to 2023, accounting for 18% of its total tree cover loss in this period. This shortage is driving an organic shift towards new-age materials like engineered wood, bamboo composites, PVC blend-based building material and other recycled materials. These alternatives are sustainable, cost-effective, and durable, helping to reduce pressure on natural forests. Embracing such innovative materials is essential for sustainable development and minimizing environmental impact.

Consumer preferences: In the Indian building products market, consumers increasingly prefer premium flooring solutions, eco-friendly products, reflecting a trend towards sustainable and technological advanced home interiors.

Growing demand for energy efficient and sustainable products: Innovations in the Indian building market include lightweight roofing products, solar roof tiles, and insulated roofing styles. These advancements address concerns regarding sustainability, energy efficiency, and durability, catering to the evolving needs of consumers and the construction industry

Move towards light weight and easy to assemble products: There is an increasing demand for easy-to assemble and lightweight furniture as well as non-brick partitions. There is also a new trend for ready-to assemble floorings and furniture surfacing solutions.

M&A in building products market: Due to the promising growth prospects, the building products market is attracting attention from private equity (PE) investors. The table underscores a recent non-exhaustive list of PE firms engaging in acquisitions or mergers with building product businesses.

Table 13: Recent PE M&A deals in building products (non-exhaustive)

Year	Investor/Acquirer	Target	Target sector
Jun-23	Warburg Pincus	Watertec India	Plumbing and Sanitaryware
Jun-23	Nuvama Private Equity	Ozone Overseas	Doors, Windows and Hardware
Aug-22	Motilal Oswal Private Equity	Simpolo Virtified	Flooring
Aug-22	Carlyle Group	Varmora Granito	Flooring
Mar-22	Kotak Mahindra	Gold Plus Glass	Doors, Windows and Hardware

Source: Merger markets, Wazir analysis

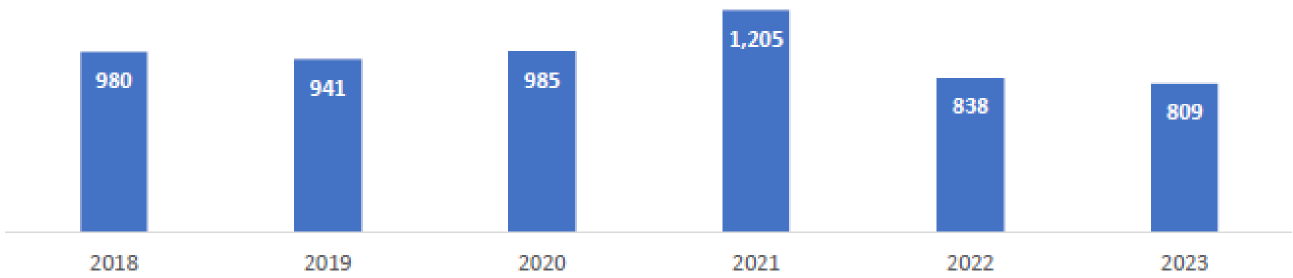
Tech based distribution channels: Tech-based distribution channels, such as online marketplaces, offer streamlined alternatives to traditional distributor networks in the Indian market. By leveraging technology, these platforms bridge supply chain gaps, providing convenience, access to a wider audience, and fostering entrepreneurship such as Moglix and Infra.Market.

Increasing focus on innovation and product development: Indian building material companies are increasingly focusing on innovation and product development through robust R&D as this helps create competitive advantage and sustainability of business. Typically, companies are focusing on creating more durable and low maintenance product which could cater to large section of Indian consumers.

5.4. Key challenges

Pricing: Building products prices in India are influenced by fluctuating raw material costs, supply chain issues, market demand, competition, labour costs, and environmental challenges. All these factors lead to inconsistent pricing in the market.

Figure 47: PVC price trends (US$/ton)



Source: Trading Economics, Mordor Intelligence
Note: Data represents calendar year

High import dependency of PVC: India imports nearly 56% of PVC raw material although alternative sources through domestic production with players like Reliance are also available. This import dependency can cause price fluctuations, delay in deliveries and other quality complexities. India imports from large global PVC suppliers like Formosa Plastics, Shintech, Tricon, Itochu International, Emery Oleochemicals, etc. This ensures reliable supply of quality raw material, prices and delivery lead times.

Lack of product standardization: The lack of product standardization in India's building products market leads to inconsistent quality, hindering construction reliability, increasing costs due to rework, and creating challenges in ensuring product compatibility across different suppliers and regions. However, ECHON's 'proprietary mix' perfected over the past 22 years while serving world leading brands, includes more than 8 key ingredients. ECHON is one of the few manufacturers globally that can produce products based on proprietary formulations while the peers rely on premix compounds. Using premix compounds limits flexibility in innovating product variety, durability, aesthetics, and environmental sustainability.

Lack of customer awareness: The lack of customer awareness in India's building material market results in poor product choices, increased susceptibility to incorrect information, higher costs, and suboptimal construction quality, complicating decision-making and compromising project integrity.

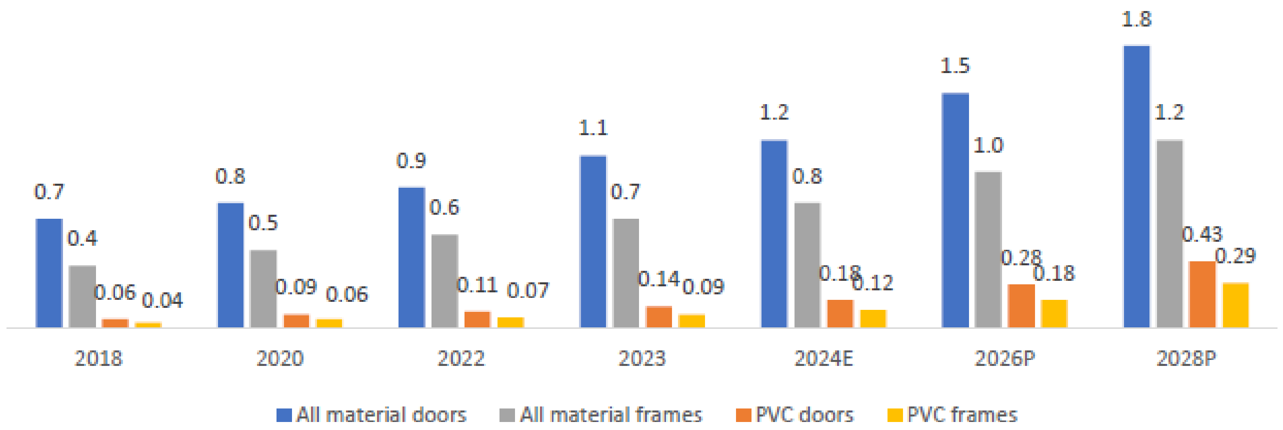
Complex distribution: Reaching out to Indian consumers require creating a strong distribution network of distributors/dealers and retailers.

5.5. India market size & growth projections

5.5.1. Door and frames market

Door market in India, was valued at US$1.1 billion in CY 2023 and is projected to reach US$1.8 billion in CY 2028, with a CAGR of 10%. Door frames market was valued at US$0.7 in CY 2023 and is projected to reach US$1.2 billion in CY 2028 with a CAGR of 11%. PVC door market was valued at US$0.14 billion in CY 2023 comprising 12.7% of the total market share and is projected to reach US$0.43 billion in CY 2028 with a CAGR of 25% and a market share of 23.9%. PVC frames market was valued at US$0.09 billion in CY 2023 comprising 12.9% of the total market share and is projected to reach US$0.29 billion in CY 2028 with a CAGR of 26% and a market share of 24.2%.

Figure 48: India door and frames market (US$ bn)



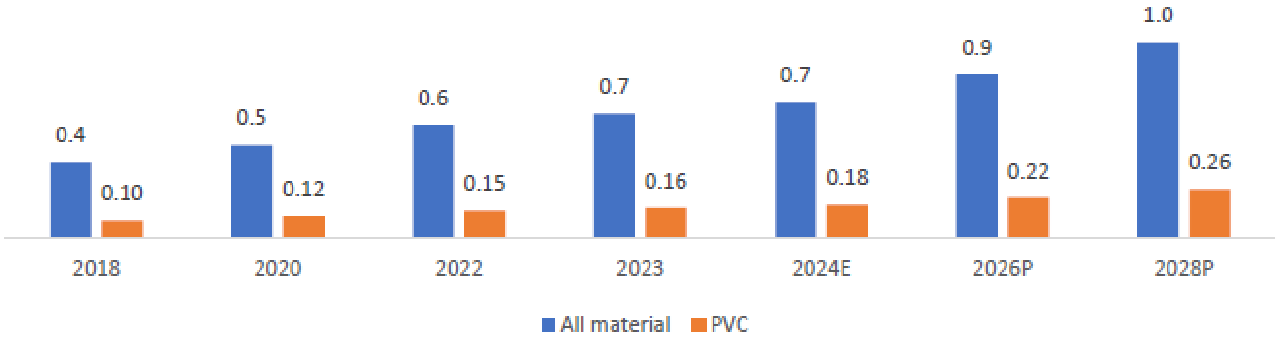
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC door	8.6%	11.3%	12.2%	12.7%	15.0%	18.7%	23.9%
PVC frames	10.0%	12.0%	11.7%	12.9%	15.0%	18.0%	24.2%

Source: Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected

5.5.2. Window and frames market

Window and frames market in India, was valued at US$0.7 billion in CY 2023 and is projected to reach US$1.0 billion in CY 2028, with a CAGR of 10%. PVC window and frames market were valued at US$0.16 billion in CY 2023 comprising 24.8% of the total market share and is projected to reach US$0.26 billion in CY 2028 with a CAGR of 10% and a market share of 25.2%.

Figure 49: India window and frames market (US$ bn)



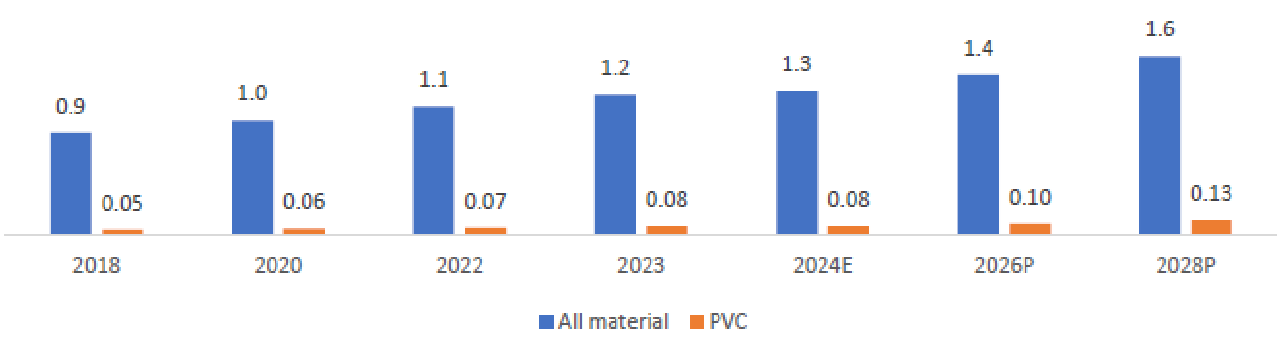
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	24.2%	24.3%	24.5%	24.8%	24.9%	25.0%	25.2%

Source: Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected

5.5.3. Wall & ceiling panels market

Wall & ceiling panels market in India, was valued at US$1.2 billion in CY 2023 and is projected to reach US$1.6 billion in CY 2028, with a CAGR of 6%. PVC wall & ceiling panels market was valued at US$0.08 billion in CY 2023 comprising 6.4% of the total market share and is projected to reach US$0.13 billion in CY 2028 with a CAGR of 10% and a market share of 8.1%.

Figure 50: India wall & ceiling panels market (US$ bn)



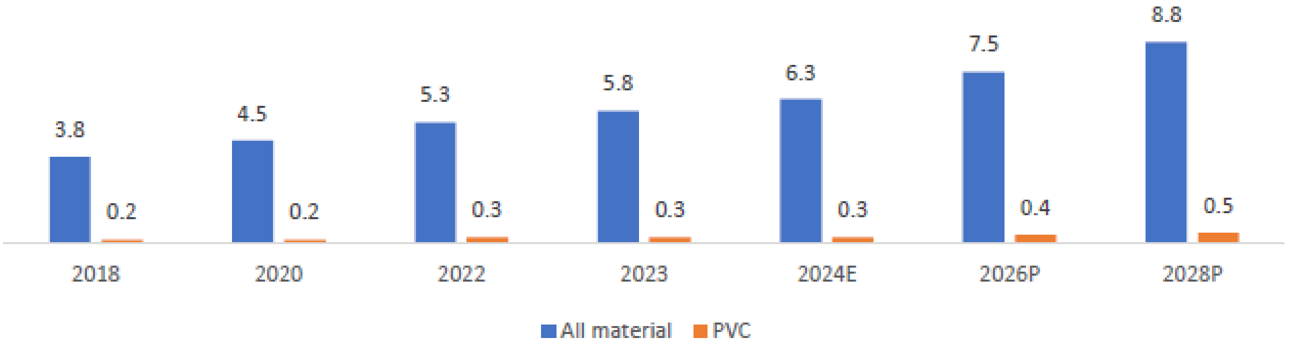
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	5.0%	5.5%	6.1%	6.4%	6.7%	7.4%	8.1%

Source: Technavio, IMARC Wazir analysis
Note: Data represents calendar year; E: Estimated; P: Projected

5.5.4. Boards and panels market

Boards & wood panels market in India, was valued at US$5.8 billion in CY 2023 and is projected to reach US$8.8 billion in CY 2028, with a CAGR of 9%. PVC foam boards market was valued at US$0.3 billion in CY 2023 comprising 5.2% of the total market share and is projected to reach US$0.5 billion in CY 2028 with a CAGR of 11% and a market share of 5.7%.

Figure 51: India boards & panels market (US$ bn)



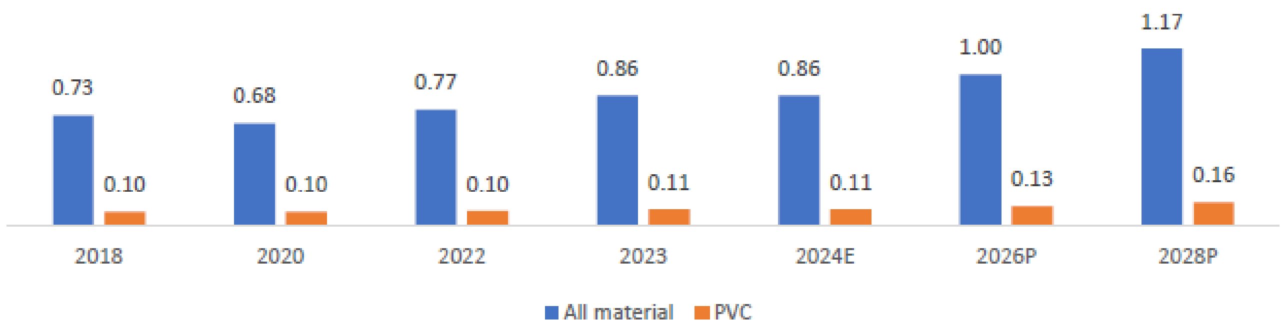
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	4.8%	5.0%	5.1%	5.2%	5.4%	5.4%	5.7%

Source: Wazir analysis
Note: All Material includes wood (hardwood, plywood, softwood, MDF, MDO, etc) & PVC; Data represents calendar year; E: Estimated; P: Projected

5.5.5. Laminates market

Laminates market in India, was valued at US$0.86 billion in CY 2023 and is projected to reach US$1.17 billion in CY 2028, with a CAGR of 6.3%. PVC laminates market was valued at US$0.11 billion in CY 2023 comprising 12.8% of the total market share and is projected to reach US$0.16 billion in CY 2028 with a CAGR of 7.5% and a market share of 13.5%.

Figure 52: India laminates market (US$ bn)



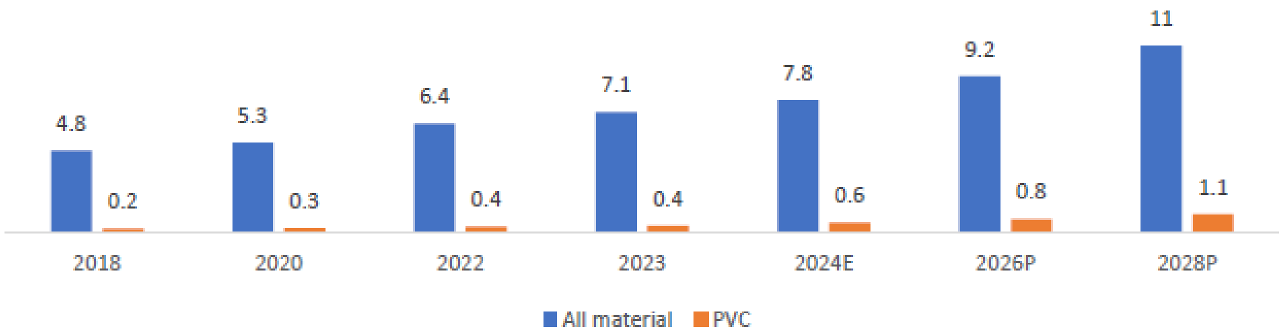
% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	13.0%	14.1%	13.5%	12.8%	13.1%	13.3%	13.5%

Source: Mordor Intelligence
Note: Data represents calendar year; E: Estimated; P: Projected

5.5.6. Flooring market

Flooring market in India, was valued at US$7.1 billion in CY 2023 and is projected to reach US$11 billion in CY 2028, with a CAGR of 9.2%. PVC flooring market was valued at US$0.4 billion in CY 2023 comprising 6.2% of the total market share and is projected to reach US$1.1 billion in CY 2028 with a CAGR of 20% and a market share of 10.0%.

Figure 53: India flooring market (US$ bn)



% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	5.0%	5.7%	5.9%	6.2%	7.7%	8.7%	10.0%

Source: Wazir analysis.
Note: Data represents calendar year; E: Estimated; P: Projected; data excludes transportation flooring

6. Printed signages market

Printed signages are visual displays or graphics that communicate information, instructions, advertisements, or directions via danglers, wobblers, standees, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving, tradeshows and QR payment codes at retail outlets.

Table 14: Printed signage applications

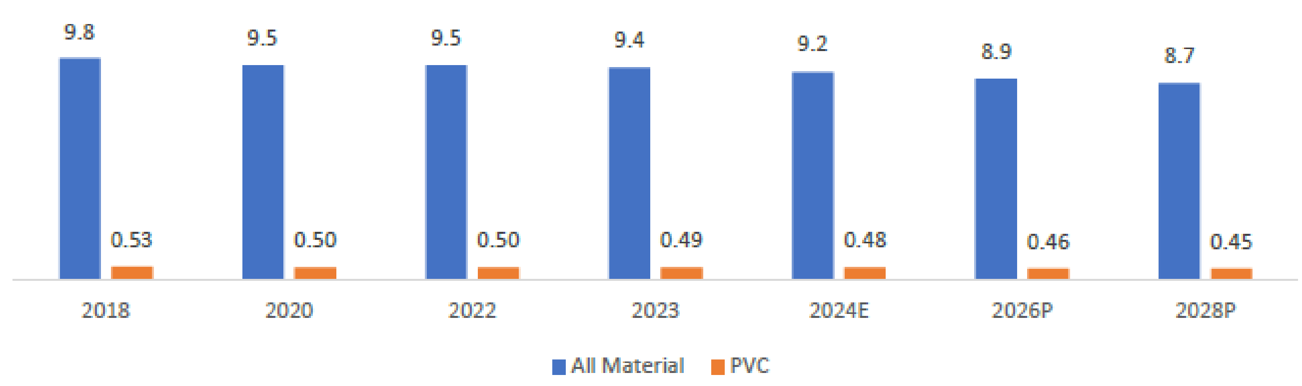
Danglers	Wobblers	Standees	Kiosks	QR scanners
				

Source: Wazir analysis in discussions with company management

PVC is a popular material for signage due to its versatility, durability, and ease of customization. PVC signages offer printability, weather resistance, and dimensional stability, making them ideal for both indoor and outdoor advertising applications. PVC signages find applications in cut outs, danglers, wobblers, standees, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving and tradeshows and QR payment codes. ECHON is the only player amongst key branded global players offering a wide range of signage dimensions and thickness options, ranging from 0.9mm to 30mm

6.1. US printed signage market

Figure 54: Printed signages market, US (US$ bn)



% share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	5.4%	5.3%	5.3%	5.2%	5.2%	5.2%	5.2%

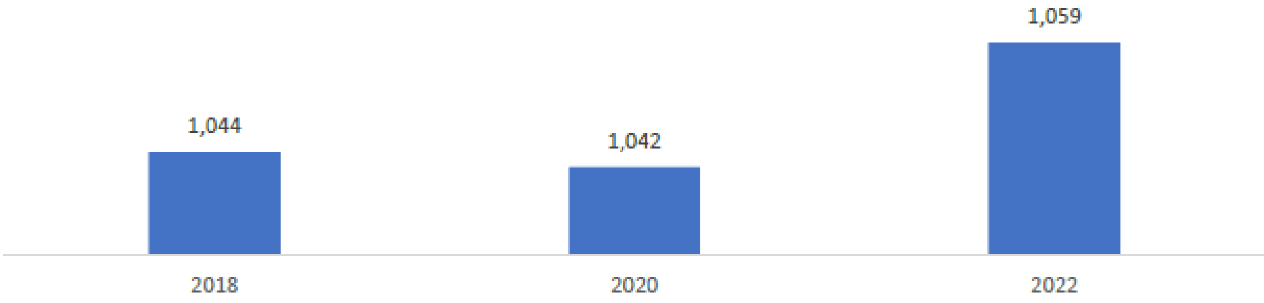
Source: Mordor Intelligence
Note: P: Projected; E: Estimated; Data represents calendar year

The signage market was valued at US$9.4 billion in CY 2023 and expected to reach US$8.7 billion in CY 2028. The signage market is divided into printed and digital signage. PVC is a popular material for signage due to its versatility, durability, and ease of customization. Our signages offer printability, weather resistance, and dimensional stability, making them ideal for both indoor and outdoor advertising applications. Our signages find applications in cut outs, danglers, wobblers, standies, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving, tradeshows and QR payment codes at retail outlets. Printed signage, extensively used in danglers, wobblers, standees, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving, tradeshows and QR payment codes at retail outlets. PVC is a popular material for signage due to its versatility, durability, and ease of customization. In contrast, digital signage offers dynamic, easily updatable, and interactive content, attracting more attention and providing greater flexibility. This reduces long-term printing and distribution costs, making digital displays the preferred choice for many businesses over traditional print signage. Despite the growth of digital signage, PVC printed signage spends are expected to hold due to extensive usage in retail and exhibition industry.

Growth drivers for printed signage industry

1. **Retail store growth**: As the number of retail outlets grow, printed signage becomes increasingly crucial for attracting customers, conveying promotions, and enhancing brand visibility. ECHON offers customizable products that are commonly used for indoor and outdoor signage, displaying store logos, directions, promotions, and product information with vibrant printing. Retailers also favour PVC blend-based material for constructing lightweight yet durable fixtures like shelving units and display stands. Its flexibility extends to creative visual merchandising elements such as backdrops and thematic displays, offering cost-effective design options. Easy maintenance and environmental benefits further enhance its appeal, making PVC blend-based material a popular choice for retail outlets.

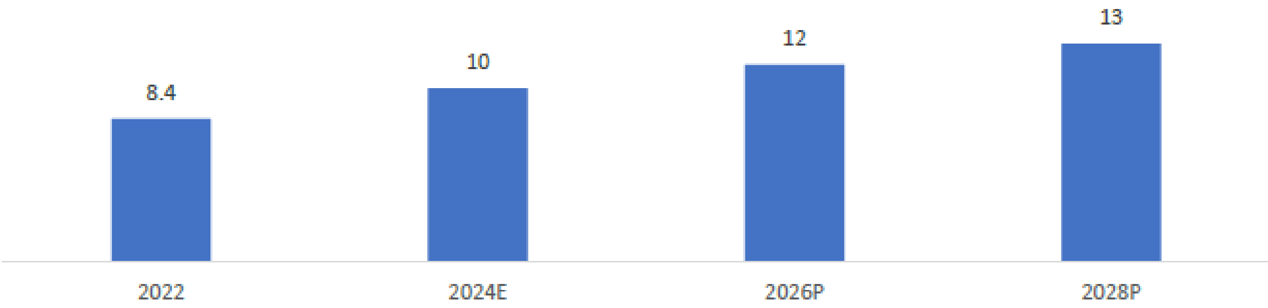
Figure 55: Retail stores, US



Source: US Bureau of labor statistics
Note: Data represents calendar year; Values in '000s

2. **Growth of event and exhibition industry:** Events and exhibitions require a diverse array of signage solutions, including banners, posters, and display graphics, to attract and inform attendees. The consistent demand for high-quality, visually appealing signage drives innovation and growth within the printed signage market. The US events and exhibition market, valued at US$8.4 billion in CY 2022, is projected to reach US$13 billion by CY 2028, with a CAGR of 5.6%. This growth is expected to boost the printed signage market. ECHON products are weather resistant, durable, reusable and well-equipped to meet the ongoing demand for high-quality, visually appealing signage requirements for both outdoor and indoor exhibitions.

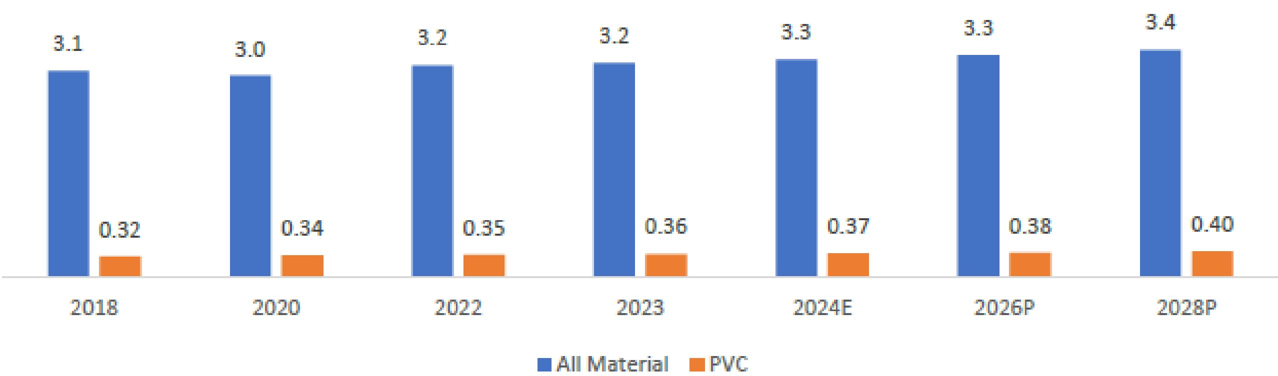
Figure 56: Event and exhibition market, US (US$ billion)



Source: Mordor Intelligence
Note: P: Projected; E: Estimated; Data represents calendar year

6.2. India printed signage market

Figure 57: Printed signage market, India (US$ bn)



%share	2018	2020	2022	2023	2024E	2026P	2028P
PVC	10.3%	11.2%	10.9%	11.2%	11.3%	11.4%	11.7%

Source: Mordor Intelligence
Note: P: Projected; E: Estimated; Data represents calendar year

The printed signage market in India was valued at US$3.2 billion in CY 2023 and projected to reach US$3.4 billion in CY 2028. The Indian printed signage market is segmented by types such as banners and backdrops, corporate graphics, exhibitions and trade shows, backlit displays, pop displays, billboards, and more. PVC blend-based signage material are particularly popular due to their ease of deployment, lightweight nature, and durability, ensuring that messages and advertisements remain intact for extended periods. Additionally, its ability to maintain its shape and texture makes it an ideal choice for creating QR codes for retailers.

Growth drivers for printed signage industry

3. **Retail store growth**: Existing retailers have scaled significantly in last 10 years. As retailers expand, printed signage plays a crucial role in attracting customers, conveying promotions, and enhancing brand visibility. ECHON products serves multiple purposes including signage for indoor and outdoor displays, visual merchandising elements like shelving and product stands, and informational panels for store policies and directions. The company has the opportunity to expand its market share amidst the growth in the retail sector.

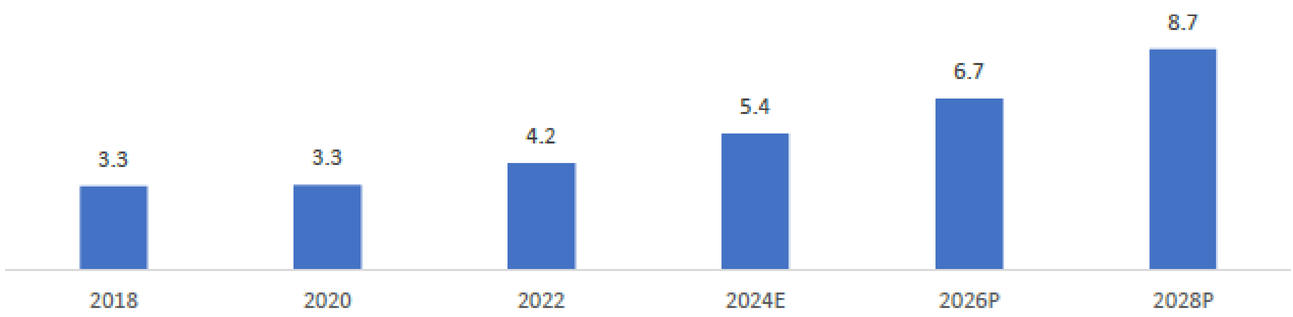
Table 15: Growth of retail outlets in India for major players

Retailer	Year of entry	Store Count		
		2013	2023	CAGR (2013-23)
Reliance Industries Ltd.	2006	1,466	18,469	28.8%
Aditya Birla Fashion	1997	1,367	3,977	11.3%
Titan	1984	179	763	15.6%
Trent Limited	1998	70	673	25.4%
Avenue Supermarts (Dmart)	2002	62	324	18.0%

Source: Company presentation; Wazir Analysis
Note: Data represents calendar year

4. **Growth of exhibition industry:** Exhibitions and trade shows demand a diverse range of signage solutions, such as banners, posters, and display graphics, to attract and inform attendees. This consistent need for high-quality, visually appealing signage drives demand, fostering innovation and growth within the printed signage market. The Indian event and exhibition market, valued at US$3.3 billion in CY 2020, is projected to reach US$8.7 billion by CY 2028, registering a CAGR of 13%. This growth is expected to significantly boost the printed signage market. ECHON offers aesthetically superior and cost-effective solutions compared to other materials, with the added benefit of weather resistance that ensures reliability in both indoor and outdoor exhibition environments.

Figure 58: Exhibition market, India (US$ bn)



Source: Mordor Intelligence
Note: P: Projected; E: Estimated; Data represents calendar year

5. **Increasing usage of QR code stickers:** As per RBI data, number of QR code stickers has risen from 172 million in FY 2022 to 346 million in FY 2024, which shows its wide application and acceptance. This growth directly correlates with increased demand for PVC blend-based material across diverse regional markets. ECHON products are light weight and can be shaped into sturdy stands that securely hold QR code displays, ensuring they are prominently positioned for easy scanning.

6. **Application in educational products:** Specialized PVC blend-based material as educational aids are playing an increasingly important role in the education sector, offering durable and cost-effective solutions for interactive learning. With 196,265 primary schools across India, the demand for innovative educational tools is substantial. This creates a significant growth opportunity for PVC blend-based educational aids, as they cater to a vast and diverse student population, enhancing the quality of education and making learning more accessible and engaging


6.3. Key challenges

Emergence of digital signage: Over the last 5 years, printed signage is facing challenge from the digital signage. Digital signage is replacing printed signage in retail stores as it offers provides dynamic content that can be updated in real-time

Lack of flexibility: The biggest disadvantage of printed signage is the lack of flexibility. This is because once printed, the advertisement cannot be updated or changed. Current retail environment requires dynamic changes in line with consumer needs where printed signage has a disadvantage

Increasing cost of printing material and manpower: Cost of printing material is increasing due to a number of supply chain and increase in manpower cost. Further increase in cost may fasten the transition to digital signage

Lack of standardization: Due to unorganized nature of the industry, there is lack of standardization in product specifications. Products delivered varies in quality and specifications from order to order and from company to company, which makes difficult for end users in their applications. ECHON is amongst few branded signages companies in India, offering a wide range of signage dimensions and thickness options, ranging from 0.9 mm to 30 mm.

7. Products portfolio of ECHON

Kumar Arch Tech Ltd., operating under the ECHON brand, based out of Udaipur, Rajasthan is located at strategic location offering easy access to major highways and ports (Mundra, Nhava Sheva). ECHON offers a diverse range of high-quality PVC blend-based building material, including boards, trims, mouldings, doors, wall panels, ceilings, and signage products. Renowned for their durability, low maintenance, and versatility, these products are ideal for modern residential, commercial, and industrial projects. ECHON's proprietary blend of more than 8 essential ingredients, enables product innovation. This unique formulation enhances the durability, aesthetics, and workability of their products, setting them apart from competitors who rely on pre-mixed compounds. Over the past 22 years, this innovation has driven growth from 10 SKUs to over 900 SKUs, attracting numerous international buyers by allowing ECHON to provide unique, tailored solutions to meet consumer demands.

Table 16: Present PVC blend-based product portfolio of ECHON

Boards	Trims	Mouldings
 It is strong, rigid, and durable sheets made from PVC blend-based formulation. They are used in construction and renovation for applications such as wall cladding, furniture and modular kitchen.	 Architectural elements used around windows, doors, corners and fascia to provide a finished look while protecting against the elements.	 Decorative elements used in architecture and interior design to enhance and define spaces

Wall panels	Door and frames	Ceilings
	 	
PVC blend-based structures used to enahnce interior wall designs. They are light and durable with easy interlocking for quick installation	PVC blend-based standalone structures of door and frames have low-maintenance and offer excellent insulation properties, durability, and moisture resistance, making them suitable for both interior and exterior applications	PVC blend-based ceilings to enhance interior designs. This panels are light and durable with stain proof, water proof and termite proof

Figure 59: Signage product portfolio for ECHON

Printed signgage product portfolio		
		

Source: Company management
Note: Kumar Arch Tech Ltd.'s brand name 'ECHON' has been used throughout the report to represent the company's name.

8. Benefits of PVC over its peer material

Table 17: Benefits of PVC over its peer materials

	PVC	Plywood	MDF	Particle board	Solid acrylic
Ease of installation	Lightweight and easy to install	Requires more effort than PVC	Similar to plywood	Prone to breaking during installation	Requires more effort than PVC
Shape deformity	Highly resistant	Moderate resistance	Moderate resistance	Low resistance	Experience shape deformity.
Termite resistance	Highly resistant	Termite resistant if treated	Similar to plywood	Susceptible to termites	Highly resistant
Water resistance	Highly resistant	Water-resistant if treated	Swells and deforms when exposed to water	Highly susceptible to water damage	Highly resistant
Fire resistance	High fire resistance	No fire resistance	No fire resistance	No fire resistance	Low fire resistance
Cleaning & maintenance	Easy to clean and maintain	Requires regular maintenance	Requires regular maintenance	Difficult to maintain	Easy to clean and maintain

	PVC	PP sheets	Cement boards	Quartz surface	Tiles
Ease of installation	Lightweight and easy to install	Lightweight and easy to install	Requires more effort than PVC	Easy to install	Require a skilled labour force for proper installation
Shape deformity	Highly resistant	Can experience shape deformity.	Moderate resistance	Moderate resistance	Can deform under certain circumstances
Termite resistance	Highly resistant	Resistance to termites	Resistance to termites	Resistance to termites	Resistance to termites
Water resistance	Highly resistant	Highly resistant	Moderate resistance	Highly resistance	Highly resistance
Fire resistance	High fire resistance	Moderately resistance	Resistant to fire	Sensitive to fire	High fire resistance
Cleaning & maintenance	Easy to clean and maintain	Low maintenance	Low maintenance	Low maintenance	Easy to clean and maintain

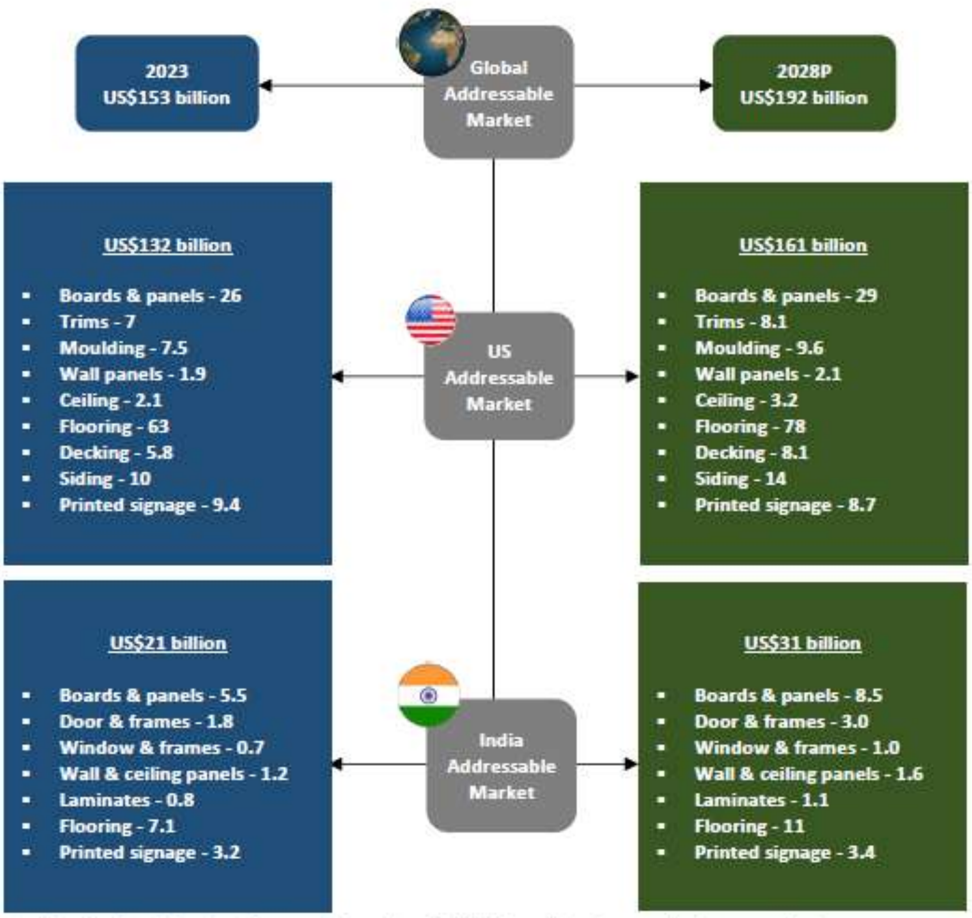
Source: Wazir analysis in discussions with company management

PVC blend-based materials offered as alternative to traditional material are superior to traditional (wood-based materials), due to its properties like high resistance to fire, water, termite, etc. PVC blend-based materials are also easy to handle, install and maintain as compared to wood-based materials.

9. Global addressable market for ECHON

Global addressable market for ECHON was valued at US$153 billion in CY 2023 and is projected to reach US$192 billion in CY 2028, growing with CAGR of 4.5%. The US market, valued at USD 132 billion in CY 2023, accounted for 86% of the total market share and is expected to grow to USD 161 billion by CY 2028, with a CAGR of 4% and a market share of 84%. Meanwhile, the Indian market was valued at USD 21 billion in CY 2023, representing 14% of the total market share, and is projected to reach USD 31 billion by CY 2028, with a CAGR of 8% and a market share of 16%. The current product profile for ECHON includes PVC blend-based material boards, trims, mouldings, wall panels, ceilings, doors & frames and printed signage. The company has planned to add flooring, decking, siding, laminates & uPVC windows in future in their product profile.

Figure 60: Global addressable market for ECHON (US$ bn)



Note: Addressable market includes market size for current and future product profile of ECHON along with the replacement market; Data represents calendar year

9.1. ECHON addressable market for building products in US

Based on current product profile (PVC foam boards, trims, mouldings, wall panels & ceilings) of ECHON the addressable market is valued at US$21 billion in CY 2023. The company has planned for addition of new products in the future covering adjacent categories like siding, decking & flooring which is expected to increase its addressable market to US$127 billion in CY 2028. Additionally, there is a replacement market (wood panels) for company's current and future product profiles, which will make total addressable market of US$152 billion in CY 2028.

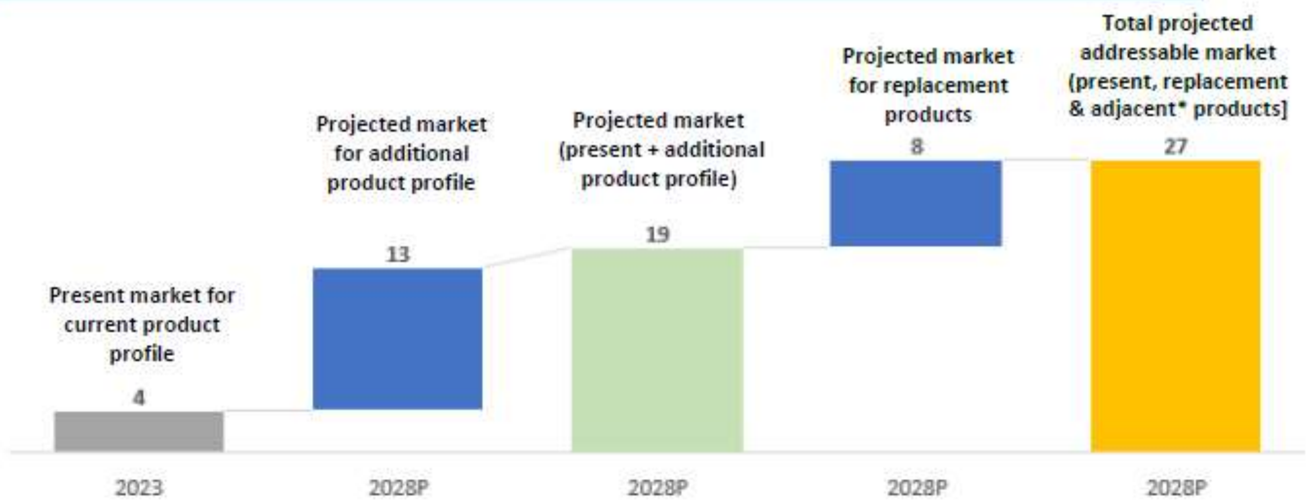
Figure 61:Increasing market size (US$ bn) for the company's product profile in US

Source: Principia & Wazir analysis
Note: Data represents calendar year; P: Projected; adjacent* products include siding, decking & flooring represents expected future products of ECHON

9.2. ECHON addressable market for building products in India

Based on current product profile (PVC foam boards, doors & frames, wall & ceilings panels) of ECHON the addressable market is valued at US$4 billion in CY 2023. The company has planned for addition of new products in the future covering adjacent categories like laminates, flooring & uPVC windows & doors which is expected to increase its addressable market to US$19 billion in CY 2028. Additionally, there is a replacement market (wood panels) for company's current and future product profiles, which will make total addressable market of US$27 billion in CY 2028.

Figure 62: Increasing market size (US$ bn) for the company's product profile in India



Source: BoB Capital, Mordor Intelligence, Wazir analysis
Note: Data represents calendar year, P: Projected; adjacent* laminates, flooring & uPVC windows & doors represent expected future products of ECHON

10. Competitor analysis

10.1. ECHON product segment wise competition mapping

Kumar Arch Tech (ECHON) portfolio offers extensive range of product offerings and end customer usage which makes peer comparison diverse. We have evaluated peers across multiple parameters such as material science, product variety, and innovation.

Table 18: Product - level competitors of ECHON

Parameter	US	India
Material Science	Lubrizol Corporation	Astral Ltd
Boards	-	Century Plyboards Ltd and Greenply Industries Ltd
Trim/Moulding/Columns	The Azek Company and Westlake Royal Building Products	-
Doors and Windows	-	Fenesta (DCM Shriram Ltd.)
Signage	Palram Industries Ltd and Koma	No organised Players
Flooring and Ceiling	Mohawk Industries, Shaw Industries and Armstrong Flooring	-

Source: Wazir analysis

Table 19: Product comparison of Kumar Arch Tech (ECHON) with peers

Product profile	Kumar Arch Tech (ECHON)	Domestic peers			International peers				
		Century plyboards	Greenply Industries Ltd.	Fenesta (DCM Shriram)	Mohawk Industries	Westlake Royal Building Products	The Azek Company	Trex Inc.	Palram Industries
PVC blend-based boards	✓	✓	✓	-	-	✓	✓	✓	✓
PVC blend-based trims	✓	-	-	-	-	✓	✓	✓	-
PVC blend-based mouldings	✓	-	-	-	-	-	✓	✓	-
PVC blend-based wall panels	✓	-	-	-	-	-	✓	-	✓
PVC blend-based door & frames	✓	✓	✓	✓		✓	-	-	-
PVC blend-based ceilings	✓	-	-	-	✓	-	✓	-	✓
PVC blend-based printed signages	✓	-	-	-	-	-	-	-	-

Source: Company website

Note: Greenply Industries offer WPC doors and frames; Fenesta offers uPVC doors & windows; Mohawk offers primary products in flooring & ceilings; Trex & Azek offers decking and cladding

10.2. Revenue from operations

Revenue from operations is the top line parameter for a company's financials. Kumar Arch Tech (ECHON) is one of the leading PVC blend-based product manufacturing companies in India alongside Fenesta (DCM Shriram Ltd.) and Astral Ltd.

Table 20: Revenue (Rs. mn.) from operations & growth (%) of major Indian players

Companies	FY22	FY23	FY24	CAGR (2022 - 24)
Kumar Arch Tech Ltd. (ECHON)	**2,505.64**	**4,072.55**	**4,078.77**	**27.59%**
Astral Ltd	43,940.00	51,585.00	56,414.00	13.31%
Century Plyboards India Ltd.	30,270.24	36,465.67	38,859.53	13.30%
Greenply Industries Ltd.	15,628.04	16,631.47	21,799.20	18.10%
Fenesta (DCM Shriram Ltd.) *	5,286.00	6,960.00	8,240.00	24.85%

Source: company financials

Note: Data represents financial year; *Revenue of Fenesta.

Table 21: Revenue (US$ mn) from operations & growth (%) of major US players

Manufacturer	2021	2022	2023	CAGR (2021 – 23)
Mohawk Industries	11,200.61	11,737.07	11,135.12	-0.29%
Westlake Royal Building Products*	3,100.00	4,800.00	4,200.00	16.40%
The Azek Company	1,178.97	1,355.59	1,370.32	7.81%
Trex Inc.	1,196.95	1,106.04	1,094.84	-4.36%
Palram Industries Ltd.	490.57	489.33	463.79	-2.77%

Source: Company financials, secondary research

Note: Data represents financial year; * Westlake Housing & Infrastructure Products (HIP); Palram industries conversion rate is 1ILS = 0.27 USD

Kumar Arch Tech (ECHON) has grown by 27.59% from Rs. 2,505.64 million in FY22 to Rs. 4,078.77 million in FY24 and has the fastest growth than its peers. Indian players have exhibited higher growth percentages than players in US.

10.3. EBITDA margin

EBITDA margin is largely used to compare the profitability of the companies against competitors. It is also used to standardize the business performance against the industry averages.

Table 22: EBITDA margin (%) of major Indian players

Companies	FY22	FY23	FY24
Kumar Arch Tech Ltd. (ECHON)	**12.22%**	**22.06%**	**36.19%**
Astral Ltd	17.98%	16.22%	17.02%
Century Plyboards India Ltd.	18.30%	16.63%	14.53%
Greenply Industries Ltd.	10.25%	10.31%	9.20%
Fenesta (DCM Shriram Ltd) *	13.00%	17.40%	17.60%

Source: Company financials
Note: Data represents financial year; *PBIT of Fenesta; Margin as %of sales

Table 23: EBITDA margin (%) of major US players

Companies	2021	2022	2023
Mohawk Industries	11.92%	8.01%	5.30%
Westlake Royal Building Products*	17.20%	20.00%	22.50%
The Azek Company	12.06%	9.51%	9.57%
Trex Inc.	27.54%	22.31%	25.23%
Palram Industries Ltd.	16.78%	8.54%	11.83%

Source: Company financials, secondary research
Note: Data represents financial year; * Westlake Housing & Infrastructure Products

10.4. Return on Capital Employed (ROCE)

ROCE indicated the company's efficiency by measuring the profitability of the business after factoring in the capital used by the company to generate profits. ROCE is a good indicator of the company's performance over long period

Table 24: Return on capital employed (ROCE) (%) margins of major Indian players

Companies	FY22	FY23	FY24
Kumar Arch Tech Ltd. (ECHON)	**32.37%**	**58.39%**	**54.98%**
Astral Ltd	30.39%	25.80%	26.10%
Century Plyboards India Ltd.	26.82%	23.73%	15.79%
Greenply Industries Ltd.	16.05%	10.95%	11.79%

Source: company financials;
Note: Data represents financial year; Values are at consolidated level

Table 25: Return on capital employed (ROCE) (%) of major US players

Manufacturers	2021	2022	2023
Mohawk Industries	6.66%	3.13%	-0.37%
The Azek Company	2.59%	0.60%	-0.08%
Trex Inc.	45.97%	32.18%	36.42%
Palram Industries Ltd.	24.33%	8.38%	11.96%

Source: Company financials, secondary research
Note: Data represents financial year

10.5. Return on Equity (ROE)

Return on equity (ROE) is a useful metric for calculating a company's financial performance. It is calculated by dividing net income by shareholders' equity. It is a profitability ratio that depicts how well the company makes profits from equity capital.

Table 26: Return on Equity (ROE) (%) margins of major Indian players

Companies	FY22	FY23	FY24
Kumar Arch Tech Ltd. (ECHON)	**46.93%**	**73.62%**	**64.10%**
Astral Ltd	22.91%	17.75%	17.52%
Century Plyboards India Ltd.	22.21%	21.80%	15.83%

Companies	FY22	FY23	FY24
Greenply Industries Ltd.	19.43%	17.94%	12.60%

Source: Company financials
Note: Data represents financial year; Values are at consolidated level

Table 27: Return on equity (ROE) (%) margins of major US players

Manufacturers	2021	2022	2023
Mohawk Industries	12.18%	0.31%	-5.62%
The Azek Company	6.82%	5.24%	4.73%
Trex Inc.	31.78%	29.70%	33.26%
Palram Industries Ltd.	23.03%	16.63%	15.55%

Source: Company financials, secondary research
Note: Data represents financial year

10.6. Profit After Tax (PAT) & PAT margins

PAT is the financial metric representing a company's net income after deducting all applicable taxes.

Table 28:PAT margins (%) of major Indian players

Companies	FY22	FY23	FY24
Kumar Arch Tech Ltd. (ECHON)	**8.15%**	**15.47%**	**27.16%**
Astral Ltd	11.16%	9.16%	9.67%
Century Plyboards India Ltd.	10.35%	10.34%	8.37%
Greenply Industries Ltd.	6.06%	6.37%	3.91%

Source: Company financials
Note: Data represents financial year; Values are at consolidated level

Table 29: PAT margins (%) of major US players

Companies	2021	2022	2023
Mohawk Industries	9.22%	0.22%	-3.95%
The Azek Company	7.90%	5.55%	4.96%
Trex Inc.	17.44%	16.69%	18.76%
Palram Industries Ltd.	10.37%	8.52%	9.57%

Source: Company financials, secondary research
Note: Data represents financial year

OUR BUSINESS

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to the Company along with its Subsidiaries, on a consolidated basis and references to our "Company" refers to Kumar Arch Tech Limited on a standalone basis. To obtain a complete understanding of our Company and business, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Other Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 27, 117, 272 and 279, respectively as well as financial and other information contained in this Draft Red Herring Prospectus as a whole. Additionally, please refer to "Definitions and Abbreviations" on page 1 *for definition of certain terms used in this section.*

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 230. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

Some of the information in the following section, especially information with respect to our plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section "Forward-Looking Statements" on page 25 for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" on page 27 for a discussion of certain risks that may affect our business, financial condition, or results of operations.

Unless otherwise indicated, industry and market data used in this section have been extracted from the Wazir Report, which has been commissioned by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate. The data included herein includes excerpts from the Wazir Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further details and risks in relation to the Wazir Report, see "Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Wazir exclusively commissioned and paid for by us for such purpose." on page 43. The Wazir Report will form part of the material documents for inspection and is available on the website of our Company at https://www.echon.co/investor-relations/.

Overview

We are the largest manufacturer and exporter of PVC[2] blend-based building material products in India, in terms of value, as of March 31, 2024. *(Source: Wazir Report)* With a legacy of over 22 years of operations, our expertise in material science and our R&D[3] capabilities, we have developed our proprietary formulations which give us the flexibility to manufacture products by blending more than eight different raw materials. We provide our customers a wide range of products, classified into three categories, (i) board/sheets and their derivatives such as trimboards, doors, and wall ceiling panels and columns, (ii) profiles which comprise of mouldings and door frames, (iii) and signage solutions. We are one of the pioneers in the PVC blend-based building material products industry in India, have diversified our product offering along with innovation and quality well suited to meet the requirements of international and Indian markets (*Source: Wazir Report*). We commanded 18% market share in the PVC blend-based building material products industry in India as of March 31, 2024, *(Source: Wazir Report)*

As of March 31, 2024, the share of PVC blend-based building material products exported from India to US markets by us was 28% of the total export of PVC blend-based building material products, where the market for the PVC blend-based building material products is valued at US$ 14 billion in 2023 and is the largest globally and is expected to reach US$ 19 billion by 2028 with a CAGR of 6%, and the Indian PVC blend-based building material market, is valued at US$ 1.3 billion in 2023 and is expected to reach US$ 2.9 billion by 2028 with a CAGR of 17% (*Source: Wazir Report*). We are one of the fastest growing players globally, having delivered a revenue from operations CAGR of 27.59% over 2022 to 2024 (*Source: Wazir Report*). We are the largest player in India in terms of capacity in the PVC blend-based building material segment with a production capacity of 27,600 MTPA as on March 31, 2024 (*Source: Wazir Report*).

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[2] "**PVC**" means polyvinyl chloride.

[3] "**R&D**" means research and development of the products manufactured by us.

We provide tailored solutions to our customers and have produced specialized products such as customized boards and profiles. We analyse customer feedback to identify demand trends and we collaborate with our customers to develop new product attributes or entirely new products. Our ability to provide custom solutions highlight our solution-focused approach. Products developed under this approach increase our revenue and ensures business stickiness as well as longstanding relationships with customers.

Our offerings span across the value chain and include product conceptualisation, designing, manufacturing and delivery, based the specific needs of our customers. Over the years, we have developed a comprehensive product portfolio of more than 900 SKUs as of June 30, 2024, under PVC blend-based building material products and signages.

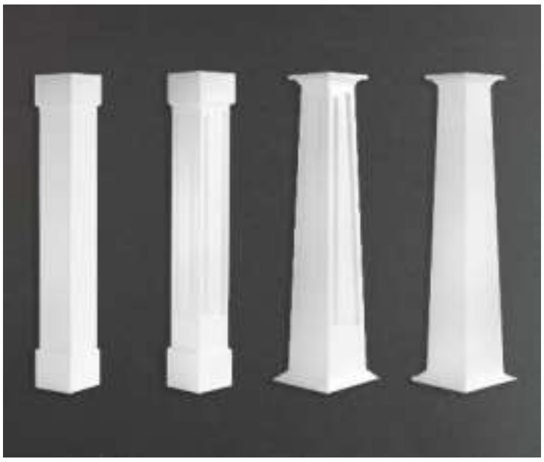
Product Portfolio

Our key manufactured PVC blend-based building material products are boards/sheets, mouldings, wall and ceiling panels, which we supply to residential, commercial and industrial sectors for new construction and renovations, in domestic and international markets we cater to. Set out below is the revenue contribution of our products for the last three years:

Revenue Split by Product	As at and for the Fiscal Year ended March 31,		
	2024	2023	2022
Building Material Products (₹ million)	3,474.95	3,372.88	2,291.07
Boards/Sheets and value-added products and their derivatives (₹ million)	2,791.07	2,797.32	1,804.46
Profiles (Mouldings and Door-frames) (₹ million)	683.88	575.56	486.61
Signage (₹ million)	545.79	527.26	87.87
Others (₹ million)	58.03	172.41	126.70

The images below set forth a range of our product offerings:

<table>
<tr><td rowspan="4">Board / Sheets and their derivatives</td><td colspan="2">Board / Sheets</td></tr>
<tr><td></td><td></td></tr>
<tr><td colspan="2">Derivatives</td></tr>
<tr><td>
Trimboard</td><td>
Door</td></tr>
</table>

	 Wall and ceiling panels	 Columns
Profiles	 Mouldings	 Door frames
Signages		

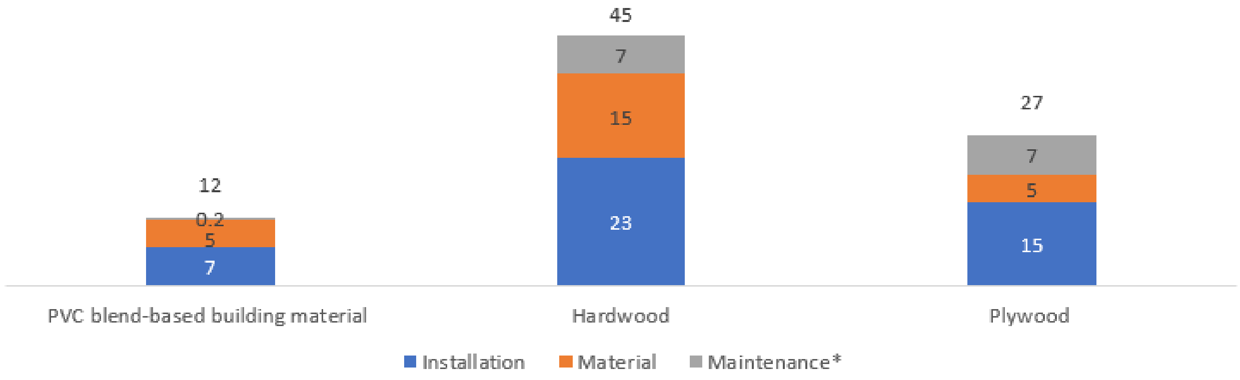
Our products serve as alternatives to and have distinct advantages over wood-based products including superior durability, low maintenance requirements, cost-effectiveness, variety of aesthetic options and resistance to moisture, insects, and fire *(Source: Wazir Report)*. Set out below is a comparison of PVC blend based products with its peers.

	PVC	Plywood	MDF	Particle board	Solid acrylic	PP sheets	Cement boards	Quartz surface	Tiles
Ease of installation	Lightweight and easy to install	Requires more effort than PVC	Similar to plywood	Prone to breaking during installation	Requires more effort than PVC	Lightweight and easy to install	Requires more effort than PVC	Easy to install	Require a skilled labour force for proper installation
Shape deformity	Highly resistant	Moderate resistance	Moderate resistance	Low resistance	Experience shape deformity.	Can experience shape deformity.	Moderate resistance	Moderate resistance	Can deform under certain circumstances
Termite resistance	Highly resistant	Termite resistant if treated	Similar to plywood	Susceptible to termites	Highly resistant	Resistance to termites	Resistance to termites	Resistance to termites	Resistance to termites
Water resistance	Highly resistant	Water-resistant if treated	Swells and deforms when exposed to water	Highly susceptible to water damage	Highly resistant	Highly resistant	Moderate resistance	Highly resistance	Highly resistance
Fire resistance	High fire resistance	No fire resistance	No fire resistance	Low fire resistance	Low fire resistance	Moderately resistance	Resistant to fire	Sensitive to fire	High fire resistance
Resistance to hazardous chemicals	Easy to clean and maintain	Requires regular maintenance	Requires regular maintenance	Difficult to maintain	Easy to clean and maintain	Low maintenance	Low maintenance	Low maintenance	Easy to clean and maintain
Cleaning & maintenance	Lightweight and easy to install	Requires more effort than PVC	Similar to plywood	Prone to breaking during installation	Requires more effort than PVC	Lightweight and easy to install	Requires more effort than PVC	Easy to install	Require a skilled labour force for proper installation

(*Source: Wazir Report*)

PVC blend-based products have a higher life cycle of more than 20-25 years compared to wood and MDF[4] which have a life span of 10 – 12 years *(Source: Wazir Report)*. In addition, PVC blend-based products have lesser life-cycle cost compared to hardwood and plywood. For instance, set out below is a comparison of material, installation and maintenance costs over the life-cycle of flooring products across PVC blend-based products, hardwood products, and plywood products

(*In US$ / sq. ft.*)



(Source: Wazir Report)

We manufacture a diverse range of signages which find applications in cut outs, danglers, wobblers, standees, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving, tradeshows and QR payment codes at retail outlets replacing traditional cardboards, plywood, MDF and metal panels. We are amongst few branded signages company in India, offering a wide range of signage dimensions and thickness options, ranging from 0.9 mm to 30 mm (*Source: Wazir Report*). We also have an innovative range of educational products such as alphabetical boards for interactive leaning as a replacement of traditional charts made of plywood or cardboard. Our domain expertise and relationships with our customers allow us to design and deliver innovative and sustainable products that meet the evolving demands of the industry and maintain our strong market position.

We have a well-established global footprint, across 15 countries as of June 30, 2024. We sell our products to distributors, who further supply to traders, fabricators and retailers in their respective countries. Our network includes three largest home improvement/DIY stores in the USA, having presence of over 4,400 stores *(Source: Wazir Report)*. Our sales and marketing network is supported by a dedicated team of 11 members as of June 30, 2024. In the last three Fiscals, we exported our products to 8 countries including the USA, United Kingdom, Italy, France, Poland, Netherlands, Portugal, and Canada. As per the Wazir Report, India's export globally in PVC blend-based building material products has grown from US$ 119 million in Fiscal 2020 to US$ 222 million in Fiscal 2024 with a CAGR of 17% and export to the USA has increased from US$ 47 million in Fiscal 2020 to US$ 144 million in Fiscal 2024 with a CAGR of 32%. We are the largest exporter of PVC blend-based building materials from India as on March 31, 2024 *(Source: Wazir Report)* and our share in export to the USA market from India has increased from 17% in Fiscal 2020 to 28% in Fiscal 2024 *(Source: Wazir Report)*. Our share in the PVC blend-based building material products has increased from 7% in Fiscal 2020 to 18% in Fiscal 2024 in India, reflecting our strong market positioning and competitive edge *(Source: Wazir Report)*. Our revenue from operations from export sales has grown at a CAGR of 25.36% from Fiscal 2022 to 2024, in comparison to India's export sales in the PVC blend-based building materials industry which has grown at a CAGR of 17% from Fiscal 2022 to Fiscal 2024 (*Source: Wazir Report*).

Additionally, in order to expand awareness for our product and brand, we will be opening our own retail centre under the brand "New Age Home" in Udaipur, India, by December 2024, to ensure our presence across both business-to-business and business-to-consumer segments. We believe that there is significant scope for a one-stop shop for PVC blend-based building material products and "*New Age Home*" can capitalize on this by offering a comprehensive range of products including wall panels, doors, flooring, ceiling and decorative.

During Fiscal 2024, 2023 and 2022, the aggregate installed capacity of our facilities was 27,600 MTPA, 27,600 MTPA, and 22,920 MTPA and our capacity utilisation in the same period was 65.30%, 52.03%, and 50.73%respectively. We are expanding our annual capacity by establishing a facility in Udaipur, Rajasthan with a proposed installed capacity of 90,000 MTPA and have acquired a strategically located facility in Virginia, USA, For further details on our facilities, see "–*Facilities*" on page 181.

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[4] "**MDF**" means medium-density fiberboard.

Our continued focus on R&D has been instrumental in the growth of our operations and driving innovation in the PVC blend-based building material products industry. Our state-of-the-art R&D focuses on developing tailored products to meet the diverse needs of residential, commercial, and industrial sectors. Our R&D capabilities have enabled us to develop expertise in various categories of innovative products such as(i) wall and ceiling panels such as decorative embossed panels that replicate finishes like marble, wood, and stone, while also addressing functional and practical challenges, (ii) profiles / mouldings such as pre-metered profiles and kits for various applications, (iii) columns, and (iv) graphic educational-aid As of June 30, 2024, our R&D has developed several categories of innovative products. Set our below are the details of our revenue from innovative products for the last Fiscals:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from innovative products	2,230.60	1,866.92	1,039.63
% of the revenue from innovative products out of the total revenue	54.68	45.84	41.49

Our professional management team, under the guidance of our experienced Promoters and senior management, ensures seamless execution of our strategic initiatives. The commitment of our workforce at the entry-level contributes to our operational efficiency and overall success. For further details on our Directors, Key Management Personnel, and Senior Management Personnel, please see "*Our Management*" on page 204.

The following table sets forth certain key performance indicators for the periods indicated

Financial KPIs

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ million)	4,078.77	4,072.55	2,505.64
Gross Margins (₹ million)	2,617.51	2,275.47	1,103.54
Gross Margin (%)	64.17	55.87	44.04
EBITDA (₹ million)	1,476.18	898.57	306.21
EBITDA Margin (%)	36.19	22.06	12.22
PAT (₹ million)	1,107.99	630.05	204.26
PAT Margin %	27.16	15.47	8.15
Cash flow from operations after working capital changes (₹ million)	563.17	442.81	(12.25)
Return on Capital Employed (RoCE) *(%)*	54.98	58.39	32.37
Return on Equity (RoE) *(%)*	64.10	73.62	46.93
Debt to Equity Ratio	0.13	0.25	0.55

Notes:
1. *Revenue from operation as per Restated Consolidated Financial Information.*
2. *Gross margin (₹ million) is calculated as revenue from operations as per Restated Consolidated Financial Information minus Cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross margin (%) is calculated as material margin divided by revenue from operations *100.*
4. *EBITDA (₹ million) is calculated as restated profit before share of profit/(loss) from joint venture and tax plus finance costs, depreciation, amortisation expense and impairment of goodwill.*
5. *EBITDA margin (%) is calculated as EBITDA divided by revenue from operations*100.*
6. *PAT is calculated as restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT margin is calculated as restated profit for the year divided by total income.*
8. *Cashflow from operations is calculated as restated cashflow from operations for the year as per Restated Consolidated Financial Information.*
9. *Return on capital employed (%) is calculated as EBIT as a % of average capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed refers to sum of shareholders' equity plus non-current liabilities plus current borrowings less cash and cash equivalents.*
10. *Return on equity (%) is calculated as PAT divided by average total equity multiplied by 100.*
11. *Debt to equity ratio is calculated as total borrowings (current + non-current)/total equity.*

Operation KPIs

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Capacity (in MT)	27,600.00	27,600.00	22,920.00
Revenue Split by Geography (₹ million)	4,078.77	4,072.55	2,505.64
-Outside India (₹ million)	3,355.52	3,264.69	2,135.43
-Within India (₹ million)	723.25	807.86	370.21

** Capacity (in MT) Indicates aggregate capacity across all the plants operated as at the last date of the year.*

Our Strengths

Largest manufacture and exporter of PVC blend-based building material products and an emerging domestic player in majorly unorganised Indian Market, well – positioned to capture industry tailwinds

Our Company has over 22 years of experience in the PVC blend-based building material products industry, having a comprehensive product portfolio thereby establishing a strong foothold in the industry. Since inception, we have continuously evolved our product portfolio and have developed a product portfolio of high-quality and innovative products to meet the needs of our customers and cater to the prevailing industry technologies. We started manufacturing wide range of PVC blend-based boards and over the years have widened our portfolio to include products classified into three categories, (i) board/sheets and their derivatives such as trimboards, doors, and wall ceiling panels and columns, (ii)profiles which comprise of mouldings and door frames, (iii) and signage solutions. Further, we have been supplying our products to the USA for the past 20 years and have increased our product range to compete with USA branded products including private label products.

We are the largest manufacturer and exporter of PVC blend-based building material products in terms of value, as of March 31, 2024, (*Source: Wazir Report*). We believe that our leading market position across several of our products is attributable to our competencies and capabilities in developing products, which have helped us optimize production and ensure long-term relationships with our customers, continuous product and process improvisation and innovation led by our R&D capabilities. Such a leadership position offers us competitive advantages such as product pricing, reduced costs due to economies of scale, our ability to scale our business and customer loyalty.

The PVC blend-based building material industry was valued at US$ 81 billion globally in 2023 and is expected to reach US$ 116 billion by 2028 with a CAGR of 7.4%. *(Source: Wazir Report).* India's PVC blend-based building material industry was valued at US$ 1.3 billion in 2023 and is expected to reach US$ 2.9 billion by 2028 with a CAGR of 17% which is one of the fastest growing markets in the world owing to rising number of residential units, improved affordability, nuclearization of households, growth of housing loans. *(Source: Wazir Report).* India is well-positioned to drive growth in the PVC blend-based building materials industry, given the wood shortage due to extensive deforestation, demand for easy-to-assemble and lightweight building material products, and established legal and regulatory framework *(Source: Wazir Report).* Further, Indian building material companies are increasingly focusing on innovation and product development through robust R&D as this helps create competitive advantage and sustainability of business. *(Source: Wazir Report)*

The printed signage market in India was valued at US$3.2 billion in 2023 and is projected to reach US$3.4 billion in 2028. As per the Wazir Report, the Indian printed signage market is segmented by types such as banners and backdrops, corporate graphics, exhibitions and trade shows, backlit displays, pop displays, and billboards. PVC signage products are particularly popular due to their ease of deployment, lightweight nature, and durability, ensuring that messages and advertisements remain intact for extended periods. Additionally, PVC's ability to maintain its shape and texture makes it an ideal choice for creating QR codes for retailers. As the number of retail outlets grows, printed signage becomes increasingly crucial for attracting customers, conveying promotions, and enhancing brand visibility. Our Company offers signages that can be customized and are commonly used for displaying store logos, directions, promotions, and product information with vibrant printing. Further, our products are light weight and can be shaped into sturdy stands that securely hold QR code displays, ensuring they are prominently positioned for easy scanning. *(Source: Wazir Report)*

Robust and diversified product portfolio supported by innovation capabilities and an understanding of material science

We have a comprehensive product portfolio of more than 900 SKUs as of June 30, 2024 classified into three categories, (i) board/sheets and their derivatives such as trimboards, doors, and wall ceiling panels and columns, (ii) profiles which comprise of mouldings and door frames, (iii) and signage solutions. Our products find applications in residential, commercial and industrial sectors for new construction and renovations, in the domestic and international markets we cater to. We are the only player amongst key branded players offering PVC blend-based sheets and boards with a thickness between 0.9 mm and 50 mm (*Source: Wazir Report*). Our diversified product portfolio addresses different business cycles across industries where products are used.

Our product manufacturing process is a highly specialized process that involves the use of more than eight different raw materials ingredients sourced from various suppliers. Among these ingredients, PVC constitutes approximately 50-60% of the composition. This process is meticulously controlled under specific conditions on production lines, showcasing our Company's R&D capabilities and strengths and the complexity of this process underscores our commitment to quality and innovation, setting it apart in the industry. We continue to innovate and develop new products by using our proprietary formulations to meet specific needs of our customers. Our proprietary formulations provides us the flexibility to innovate product variety to enhance durability and aesthetics . Further, our proprietary formulations provide unique properties to our products, such as waterproofing, fire retardancy, termite proofing, high shore strength, screw-holding capacity, surface readiness for paint and making it completely recyclable. We are one of the few manufacturers globally that can produce products based on proprietary formulations while our peers rely on premix compounds which limits flexibility in innovating product variety, durability and aesthetics, (*Source: Wazir Report*). We have expanded our product range from 10 to over 900 as of June 30, 2024 over the years, reflecting our prowess in innovation and product development. Further, we have demonstrated capability in quickly launching new products to meet market demands.

We keep a close track of changes in customer demand and through our R&D, we have developed certain various categories of innovative products such as (i) wall and ceiling panels such as decorative embossed panels that replicate finishes like marble, wood, and stone, while also addressing functional and practical challenges, (ii) profiles / mouldings such as pre-mitered profiles and kits for various applications, (iii) columns, and (iv) graphic educational-aid. Our continued focus on R&D has been instrumental to the growth of our operations and has improved our ability to innovate products. Our revenue from operations from the innovative products has increased from ₹ 1,039.63 million in Fiscal 2022 representing 41.49% of our revenue from operations for Fiscal 2022 to ₹ 2,230.60 million in Fiscal 2024, representing 54.68% of our revenue from operations for Fiscal 2024 at a CAGR of 46.48%.The rise in revenue from operations from the sale of innovative products demonstrates our Company's success in developing our own branded products in key markets, thereby gaining traction with end customers.

We have developed the ability to turnaround a product, based on customer requirements, from concept to sale in a timely manner, leveraging on the deep understanding of material science and R&D. This is substantiated by way of the following case studies:

<u>Case Studies</u>
Case study A *In March 2020, we began developing a replacement for ceramic tiles for the use of wall tiles/planks in collaboration with one of our customers. The customer requested for a product that was lightweight, strong, scratch-resistant, easy to install and aesthetically pleasing. We developed a product over a period of six-months, our product was subsequently approved by the customer and we dispatched our first order in September 2020. This co-development process resulted in a product that contributed 8% of our revenue from operations for Fiscal 2024 and the customer today holds top 5 position in our customer portfolio. This reflects the ability of our R&D to drive innovation and business growth.*
Case study B *We were exploring the possibility of a Quick-Step (stair solution) which could be installed quickly and efficiently as a pre-finished veneer look product reducing installation costs. In April 2019, we received drawings from our customer to develop such a pre-finished stair-solution. From receiving the product details to dispatching our first order post trials and approvals, our turn-around time was three-months. We received subsequent orders defining the success of our program and our R&D initiatives.*

Our R&D capabilities enable us to explore, among others, continuous processes, which will offer us competitive advantages going forward. As of June 30, 2024, our R&D team comprised 9 employees and we have manufactured 900 SKUs.

Established credentials in developed markets with repeat business from large-scale customers

We believe that "*ECHON*" has become a trustworthy brand among our customers, both in domestic and international markets. This is demonstrated by the fact that we have exported our products to 15 countries, as of June 30, 2024 and our Company has received registration from the Directorate General of Foreign Trade (DGFT) as a three – star export house and recently awarded 'Best Exporter' at the Rajasthan Business Summit organized by The Economic Times. We have a distribution foothold in the USA, United Kingdom, Italy, France, Poland, Netherlands, Portugal, and Canada.

We have an extensive customer base and established strong relationships with a range of customers through our ability to offer basic to specialized PVC blend-based building material products, a solution-focused approach to meet their needs and co-developing products. This also enables us to cross-sell and upsell our products to our customers. We have a well-established global footprint, across 15 countries as of June 30, 2024. We sell our products to distributors, who further supply to traders, fabricators and retailers in their respective countries. Our network includes three largest home improvement/DIY stores in the USA, having presence of over 4,400 stores (*Source: Wazir Report*). We believe that the diversification of our end – use customer base across residential, commercial and industrial sectors has enabled us to minimize the impact of segment – specific concentration on our business operations and prospects.

We are the largest exporters of PVC blend-based building material products in India, as on March 31, 2024 Our major share of exports comes from regulated markets such as USA, which typically has more stringent quality and regulatory requirements, further underscoring the quality standards of our operations. The USA is the largest and one of the most mature markets for PVC blend-based building materials, dominated by leading DIY retailers and key distributors. These players have established stringent standards for product quality and production processes, and their acceptance is a mark of product quality. We have been exporting to USA for the last 20 years, consistently supplying products while expanding our range to compete with the USA brands.

Our large-scale customers help us in generating continued revenue by ensuring repeat business. Set forth below is the revenue contribution of our top customer, top five customers and top 10 customers for the respective periods:

Top Customers*	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top customer	902.82	22.13	708.05	17.39	439.02	17.52
Top five customers	2,334.04	57.22	2,253.24	55.33	1,421.93	56.75
Top 10 customers	3,250.88	79.70	3,149.85	77.34	1,776.07	70.88

**The top customers have been identified for each specific year based on the revenue contribution of each such customer in the relevant year. Names of our customers are not mentioned in this Draft Red Herring Prospectus due to confidentiality reasons and non-receipt of consents.*

Our longstanding relationships with our customers are built on a foundation of consistent quality, innovation, and reliability. These relationships are expected to deepen as our Company continues to deliver on its promises.

The table below provides a geographic split of our revenue from operations from domestic sales and export sales, respectively, in Fiscal 2022, 2023 and 2024:

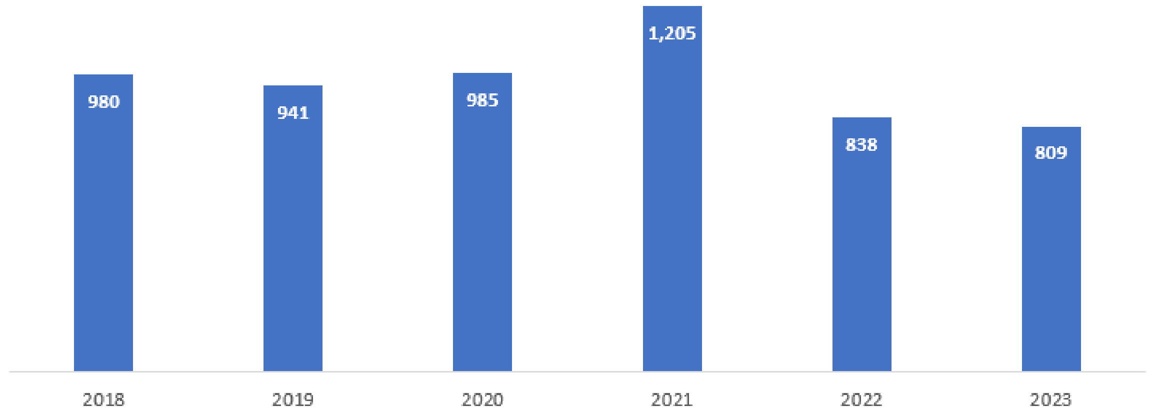
Geography	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Domestic						
India	723.25	17.73	807.86	19.84	370.21	14.78
Total (A)	723.25	17.73	807.86	19.84	370.21	14.78
Exports						
North America[1]	3,271.25	80.20	3,153.74	77.44	2,048.41	81.75
Europe[2]	37.68	0.92	72.57	1.78	59.96	2.39
United Kingdom	46.59	1.14	38.38	0.94	27.06	1.08
Total (B)	3,355.52	82.27	3,264.69	80.16	2,135.43	85.23
Total C (A + B)	**4,078.77**	**100.00**	**4,072.55**	**100.00**	**2,505.64**	**100.00**

(3) *North America includes United States of America and Canada.*
(4) *Europe includes France, Italy, Poland, Portugal and Netherlands.*

We believe that our responsiveness coupled with innovative and quality product offerings have enabled us to successfully establish our market presence and nurture customer relationships. For instance, in the domestic market, in the past three fiscals, we served 189 customers and had repeat purchases by 110 of these customers.

Our enduring customer relationships have helped us expand our product portfolio and geographic reach. Our long-term active engagement with key customers ensures steady revenue, allowing us to plan our capital expenditure, and enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base, which has helped us to achieve sustainable growth and profitability. We believe that our capacity to manufacture high volumes while maintaining the quality of products gives us the leverage to command better prices, as customers recognize the reliability and excellence associated with our brand.

India has a significant dependence import of PVC which is the key raw material for PVC blend-based products (*Source: Wazir Report*). With 22 years of experience in the industry, we have developed longstanding relationships with our suppliers of raw materials ensuring the supply of raw material is in-line with increasing capacity. As of June 30, 2024, we had procured our raw materials from India, USA, Germany, Taiwan, Japan and China. We source raw materials from large global PVC suppliers, fostering relationships. For instance, we have relationships with couple of our supplier spanning over more than 15 years, ensuring high-quality inputs and reliability (*Source: Wazir Report*). We typically purchase our raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. The prices of our raw materials are based on, or linked to, the international prices of such raw materials and the variations are typically passed on to the customer. Set out below is a comparison of trend in price of PVC (in US$/ton):



(*Source: Wazir Report*)

Scaled-up infrastructure with a skilled workforce delivering consistently and efficiently, providing promised quality products to our customers on time

We are the largest player in India in terms of capacity in the PVC blend-based building material segment with a production capacity of 27,600 MTPA (*Source: Wazir Report*). We currently have four facilities located in Udaipur, Rajasthan. The strategic location of our facilities near major highways, ports, and rail routes provides us with cost and logistical advantages and gives us proximity to our key customers. Set forth below is the map indicating the location of our facilities:

Optimisation and reduction of costs remain our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process. Our facilities have a good mix of automation and manual processes that ensure efficiency in our manufacturing process We have been focusing on automating manufacturing processes and our facilities are equipped with equipment such as a co-rotating twin-screw extruder, high-speed turbo mixer, and multi-zone calendar which is designed to produce quality PVC blend-based products with advanced features such as extrusion technology, automated batch weighing, blending and material feeding resulting in high output efficiency, customizable dimensions and surface finish. Our automation capabilities enable us to combine operations and eliminate multiple operators in the production process in order to increase productivity while controlling costs and maintaining consistent product quality. In addition, our Facility I and IV are fungible and based on market dynamics, are capable of manufacturing a wide variety of products which ensures flexibility in manufacturing our products based on market demand for a particular category of products. Our technology-driven manufacturing processes have enabled us to deliver our products to our customers in a cost – effective manner without compromising on quality. Further, there is negligible wastage of raw material in our manufacturing process as we recycle waste generated during the manufacturing of our products and defective products manufactured during our manufacturing process

We continuously strengthen our expertise by providing in-house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes. Our key factory personnel, many of whom have been working with us for more than two decades, bring extensive experience in managing machines, reducing production turnaround time, and maintaining high-quality standards. Our production and operations team is focused on adopting evolving technologies, which improves our efficiency and our product portfolio in line with customer expectations and industry developments and standards. In particular, our technological capabilities have allowed us to effectively service customer requirements and our focus on process innovation through continuous engineering as well as our deployment of modern technology has been instrumental in the growth of our business and improved our ability to deliver products to our customers on time. We have been maintaining timely delivery rate for international shipments for the last three Fiscals.

We have made and expect to continue making capital expenditures in maintaining and growing our equipment, and developing and implementing new processes and automation technologies at our facilities. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, our expenditure on equipment, technology and intangibles (including impact of foreign exchange but excluding disposal/adjustment) was ₹ 122.98 million, ₹ 50.50 million and ₹ 49.50 million, respectively, representing 3.02%, 1.22% and 1.98%, respectively, of our revenue from operations.

We believe that maintaining a high standard of quality for our products is critical to our brand "*ECHON*" and continued growth. Across our facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, and supply chain to product delivery to ensure consistent quality, efficacy and safety of products. We follow strict process control guidelines and industry standards and practices at our facilities such as ISO 14001, ISO 9001:2015 in India. Although we are not regulated by any international or national standard norms, we conduct tests prescribed by American Society for Testing and Materials on our products. We perform stringent internal quality tests on our manufactured products. We have an in-house quality control team that routinely conducts various tests including random sampling checks and quality checks. We export our products to highly regulated markets such as the USA, indicating the high-quality standards of our products. Our customers in the USA have established specific guidelines for their suppliers such as retail ethical sourcing audits, labour standards and ethical business practices (*Source: Wazir Report*). In addition, certain of our customers conduct audits and visits of our facilities before placing orders. The quality of our products is further corroborated by the fact that we have experienced negligible product returns in Fiscal 2022, 2023 and 2024.

Demonstrated growth track record, with impeccable margins and return metrics

Our financial prudence has enabled us to maintain a low-debt position and consistently deliver strong ROCE, reflecting our operational efficiency and financial health. We have demonstrated consistent growth in terms of revenues and profitability and have organically grown our operations. In recent years, we have focused our attention towards manufacturing products with higher gross margins and high-value products which has resulted in an increase in our revenue from operations and profit over the last three years. In Fiscal 2024, 2023 and 2022, our revenue from operations was ₹ 4,078.77 million, ₹ 4,072.55 million, and ₹ 2,505.64 million, respectively and our profit after tax for the same period was ₹ 1,107.99 million, ₹ 630.05 million, and ₹ 204.26 million, respectively. Our RoCE in Fiscal 2024, 2023 and 2022 was 54.98%, 58.39% and 32.37%, respectively. Such demonstrated growth in our financial performance in recent years, positions us for future growth and further diversification of our customer base and offerings. Our balance sheet and positive operating cash flows coupled with low levels of debt enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. We strive to maintain an optimal capital structure with prudent use of leverage and a conservative debt policy.

The following table sets forth certain key financial performance indicators for the periods indicated:

Particulars	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations (₹ million)	4,078.77	4,072.55	2,505.64
Gross Margins (₹ million)	2,617.51	2,275.47	1,103.54
Gross Margin (%)	64.17	55.87	44.04
EBITDA (₹ million)	1,476.18	898.57	306.21
EBITDA Margin (%)	36.19	22.06	12.22
PAT (₹ million)	1,107.99	630.05	204.26
PAT Margin %	27.16	15.47	8.15
Cashflow from operations (₹ million)	563.17	442.81	(12.25)
Return on Capital Employed (RoCE) *(%)*	54.98	58.39	32.37
Return on Equity (RoE) *(%)*	64.10	73.62	46.93
Debt to Equity Ratio	0.13	0.25	0.55

Notes:
1. *Revenue from operation as per Restated Consolidated Financial Information.*
2. *Gross margin (₹ million) is calculated as revenue from operations as per Restated Consolidated Financial Information minus Cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
3. *Gross margin (%) is calculated as material margin divided by revenue from operations *100.*
4. *EBITDA (₹ million) is calculated as restated profit before share of profit/(loss) from joint venture and tax plus finance costs, depreciation, amortisation expense and impairment of goodwill.*
5. *EBITDA margin (%) is calculated as EBITDA divided by revenue from operations*100.*
6. *PAT is calculated as restated profit for the year as per Restated Consolidated Financial Information.*
7. *PAT margin is calculated as restated profit for the year divided by total income.*
8. *Cashflow from operations is calculated as restated cashflow from operations for the year as per Restated Consolidated Financial Information.*

9. *Return on capital employed (%) is calculated as EBIT as a % of average capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed refers to sum of shareholders' equity plus non-current liabilities plus current borrowings less cash and cash equivalents.*
10. *Return on equity (%) is calculated as PAT divided by average total equity multiplied by 100.*
11. *Debt to equity ratio is calculated as total borrowings (current + non-current)/total equity.*

For further details on a comparative analysis of our financial position and revenue from operations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 279.

Experienced Promoters and senior management team

We are led by our Promoter, Chairman and Whole-time Director, Jitendra Kumar Taylia who has five decades of experience, and our Promoter, Whole-time Director, Shubham Taylia who has over 15 years of experience and knowledge of the PVC blend-based building material products industry. With over five decades of experience including two decades of experience in the PVC blend-based building material products industry Jitendra Kumar Taylia has been instrumental in shaping our Company's vision and growth trajectory. Shubham Taylia has been awarded the 'Global Achievers' Award' at the International Achievers' Award organized by Indian Achievers' Forum. They are involved in product development, brand building, business development, research and development, marketing and overall management while providing strategic direction to our Company. Our Promoters have put together a team which is committed to the brand's philosophy. They are supported by the senior management team of 6 members who have a cumulative experience of over 102 years across finance, marketing, export, engineering, and PVC blend-based building material products industry. This experience gives us the ability to anticipate the trends and requirements of the industry.

Our highly experienced promoters, leadership team and strong management provide us with a significant competitive advantage as we seek to grow our business. Our senior management team, along with the vision and guidance of our Promoters, contributes to our overall strategic planning, business development and the growth in our revenues and operations. In addition, we have a dedicated team of technical staff along with a technically qualified workforce. The commitment of our workforce at the entry-level has allowed us to ensure operational efficiency in our business. We continue to leverage the experience of our Promoters and Senior Management team to further grow our business and strategically target new opportunities.

Strategies

The strategies described below have been approved by way of a board resolution passed by our Board of Directors at their meeting held on September 27, 2024.

Continue customer penetration and create greater wallet share through product innovation leveraging on the deep understanding of material science

We are an innovation-led company with a dedicated focus on developing products, customized to the specific needs of our customers. We intend to continue to focus on leveraging our understanding of material science, consumer preference and market trends to expand our existing product portfolio and focus on scaling the production of a new range of products across our product categories. In order to capture insights into consumer needs and trends promptly, we regularly interact with our distributors for insights into consumer preferences and market feedback. Our long-standing relationship with distributors globally enables us to understand the evolving demands of end-users across various regions and to create products that are tailored to meet existing and prospective customer demands and enhance the quality and durability of our products. We will utilize this understanding to design and launch new products that offer advanced features, superior quality and enhanced functionality and have the potential for increased growth and better margins thereby increasing our profitability. This approach ensures that our product portfolio continues to grow, catering to a wide range of applications and customer segments thereby increasing our wallet share from our existing customers. The average export revenue per customer in Fiscal 2024, 2023 and 2022 was ₹ 98.69 million, ₹ 93.28 million, and ₹ 76.27 million, respectively.

Certain categories of our innovative products include (i) wall and ceiling panels such as decorative embossed panels that replicate finishes like marble, wood, and stone, while also addressing functional and practical challenges, (ii) profiles / mouldings such as pre-mitered profiles and kits for various applications, (iii) columns, and (iv) graphic educational-aid. As of June 30, 2024, we have manufactured 900 SKUs.

Our in-house capabilities to develop new products provide us with better leverage in terms of pricing. Accordingly, we intend to expand to categories such as flooring, decking, windows and laminates. Through a new range of products, we expect to increase our wallet share and repeat orders from existing consumers and to also attract new consumers, in order to increase our market share and scale our business.

Expansion of our domestic customer base and increase penetration in other geographies

The building material products industry was valued at US$ 1,200 billion globally in 2023 and is projected to reach US$ 1,500 billion by 2028 with a CAGR of 5%. Whereas the PVC blend-based building material products industry was valued at US$ 81billion globally in 2023 and is projected to reach at US$ 116 billion by 2028 with a CAGR of 7%. The penetration of PVC blend-based building material products industry was 6.8% of the building material products industry in 2023 in terms of value of products and is projected to reach at 7.7% by 2028. The building material products industry is experiencing a transition from traditional products such as wood and MDF to PVC blend-based products. PVC blend-based building material products, with their superior attributes compared to traditional building material products, have significant potential for market penetration and growth. The versatility, durability, and cost-effectiveness of PVC make it an ideal candidate to disrupt the building material products industry. Unlike traditional materials, PVC offers enhanced resistance to moisture, fire, and termites, and can be easily customized to meet specific aesthetic and functional requirements. This flexibility positions PVC blend-based building material products not only as strong competitors to conventional materials but also as potential standalone product groups with the capability to dominate market segments. As the demand for innovative, sustainable, and efficient building material products grows, PVC blend-based building material products are poised to become a major force, redefining standards and expectations within the industry. We believe our Company, with advanced R&D capabilities, is well-positioned to capture the market share of the building material products industry and drive the adoption of PVC blend-based building material products across diverse applications and establishing them as a preferred choice for modern construction needs (*Source: Wazir Report*).

Owing to our market leadership position, customer relationships, expertise, infrastructure and skilled manpower, we are well-positioned to capitalize on these market opportunities. We intend to increase our domestic and export sales by targeting different customer in existing markets in addition to targeting new domestic and export markets to sell our products. Our proprietary formulations, brand-recall and our diversified product portfolio will provide us with opportunities to leverage the growing demand for our products globally and increase our market share. By leveraging the long-standing relationships and repeat orders from our customers, we intend to capitalize on the significant cross-selling opportunities, thereby increasing our wallet share from our existing customers. We intend to continue to expand our customer base by offering quality products to our customers and by developing new products in order to retain customers and frequency of orders.

We are selling to customers across India, namely Rajasthan, Punjab, Uttar Pradesh, Maharashtra and Madhya Pradesh and have serviced 189 customers such as dealers, distributors etc. in the domestic market in the last three Fiscals. While these states contribute the majority portion of our domestic revenue, we are looking to enter the other untapped regions, of India, which will be beneficial for our overall growth in upcoming Fiscals. We have identified certain locations in the domestic market where we do not have a significant market presence. We intend to expand our distribution and sales network and presence across states in phases by planning each phase to leverage local market insights and established demand patterns, ensuring that our entry into these markets is sustainable:

We intend to launch localized marketing campaigns and develop products that cater to specific regional preferences. In addition, we intend to collaborate with local businesses and government initiatives that promote infrastructure development and modernization. By expanding our distribution and sales network in India, we will benefit from our exposure to potential customers, thereby positioning ourselves to grow our market share in the domestic PVC blend-based building material industry and strengthen our geographical presence.

Our presence is majorly in the B2B segment and are strategically expanding into the retail segment. We will be opening our own retail centre under the brand "*New Age Home*" in Udaipur, India, by December 2024, to ensure our presence across both business-to-business and business-to-consumer segments through our subsidiary, New Age Home Buildcon Private Limited. . We believe that there is significant scope for a one-stop shop for PVC blend-based building material products and "*New Age Home*" can capitalize on this by offering a comprehensive range of products including wall panels, doors, flooring, ceiling and decoratives. This business-to-consumer arrangement will benefit our established brand recognition, ensuring that customers have reliable access to a wide range of PVC blend-based building material products. New Age Home Buildcon Private Limited will provide exclusive space to showcase all our products. It will follow a hub-and-spoke model, with key stores owned and operated by us in major cities, complemented by franchisee-run stores. Our experience will help us in executing this strategy efficiently and avoid common pitfalls leading to add new customers while gaining the trust leading to an increase of our share of the consumer's wallet. Set out below are pictures of the retail centre under development:

As of June 30, 2024, we have exported to 15 countries. Our revenue from operations from the export market has increased from ₹ 2,135.43 million in Fiscal 2022 to ₹ 3,355.52 million in Fiscal 2024, in aggregate representing 82.26% of our revenue from operations at a CAGR of 25.36%. In the last three Fiscals, we exported our products to 8 countries including the USA, United Kingdom, Italy, France, Poland, Netherlands, Portugal, and Canada. Export growth of PVC blend-based building material products from India is expected to accelerate owing to the competitive positioning of players, recovery in global demand, and the China-plus-one strategy of customers *(Source: Wazir Report)*. Set our below is an illustration of our export sales for the last three years:

We intend to increase our global footprint and our exports. To support our expansion plans we have recently acquired a 19.4-acre facility in Virginia, USA, which, if required, can be converted into a manufacturing facility to meet demands of our customers in the USA. It would also enable us to serve key market segments while offering the prestigious 'Made in USA' label, boosting our penetration in the USA market. We believe establishing a presence in international markets would facilitate our sales, marketing and business development activities by being closer to certain customers, and also provide us with timely insights into the economic, product requirements and regulatory environment in such markets. We intend to increase our export sales by increasing our distribution network targeting different customer segments in existing markets in addition to targeting new export markets to sell our products.

Expand capacities, strengthen supply chain and invest in technological advancement to improve utilisation levels and bring in operational efficiencies

As part of our growth strategy, we intend to enhance our production capacity in India by establishing a new facility at Udaipur, Rajasthan, spread across 97,000 square metres. The land on which the facility is intended to be set up is owned by us. The proposed facility will enable us to increase our installed capacity and is designed to be fungible providing us the competitive advantage of manufacturing products based on market demand. This will enhance our total installed capacity across our facilities from 27,600 MTPA to 117,600 MTPA and will not only cater to the untapped Indian market but also cater to the need of export market. The aggregate capacity utilisation of our facilities was 65.07% for Fiscal 2024. For details, see '- *Capacity Utilisation'* on page 183.

With our experience and understanding of the PVC blend-based building material products, we identified the need for auxiliary manufacturing capabilities in the USA. As a result, we acquired a 19.4- acre facility in Virginia, USA, which can be converted into a manufacturing facility to meet demands of our customers in the USA. Based on the assessment of the requirements of the USA market and our customers therefrom, we might consider setting up a manufacturing facility at our facility in Virginia, USA. This facility, acquired in July 2023, is strategically located with direct access to state highway and adjacent to a railway line on the East Coast. The location positions us within our core market on the East Coast of the USA, enhancing our logistics and distribution capabilities. We believe that this would improve operational efficiency by reducing delivery cost and delivery time from 45 days to 7-10 days.

Our supply chain strategy focuses on optimizing logistics operations, diversifying logistics partners, and expanding our network within the USA., We provide delivery within 15 to 21 days of purchase orders in India and within 40 to 50 days of purchase orders outside India, through third-party logistics service providers. Our third-party logistics service providers execute our deliveries and ensure smooth and efficient delivery of products from our warehouses to our customers. This distributed supply chain network helps us to control our logistics and overhead costs while maximizing customer satisfaction. We intend to adopt sustainable logistics practices and develop contingency plans to mitigate global supply chain disruptions, ensuring a robust and reliable supply chain that supports our global expansion efforts.

As we continue to grow our existing business in new geographies and develop new products, we intend to grow our manufacturing capabilities so that we are able to quickly and effectively respond to increases in market demand for the products, in order to continue to grow our business. Further, we regularly monitor market demand for our products and may continue to increase our manufacturing capabilities in the future if the forecasted market demand for our products exceeds our manufacturing capacities. We will continue to periodically review the functioning of our in-house product development strategy, identify scope for expansion and undertake projects to increase our production capabilities. We benefit from our established relationships with multinational and domestic customers. We are well positioned to consolidate our existing capacity to capitalize upon future growth that is envisaged.

We intend to maintain efficiency and profitability by achieving productivity improvement of existing processes through constant optimization and process cycle time reduction in our manufacturing process. We also intend to harness digital tools to optimise raw material usage, and fuel consumption, and improve manufacturing processes supply chain management and sales forecasting. This will allow us to gauge any variance from our ideal manufacturing parameters and make adjustments to ensure optimal capacity utilisation while minimising energy consumption and maximizing product quality. Further, we are focused on using appropriate cost-effective technologies for different volumes and varieties of products to maintain operational efficiency in our manufacturing processes. We have in the past invested in our technologies at our facilities to scale our operations and make our manufacturing process cost-efficient. We will implement strategic cost-saving and efficiency improvement measures such as artificial intelligence and augmented reality-based solutions to improve productivity and bring efficiency to the manufacturing processes and product development. We have shortlisted vendors to provide artificial intelligence and augmented reality-based solutions across our operations. We intend to continue to invest in our technology infrastructure to enable further innovation and improve our operational efficiencies. Such investments in automation and digitization of our internal operations by using artificial intelligence and augmented reality will give us an advantage in terms of our operational costs including employee costs and reduced levels of rework required during our manufacturing processes. We endeavour to increase automation and digitalization across our manufacturing processes at our facilities by dedicating our design and engineering resources to identify opportunities to implement manufacturing improvements.

Scale up integrated branding, promotional and digital activities

Our domestic and international presence and scale of operations allow us to increasingly focus on branding and promotional activities to enhance our visibility in the PVC blend-based building material products industry and promote our products, especially the new range of products that we launch from time to time. While the "*ECHON*" brand is established and enjoys strong brand recall among consumers in India and outside India, we intend to continue to enhance brand awareness and strengthen brand recall for the newer brands, including, in particular "Masterboard", "ECHON DWAAR", "SignMaster" and "Ecocell" sub-brands (under the "*ECHON*" brand), by continuing to focus on our branding and promotional activities going forward. We recently received an award in the 'Best Digital' category and were shortlisted for the award in the 'Best use of social media' category at the Rajasthan Business Summit organized by The Economic Times.

We have been operating with minimal marketing expenses and sold our products on product quality and innovation as differentiator. However, we intend to increase these efforts because continuous investments in promotional and marketing efforts are important to strengthen our brand equity and brand recall among consumers, and to enhance consumer awareness towards a new range of products that we launch from time to time. Our integrated marketing approach will focus on building brand awareness and highlighting the innovative features of new products by using diversified channels such as radio, TV, social media, billboard and print media. Through targeted campaigns, we will communicate the value of our products, emphasizing how our commitment to quality and innovation translated into long-lasting, aesthetically superior building solutions. This will build strong brand equity, enabling us to maintain and justify premium pricing. In addition, we will engage in thought leadership and content marketing to educate the market on the benefits of our products and our commitment to sustainability We have recently appointed two creative marketing agencies including one digital marketing agency and one public relations marketing agency. We also intend to participate in domestic and international industry-specific exhibitions through which we aim to explore new business opportunities with existing and prospective customers.

We conduct workshops for carpenters to give demonstrations for the installation of our products and make them aware of the specifications of our products. We take part in exhibitions, trade shows, events, and workshops in India and USA. We conduct award shows for builders, architects and interior decorators which provides a platform for us to unveil and highlight our new products. Such workshops and award shows provide us with a platform to connect with industry participants who can later reach out to the public and communicate about our products. We intend to continue to leverage our sales and marketing network, branding and promotional activities to expand our customer base.

BUSINESS OPERATIONS

Products

We supply a wide range of building material products to residential, commercial and industrial sectors for new construction and renovations and signages, in the domestic and international markets we cater to. We have developed a comprehensive product portfolio of more than 900 SKUs as of June 30, 2024. Our product range is classified into three categories, (i) board/sheets and their derivatives such as trimboards, doors, and wall ceiling panels and columns, (ii) profiles which comprise of mouldings and door frames, (iii) and signage solutions. We provide custom – solutions to our customers from our existing product portfolio and have produced specialized products such as customized boards, and PVC profiles, for our customers. We also manufacture wood composite material products (WPC).

Set forth are the descriptions, specifications and applications of our key products which we manufacture:

Boards/Sheets

Our boards/sheets are strong, rigid, and durable made from PVC blend-based formulation. They are used in construction and renovation for applications such as wall cladding, furniture and modular kitchen due to their weather, moisture and termite resistance. We manufacture PVC blend-based boards/sheets from 2.5 inches to 6.7 feet (2,050 mm) wide with a thickness between 0.9 mm and 50 mm. We are the only player amongst key branded players offering PVC blend-based sheets and boards with a thickness between 0.9 mm and 50 mm (*Source: Wazir Report*). As per the Wazir Report, the PVC board market in India was valued at US$ 0.3 billion in 2023 and is projected to reach US$ 0.5 billion in 2028 with a CAGR of 11%. Set out below are pictures of our boards/sheets:

Trimboards

Our trimboards are specifically designed for exterior trim applications, offering high durability, and resistance to moisture, insects, and rot. They are used around windows, doors, corners and fascia to provide a finished look while protecting against the elements. As per the Wazir Report, the trimboard market in the USA was valued at US$ 1.4 billion in 2023 and is projected to reach US$ 1.9 billion in 2028 with a CAGR of 6%. Set out below are pictures of our trimboards:

Doors

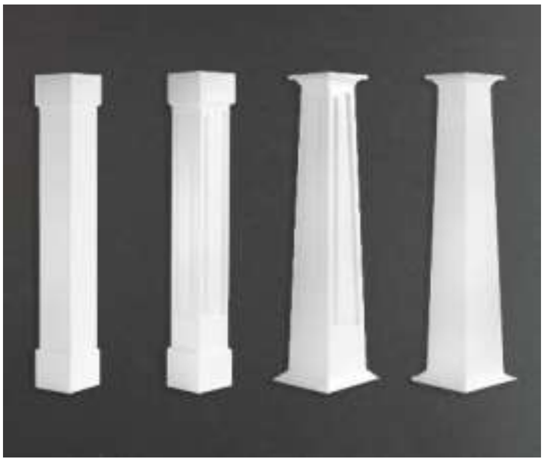
Our doors are strong have low-maintenance and offer excellent insulation properties, durability, and moisture resistance, making them suitable for both interior and exterior applications. As per the Wazir Report, the PVC door market in India was valued at US$ 0.14 billion in 2023 and is projected to reach US$ 0.43 billion in 2028 with a CAGR of 25%. Set out below are pictures of our doors:

Wall and ceiling panels

Our wall and ceiling panels are available in different designs, colours and wood-finishes. They are light and durable with easy interlocking for quick installation. These panels are stain proof, water proof and termite proof. As per the Wazir Report, the PVC wall and ceiling panels market in India was valued at US$ 0.08 billion in 2023 and is projected to reach US$ 0.13 billion in 2028 with a CAGR of 10%. Set out below are pictures of our wall and ceiling panels:

Columns

We offer a wide range of pre-designed PVC column wraps in various designs. Our technology gives these PVC columns wraps and smooth finish while taking away the need for them to be milled before installation. Our PVC columns have low maintenance and are weather-resistant. Set out below are pictures of our columns:



Mouldings

These are PVC components used for decorative and functional purposes. They come in various shapes and sizes, serving as trim, edging, or decorative accents in architectural and interior design applications. Our mouldings/profiles offer durability, versatility, and low maintenance, making them a popular choice for both residential and commercial projects. As per the Wazir Report, the PVC moulding market in the USA was valued at US$ 7.5 billion in 2023 and is projected to reach US$ 9.6 billion in 2028 with a CAGR of 5%. Set out below are pictures of our mouldings:

Door frames

Our door frames are designed to complement PVC doors, PVC frames provide structural support and stability. They are resistant to warping, corrosion, and decay, offering long-lasting performance in weather conditions. As per the Wazir Report, the PVC door frame market in India was valued at US$ 0.09 billion in 2023 and is projected to reach US$ 0.29 billion in 2028 with a CAGR of 26%.Set out below are pictures of our door frames:

Signages

PVC is a popular material for signage due to its versatility, durability, and ease of customization. Our signages offer printability, weather resistance, and dimensional stability, making them ideal for both indoor and outdoor advertising applications. Our signages find applications in cut outs, danglers, wobblers, standees, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving, tradeshows and QR payment codes at retail outlets. We are amongst few branded signages company in India, offering a wide range of signage dimensions and thickness options, ranging from 0.9 mm to 30 mm (*Source: Wazir Report*). As per the Wazir Report, the printed signage market in India is projected to reach US$3.4 billion in Fiscal 2028.

Signmaster

Signmaster is a premium PVC signage brand designed for versatile indoor and outdoor applications, including retail displays, billboards, and safety signs. It delivers durability and high-quality print results, ensuring clear, professional advertising that withstands various environmental conditions. Signmaster is ideal for customers seeking high-gloss, durable signage solutions across multiple sectors.

Our revenue from signages increased at a CAGR of 83.82% from ₹87.90 million in Fiscal 2022 to ₹545.80 million in Fiscal 2024 and represented 13.38% of our revenue from operations in Fiscal 2024. The table below provides information on sub-categories of signages.

Sub-category	Specification
ECHON Rigid	PVC sheet of 1.44 g/cc density with thickness between 1mm and 6mm.
ECHON Blush	Sandwich product with a strong density. It is used for danglers and outside hanging pops.
ECHON Ultra Prime	Semi-gloss finish foam sheet, which is used for printing and punching.
ECHON Ecoprime	High-density, smooth and strong product, which is used for digital printing pasting and outdoor applications.
ECHON Ecosign	Smooth and optimum-density product for digital printing applications and pop materials.
ECHON Ecolite	Lightweight and suitable product for printing and pasting vinyl.
ECHON Eco cut	Special material for CNC routing.
ECHON Eco craft	Special low-density material for multiple uses

Set out below are pictures of our signages:

We manufacture innovative range of educational products such as alphabetical boards for interactive learning as a replacement of traditional charts made of plywood or cardboard. Set out below are pictures of our education products:

Our R&D capabilities have enabled us to develop expertise in various categories of innovative products such as (i) wall and ceiling panels such as decorative embossed panels that replicate finishes like marble, wood, and stone, while also addressing functional and practical challenges, (ii) profiles / mouldings such as pre-mitered profiles and kits for various applications, (iii) columns, and (iv) graphic educational-aid.

Set out below are specifications of one of our newer / innovative products:

Masterboard

Masterboard is a highly durable and versatile building material suited for residential, commercial, and industrial construction. Its waterproof, fireproof, and termite-resistant properties with superior gloss finish, surface hardness and screw holding capacity make it an effective alternative to traditional wood and MDF. The Masterboard is widely used in applications such as furniture, cabinetry, wall panels, ceilings, and more, addressing both construction and renovation needs while offering long-term durability and minimal maintenance.

Facilities

Current Facilities

We currently have four facilities located in Udaipur, Rajasthan. As we regularly export our products, our facilities are strategically located at close proximity to major highways, ports, and rail routes. Our Facility I and IV are fungible and based on market demand and availability of raw materials, they are capable of manufacturing a wide variety of products which allows us flexibility in manufacturing our products. We follow strict process control guidelines and industry standards and practices at our facilities such as ISO 14001, ISO 9001:2015 in India. Although we are not regulated by any international or national standard norms, we conduct tests prescribed by American Society for Testing and Materials on our products through external laboratories. Set out below are the pictures of our facilities:

Facility I

Our Facility I was set up in 2011 and spans across an area of approximately 13,202 square meters and has an annual installed capacity of 19,600 MT, as of March 31, 2024. We use this facility as an extrusion production unit. Within this facility, we possess various equipment for commercial manufacturing of our products. For details, see '- *Capacity Utilisation'* on page 183.

Facility II

Our Facility II was set up in 1998 and spans across an area of approximately 4,000 square meters. We use this facility as a fabrication unit.

Facility III

Our Facility III was set up in 2006 and spans across an area of approximately 4,632 square meters. We use this facility as a fabrication unit.

Facility IV

Our Facility IV was set up in 2022 and spans across an area of approximately 11,976 square meters and has an annual installed capacity of 8,000 MT, as of March 31, 2024. We use this facility as an extrusion production unit. Within this facility, we possess various equipment for commercial manufacturing of our products. For details, see '- *Capacity Utilisation'* on page 183.

Capacity and Capacity Utilization

Information relating to our production capacity and the historical capacity utilization of our facilities included in this Draft Red Herring Prospectus has been certified by Priyal Kothari, Chartered Engineer, by way of a certificate dated September 26, 2024.

Actual production levels and utilization rates may vary significantly from the capacity information of our facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information.

Facility	As of/ for the year ended								
	March 31, 2022			March 31, 2023			March 31, 2024		
	Installed Capacity (2) (MT)	Actual Production (3) (MT)	Capacity Utilisation (4) (%)	Installed Capacity (2) (MT)	Actual Production (3) (MT)	Capacity Utilisation (4) (%)	Installed Capacity (2) (MT)	Actual Production (3) (MT)	Capacity Utilisation (4) (%)
Facility I	19,600	11,628	59.32	19,600	13,537	69.06	19,600	15,275	77.93
Facility IV	3,320	NA(1)	NA(1)	8,000	822	10.27	8,000	2,747	34.33
Total	22,920	11,628	50.73	27,600	14,360	52.03	27,600	18,022	65.30

#As certified by Priyal Kothari, Chartered Engineer, by certificate dated September 26, 2024.

Notes:

1. *The production had started at Facility IV in the Fiscal 2023.*
2. *The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal. The installed capacity information of our Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal.*
3. *Actual production represents quantum of production in the relevant facility in the relevant Fiscal.*
4. *Capacity utilization is calculated as quantum of production in the relevant facility in the relevant Fiscal/ period, divided by the capacity available of relevant facility during the relevant Fiscal. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.*

For further information on our capacity and capacity utilization, see "*Risk Factors – Information relating to the installed manufacturing capacity and capacity utilization of our facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*." on page 44.

Proposed Facilities

Proposed facility in Virginia, USA

We have acquired a 19.4- acre facility in Virginia, USA, which can be converted into a manufacturing facility to meet demands of our customers in the USA. Based on the assessment of the requirements of the USA market and our customers therefrom, we might consider setting up a manufacturing facility at our facility in Virginia, USA. This facility, acquired in July 2023, is strategically located with direct access to state highway and adjacent to a railway line on the East Coast. Set forth below is the map indicating the location of the land acquired in Virginia, USA:

Proposed Facility in Udaipur

To cater to our growing needs and increasing demands by our existing customers and to meet the requirements of our new customers, we intend to enhance our manufacturing capabilities by setting up a facility in Udaipur, Rajasthan. The facility is being designed to be fungible and manufacture all of our products based on market demand and availability of raw materials and subject to thresholds prescribed under the relevant approvals. The total area for the project is proposed to be 6,35,500 square feet with a proposed installed capacity of 90,000 MTPA and is expected to commence construction in Fiscal 2025.

Manufacturing Process

We manufacture products at our facilities and have a large range of processes, technologies, equipment and formulations to choose from. Each of our products would have its own processes of manufacturing. Our equipment are made to suit product characteristics and allow us to operate flexibly between changeovers. The PVC blend-based product manufacturing process initiates with the preparation of raw materials comprising PVC resin, appropriate foaming agents, and a spectrum of additives.

These constituents are compounded in a mixer to achieve uniform distribution. Subsequently, the compounded mixture is directed into an extruder where it undergoes thermal processing, inducing fusion and homogenization, augmented by the incorporation of foaming agents to stimulate cellular structure formation. The molten mass is then extruded through a die to impart the desired dimensions and configuration to the product. Following extrusion, the material undergoes rapid cooling and sizing, with subsequent surface treatments such as embossing or lamination, contingent upon specific application requisites. Stringent quality control protocols are adhered to throughout the process to ensure compliance with stringent standards. In the end, the finalized product is packaged and dispatched for distribution.

The flowchart below provides a brief overview of our manufacturing process:

Process	Explanation
Raw material preparation	• PVC Resin: Polyvinyl chloride resin is the primary raw material. It is a synthetic polymer widely used in various industries. • Processing aid: This is added to the PVC-blend based mix to ease the process. • Additives: Various additives such as stabilizers, plasticizers, lubricants, foaming agent and pigments are mixed with the PVC resin to enhance specific properties and characteristics of our products.
Compounding	• The PVC resin, foaming agents, and additives are mixed together in precise proportions in a compounding mixer. The mixer ensures uniform distribution of additives throughout the PVC resin.
Extrusion	• The compounded PVC mixture is fed into an extruder. The extruder heats and melts the PVC mixture while simultaneously injecting foaming agents into it. • The molten PVC blend-based mixture containing the blowing agents is forced through a die with the desired shape and thickness of the product • As the extruded PVC exits the die, it expands due to the release of gas, forming a cellular structure within the material.
Cooling and sizing	• The extruded PVC blend-based product sheet is passed through a series of cooling rollers or a water bath to rapidly cool and solidify the material. • Once cooled, the PVC blend-based product is trimmed and cut to the desired dimensions using cutting machines.
Surface treatment (optional)	• Depending on the application and desired properties, the surface of the product undergoes additional treatment processes such as embossing, printing, or laminating.
Quality control	• Throughout the manufacturing process, quality control checks are performed to ensure that the product meet the specified standards for dimensions, density, strength, and other properties.
Packaging and storage	• Once the product pass quality control inspections, they are packaged according to customer requirements. • Packaging helps protect the product from damage during transportation and storage
Distribution and sales	• The packaged PVC blend-based product are then distributed to customers through various channels, including wholesalers, retailers, and direct sales.

Utilities

Power and Fuel

Our manufacturing processes require uninterrupted and constant voltage power to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. We also have particular power requirements due to the need to process raw materials to get final products within a particular range of temperatures. We depend on state electricity supply for our power requirements and electricity generated through solar panels installed at our Facilities and utilise diesel generators to ensure that our facilities are operational during power failures or other emergencies.

Water

Our manufacturing processes also require water consumption although they are not water intensive. The requirement for water at our facilities is primarily met through borewells and we have obtained permission under the Environment Act for extraction of groundwater from the Central Ground Water Authority. In order to reduce wastage of water, we undertake water conservation measures on an ongoing basis and undertake treatment of wastewater for its reuse in compliance with local water usage and treatment guidelines.

The table below sets forth details relating to our expenses on power, fuel and water as a percentage of our revenue from operations in Fiscal 2022, 2023 and 2024:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Power, fuel and water	103.23	2.53	87.83	2.16	64.67	2.58

Raw Materials

The raw materials we use in our manufacturing process include PVC resin, PA, stabilizers, and pigments and other additives. We source our raw materials from large PVC and chemical suppliers such as Tricon Energy Ltd. and and Emery Oleochemicals GmbH. Although, we have long-term relationship with our suppliers, we rely on purchase orders and make advance bookings for supply of raw materials which set out the terms and conditions in relation to pricing, scheduling and delivery details. This provides us financial and supply chain benefits as well as meet our product planning needs.

The purchase of raw materials accounts for a significant portion of our revenues. The table below sets out the cost incurred in the procurement of raw materials as a percentage of our total revenue from operations for Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Cost of raw materials purchased	1,683.13	41.27%	1,589.18	39.02%	1,469.99	58.67%

** Includes suppliers from India, USA, Germany, Taiwan, Japan and China.*

For further information, see also "*Risk Factors – Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business, cash flows and results of operations.*" on page 32.

As we are subject to applicable laws in relation to our operations including labelling, environmental laws and manufacturing, and strict quality requirements of our customers, our supplier base is limited. We maintain long-term relationships with our suppliers some of whom have been our partners for over 15 years ensuring reliable and consistent sourcing of raw material.

We evaluate our vendors based on various factors including timely delivery, consistent quality, capacities, favourable commercial terms. Our quality control processes involve machine trials, ensuring that suppliers meet our quality standards. This process ensures consistency in the quality of our products, while maintaining flexibility to source materials domestically or internationally, depending on market conditions and vendor competitiveness.

Research and Development

Our continued focus on R&D has been instrumental in the growth of our operations and driving innovation in the PVC blend-based building material products and signages industries. Our R&D have allowed to develop products tailored to customer specifications, while retaining the technical know-how associated with these products. Our R&D capabilities have enabled us to develop various categories of innovative products such as (i) wall and ceiling panels such as decorative embossed panels that replicate finishes like marble, wood, and stone, while also addressing functional and practical challenges, (ii) profiles / mouldings such as pre-mitered profiles and kits for various applications, (iii) columns, and (iv) graphic educational-aid .

Key highlights of our R&D capabilities include:

- *Innovation and collaboration*: We sell our products to distributors, who further supply to traders, fabricators and retailers in their respective countries. Our network includes three largest home improvement/DIY stores in the USA, having presence of over 4,400 stores *(Source: Wazir Report)*. Leveraging this network, we are able to co-develop products with our distributors based on market demand. These collaborations allow us to refine product features through consultation, sampling, and prototyping, ensuring alignment with customer expectations.

  We invest in technologies and developing new formulations that enhance the durability, aesthetic and versatility of our products. This focus on innovation allows us to stay ahead of market trends and offer cutting-edge solutions to our customers.

- *Customization and Technical Expertise*: Our ability to customize products to the specific requirements of our customers is a testament to our R&D expertise. From size adjustments to material compositions, our products are designed to meet the exact specifications of our customers, ensuring high customer satisfaction and repeat business.

- *Product Development and Testing*: Our rigorous product development and testing protocols ensure that each product delivers exceptional performance in various environmental conditions. This meticulous approach to R&D helps us maintain high standards of quality and reliability across our product range.

As of June 30, 2024, our R&D department consists of a 9-person team made up of shared resources from other departments. Additionally, both the Chairman and Managing Director are actively involved, as the R&D department plays a critical role in our core growth strategy. The department is structured with the directors, who focus on understanding and mapping customer requirements, working closely with technical heads to deliver results. These results are then tested by our production and operations teams, with a quality control staff ensuring that all outputs meet the customers' requirements by aligning with the customers to ensure expectations are aligned.

Quality Control and Quality Assurance

We adhere to the highest quality standards at par with the latest international trends such as lead-free product which is critical to our brand and continued growth. Our exports from regulated markets such as USA having presence of home improvement and DIY stores, typically has more stringent quality and regulatory requirements underscoring the quality standards of our operations. Across our facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, and supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Through our internal audits, we ensure that our facilities are in compliance with local and international regulatory requirements to be in line with customers' specifications. Our quality systems cover all areas of the business, from manufacturing to supply chain and product delivery, ensuring consistency, reliability, and safety across all product lines. Our facilities are ISO 14001, and ISO 9001:2015 certified. We conduct tests prescribed by American Society for Testing and Materials on our products through external laboratories which helps us in evaluating performance of the product and align with market standards and customer requirements.

We maintain industry practices by implementing strict process controls and checks that our employees are trained for, and a dedicated quality control team that conduct inspections to ensure that every product meets the required specifications. We have the following in-house testing and inspection facilities: dimension accuracy testing; impact resistance testing; surface finish inspection; colour finish inspection; gloss finish inspection; and density testing. Our dedicated quality control team oversees the overall execution of our orders and coordinates with the various relevant departments within our Company. Using the relevant equipment for testing, we are able to ensure that every product we deliver is aligned with the expectations of our customers.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and ensuring timely product deliveries. We have a sales and marketing team and a business development team that is dedicated to taking new orders, quoting rates and aiding in understanding the requirements of the customers.

To incentivize bulk purchases, we offer volume rebates to our distributors in the USA, encouraging higher order quantities. We also place significant emphasis on packaging, masking, and creating top-tier sample boxes. We have conducted airport and highway out of home, digital branding in the USA , UAE, Australia and India.

Our target audience includes builders, architects, interior decorators, and carpenters. We actively engage with them through events, individual meetings, and dedicated initiatives such as the award distribution ceremony. In addition, we conduct workshops for carpenters to give demonstrations for the installation of our products and make them aware of the specifications of our products. We conduct award shows for builders, architects and interior decorators which provides a platform for us to unveil and highlight our new products Such workshops and award shows provide us a platform to connect with industry participants who can later reach out to the public and communicate about our products. Further, we regularly take part in exhibitions, trade shows, events, and workshops to show case our products and connect with distributors/dealers and spread awareness for our target audience.

In order to serve our existing customers as well as to secure new customers and expand the reach of our products to new markets, we are expanding globally. We intend to achieve this by having dedicated teams whose primary focus will be on business development in international markets and in certain focus geographies, such as the USA and the United Kingdom.

Inventory Management and Logistics

Our approach to inventory management is designed to support operational efficiency and mitigate risks related to raw material price fluctuations. We store our finished products and raw materials separately on-site, at our facilities and in our warehouse. We typically keep up to 1 to 2 months of inventory at our facilities . These inventory levels are planned based on historical trends and expected orders, which are confirmed due to our long-standing relationships with customers. Our manufacturing team maintains a real-time material requirement planning system which enables continuous monitoring and optimization of inventory, ensuring alignment with demand trends across geographies.

We transport our finished products through a multi-modal transport network utilizing road, sea and air for domestic and international shipments. We rely on freight forwarders to deliver our products. The pricing for freight is negotiated and agreed to on a spot basis which is based on volume of shipments. Our freight forwarders or logistic vendors manage transportation of our products to our customers in India or to the port for export. For exports, our custom house agents handle the requisite clearance procedures. while our freight forwarders co-ordinate with the shipping line to file and release the necessary bills of lading. Our adherence to Incoterms ensures that roles, responsibilities, and costs related to shipping are clearly defined. In Fiscal 2022, 2023 and 2024, our freight and handling charges were ₹ 422.34 million, ₹ 685.00 million and ₹ 416.95 million, and represented 16.86%, 16.82%, and 10.22%, respectively, of our revenue from operations.

Our Company has been recognized as a 3 Star Export House by the Directorate General of Foreign Trade, highlighting its export performance and contribution to international trade. This provides our Company with benefits such as faster customs clearances, access to government incentives, and positions our Company as a reliable partner in international markets.

Health, Safety and Environment

We have consistently focused on environmentally conscious processes, including making our production units low discharge. Our occupational health and safety policy is designed to comply with all relevant laws and regulations, as well as voluntary standards, to foster a safe and healthy work environment. In line with our environmental responsibility, we have implemented processes, such as operating low-discharge production units and ensuring responsible wastewater disposal.

We have taken initiatives to reduce the risk of accidents at our facilities, including (i) implementing safety protocols; (ii) comprehensive training programmes including safety induction; (iii) medical examination of workers; (iv) certification of the equipment used by the employees; and (v) periodic emergency mock drills in our facilities. Our equipment also undergoes periodic preventive maintenance to ensure operational safety and reduce potential hazards. We carry out our activities while following appropriate standards of work safety and we strive to ensure that our working conditions remain a healthy and safe work environment for our employees.

Intellectual Property

As of the date of this DRHP, our Company has registered 24 trademarks in India under the Trade Marks Act, 1999 and has two trademarks registered in the USA. In addition, we have applied for four trademarks in India. Our registered trademarks are valid for a period of 10 years from the date of application and renewable for a period of 10 years, on expiry. We also have registered the domain name, https://www.echon.co/, which is renewed periodically. We do not own any patents. For further information, see "*Risk Factors – While we have the wordmark registered for (ECHON) and have applied for registration of our corporate logo as trademark, any inability to protect our intellectual property from third party infringement may adversely affect our business, cash flows, results of operations and prospects"* on page 45.

Information Technology

We have information technology systems to support key aspects such as export management, production planning, finance and accounts and human resource. Our proprietary information technology systems for export management, includes order processing, sales management, compliance management, documentation, supply chain management and customer relationship. In addition, our IT infrastructure provides our export customers with a dedicated dashboard including live tracking of shipments and orders. Our facilities are connected to our IT network that facilitates the monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers. We are committed to safeguarding confidentiality. We ensure the integrity and availability of all physical and electronic information assets of facilities where we operate to ensure that legal, regulatory, and operational requirements are fulfilled.

Insurance

We maintain insurance policies that insure against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown for our facilities. We also maintain fire insurance policies for insuring against material damage from fire at our facilities. We also maintain motor vehicle insurance for the protection of our assets. We believe that our insurance coverage including the terms of, and the coverage provided by such insurance is adequate.

For further information, see, "*Risk Factors – Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage which could adversely affect our results of operations, cash flows and financial condition.*" on page 48.

Competition

We compete with different companies depending on the market and type of products. We compete with large multinational building material companies and smaller regionally-based competitors. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess wider product categories, larger sales teams, greater intellectual property resources and broader appeal across various divisions. We are well-positioned to compete with our competitors given our understanding of material science, while at the same time offering a complete range of PVC blend-based building material products. A significant amount of investment is required for the establishment of brand reputation and to penetrate into the sales network in India. With over two decades of operating history and the quality of our products, our product development capability and our range of products for different applications, we have competitive strengths in the PVC blend-based building material products industry in India. For further information on the competition we face in the markets in which we operate, see "*Industry Overview*" on page 117.

Human Resources

Our workforce plays a crucial role in upholding quality and safety standards, and fostering strong relationships with our employees is essential to maintaining our competitive edge. We provide regular training to support employee development and wellbeing, enhance operational excellence and boost productivity. Our training programmes are focused on industry practices, recent trends and new technologies. This approach enables us to continually elevate our performance, drive innovation, and maintain the required standards of quality and safety across all operations. In addition to compensation that includes salary and allowances, our employees receive statutory benefits (including employees provident fund, employees state insurance and other benefits, as applicable)

As of June 30, 2024, we had 184 employees, including on-roll, executive directors and contractual employees. The following table sets forth a breakdown of our employees by department as of June 30, 2024:

Department	On the Rolls of the Company / Subsidiary	Employees on contractual basis	Total Number of Employees
Research and Development			9*
Production and Operations	34	71	105
Quality Control	2	3	5
Maintenance	7	20	27
Sales and Marketing	9	2	11
Procurement and Supply Chain Management	5	3	8
Accounts, Audit, Finance and Compliance	6	1	7
Human Resources and Administration	4	4	8
Others	5	5	10
Executive Directors including Chairman and MD	3		3
TOTAL	**75**	**109**	**184**
Categorisation by gender			
Male Employees	70	104	**174**
Female Employees	5	5	**10**
Categorisation by skilled/unskilled			
Skilled Employees^	75	107	**182**
Unskilled Employees	Nil	2	**2**

* *Please refer to "-Research and Development" on page 185.*
^ *Skilled includes highly skilled, skilled and semi-skilled in terms of the Rajasthan Minimum Wages Rules,1959, as amended*

Additionally, as of June 30, 2024, at a group level, we contracted 155 labour (as per man days). Further, we do various job works such as production, fabrication, recycling. Contract administrative staff such as security, housekeeping and other allied services is 18 across all our facilities. The number of contract labourers engaged by us varies from time to time, based on the nature and extent of work contracted to various contractors for the supply of labour.

Corporate Social Responsibility

We have constituted a corporate social responsibility committee consisting of members from our Board of Directors, to oversee the implementation of our CSR initiatives in -line with our CSR policy. We carry out our CSR activities pursuant to the policy, by organizing road safety programs. Our CSR program on road safety 'Save a Life', which focuses on road safety, has been recognized by the World Book of Records for a record number of social interactions demonstrating our commitment to social engagement. Our Company is making regular expenditures towards our CSR obligations and has made substantial contributions in fields relating to critical healthcare, road safety, education, environmental sustainability among others. We incurred an expenditure of ₹ 1.78 million, ₹ 2.00 million and ₹ 8.80 million in Fiscals 2022, 2023 and 2024 respectively, towards corporate social responsibility expenditure in compliance with the Companies Act, 2013. We continue to explore and expand our initiatives, with a focus on long-term community benefits and sustainable development.

Properties

As of the date of this Draft Red Herring Prospectus, we operate four facilities located at Udaipur, Rajasthan. Of our four manufacturing units, we have three facilities which are on lease, while the land on which Facility IV is situated is owned by us:

S. No.	Name and address of the facility	Owned / Leased	Term
Kumar Arch Tech Limited			
1.	Facility I Address: B-2, Gudli, Udaipur, Rajasthan	Leased	Lease valid upto 2095
2.	Facility II Address: E-37, Gudli, Udaipur, Rajasthan	Leased	Lease valid upto 2099
3.	Facility III Address: E-92, Gudli, Udaipur, Rajasthan	Leased	Lease valid upto 2103
Taylias Industry Private Limited			
4.	Facility IV Khasra Number -1976,1977, 1978, 1980 ,1979, 1980, 1982, 3530/1975 Gudli, Udaipur Rajasthan	Owned	NA

Further, we have taken our Registered Office on lease pursuant to a leave and license agreement dated May 20, 2024 for a period of 11 months 29 days commencing from May 20, 2024. We have taken our Corporate Office on lease purusuant to a rent deed dated July 1, 2024 for a period of 11 months commencing from July 1, 2024.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key regulations, statutes, circulars, directions and policies which are applicable to our Company and subsidiary. The information detailed in this chapter has been obtained from publications available in the public domain. Further, the information detailed in this section is based on the provisions of statutes, bills, regulations, notifications, memorandum, circulars and policies which are subject to amendment, modification and/or change by subsequent legislative, regulatory, administrative or judicial decisions. The descriptions of the applicable statutes, regulations, circulars, directions and policies set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962, professional tax legislations, wherever applicable and the relevant goods and service tax legislation apply to us as they do to any Indian company.

For details of the material government approvals obtained by our Company, see "Government and Other Approvals" on page 310.

Industrial (Development and Regulation) Act, 1951, as amended ("I(D&R) Act")

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace and defence equipment. The I(D&R) Act is administered by the Ministry of Commerce and Industry through the Department of Industrial Policy and Promotion ("DIPP"). The main objectives of the I(D&R) Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

Remission of Duties and Taxes on Exported Products Scheme ("RoDTEP Scheme")

The RoDTEP Scheme has been with effect from January 1, 2021. The aim of the RoDTEP Scheme was to reimburse all exporters for previously non-reimbursable taxes and duties. This provides new benefits to exporters for exporting products outside of India and encourages global trade. Under the RoDTEP Scheme, support will be provided to eligible exporters at a notified rate as a percentage of Freight on Board ("FOB") value. Mandi tax, VAT, coal cess, central excise duty on fuel etc. is refunded. The refund is issued in the form of transferable electronic scrips. These duty credits will be maintained and tracked through an electronic ledger. Certain categories, which would not avail the benefits include export goods that are subject to minimum export price, restricted and prohibited items, deemed exports, supplies of goods manufactured by domestic tariff area units to Special Economic Zones ("SEZs"), and products manufactured or exported by units situated in SEZs.

Export Promotion Capital Goods Scheme 2020 ("EPCG Scheme")

The EPCG Scheme provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of non-fulfilment of prescribed export obligations.

Intellectual property laws

The Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trademark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

The Copyright Act, 1957 ("Copyright Act")

The Copyright Act serves to create property rights for certain kinds of intellectual property, generally called works of authorship. The intellectual property protected under the Copyright Act includes copyrights subsisting in artistic works, original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings, including computer programs, tables and compilations including computer databases. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act acts as prima facie evidence of the particulars entered therein and may help expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Upon registration, the copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire and issuing of copies to the public, among others, without consent of the owner of the copyright are acts which expressly amount to an infringement of copyright.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments must be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations, as well as the procedures for appeal in relation to such contravention of the provisions.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable Labour laws. The following is an indicative list of Labour laws other than state-wise shops and establishments acts, which may be applicable to our Company due to the nature of our business activities:

- Contract Labour (Regulation and Abolition) Act, 1970
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Factories Act, 1948
- Employees' State Insurance Act, 1948
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Maternity Benefit Act, 1961
- Industrial Disputes Act, 1947
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Employees Compensation Act, 1923
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Equal Remuneration Act, 1976 T
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996
- Industrial Employment (Standing Order), Act, 1946
- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001

- The Code on Wages, 2019*
- The Occupational Safety, Health and Working Conditions Code, 2020**
- The Industrial Relations Code, 2020***
- The Code on Social Security****

* *The GoI enacted The Code on Wages, 2019 which received the assent of the President of India on August 8, 2019 Through its notification dated December 18, 2020, the Gol brought into force sections 42(1), 42(2).42(3), 42(10), 42(11), 67(00(x). 67(1)(10) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7. 9 (to the extent that they relate to the Gol) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages. 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1963 and the Equal Remuneration Act, 1976.*

** *The Gol enacted The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

*** *The Gol enacted The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

**** *The Gol enacted The Code on Social Security, 2020 which received the assent of the President of India on September 28. 2020. The provisions of this code will be brought into force on a date to be notified by the Gol. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees State Insurance Act, 1948, the Employees Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers Social Security Act, 2008.*

Environment protection laws

Environment Protection Act, 1986 ("EPA")

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the Government of India is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, inter alia, laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources, as provided under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues beyond a period of one year after the date of conviction. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of government analysts.

The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and the Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. The Air Act requires any person establishing or operating any industrial plant in an air pollution control area to obtain prior consent from the concerned state pollution control board. Further, it prohibits any person operating any industrial plant in an air pollution control area from causing or permitting to be discharged the emission of any air pollutant in excess of prescribed standards. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country and ensure that domestic and industrial pollutants are not discharged into water bodies without adequate treatment. Both these Acts have been enacted to also provide for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of air and water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. Any violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment, as applicable.

Taxation Laws

Tax related laws that are pertinent, include the Income-tax Act 1961, Income-tax Rules, 1962, Customs Tariff Act, 1975, Indian Stamp Act, 1899, and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations and the Integrated Goods and Services Tax Act, 2017 and various rules and notifications thereunder and as issued by taxation authorities.

Foreign Investment and Trade Related Laws

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the Consolidated FDI Policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which regulate mode of payment and remittance of sale proceeds, among others. 100% foreign investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the manufacturing sector. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company. In terms of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("IEC") granted by the Director General of Foreign Trade, Ministry of Commerce ("DGFT"). The IEC granted to any person may be suspended or cancelled inter alia in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy would become liable to a penalty under the FTA.

Foreign Trade Policy 2023

The Foreign Trade Policy 2023 shall remain to be in operation unless otherwise specified or amended.

The FTA read with the Foreign Trade Policy 2023 prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number ("IEC") granted by Directorate General of Foreign Trade ("DGFT"). Hence, every entity in India engaged in any activity involving import or export is required to obtain an IEC unless specifically exempted from doing so. IEC shall be valid until it is cancelled by the issuing authority. IEC allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain IEC shall attract penalty under the FTA.

The Consumer Protection Act, 2019

The Ministry of Consumer Affairs notified certain sections of the Consumer Protection Act, 2019 ("**COPRA**") by way of the notification dated July 15, 2020 (with effect from July 20, 2020), including sections regulating the formation and functioning of the Consumer Protection Council at the national, state and district levels, the formation and functioning of Consumer Dispute Redressal Commissions at the national, state and district levels, mediation of consumer disputes, product liability actions and punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterants and spurious goods. The COPRA has been enacted to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement.

The COPRA provides a mechanism for the consumer to file a complaint against a product manufacturer, seller, or service provider in cases of unfair contract or trade practices, restrictive trade practices, defected goods, goods which are hazardous or likely to be hazardous to life being sold in contravention to safety standards, deficiency in services and price charged being unlawful. It also places product liability on a manufacturer or product service provider or product seller, to compensate for any harm caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Non- compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has, inter alia, also introduced a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and promote, protect, and enforce the rights of consumers. The COPRA has also brought e- commerce entities and their customers under its purview including providers of technologies or processes for enabling product sellers to engage in advertising or selling goods or services to a consumer, online marketplaces and online auction sites.

The Ministry of Consumer Affairs issued the Consumer Protection (E-Commerce) Rules, 2020 ("**E-Commerce Rules**") under the COPRA on July 23, 2020, which govern the online sale of goods, services, digital products by entities which own, operate, or manage digital or electronic facility or platform for electronic commerce ("**ECommerce Entities**"), all models of e-commerce (including marketplace or inventory based), and all ecommerce sellers. The E-Commerce rules lay down the duties and liabilities of E-Commerce Entities and ecommerce sellers.

In addition to the above, our Company is also required to comply with the Companies Act, 2013 and rules framed thereunder, the Competition Act, 2002 and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

Information Technology Act, 2000 ("IT Act")

The IT Act was enacted with the purpose of providing legal recognition to transactions carried out by the means of electronic data interchange and other means of electronic communication, commonly referred to as electronic commerce‖, which involve the use of alternatives to paper-based methods of communication and storage of information. various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information. The IT Act also seeks to facilitate electronic filing of documents and create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act prescribes punishment for publishing and transmitting obscene material in electronic form. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The Information Technology (Amendment) Act, 2008, which amended the IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorized manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

Other applicable laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, contract act, and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day to day business, operations and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as "*Kumar Arch Tech Private Limited*" under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated February 23, 1998, issued by Registrar of Companies, Gujarat at Dadra & Nagar Haveli. The name of our Company was subsequently changed to "*Kumar Arch Tech Limited*", upon conversion of our Company from a private limited to a public limited company, pursuant to a board resolution dated August 2, 2024, and a shareholders' resolution dated August 6, 2024. A fresh certificate of incorporation dated September 4, 2024, was issued by the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**").

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since the date of its incorporation:

Effective date of change	Details of the change in address of our registered office	Reasons for change
May 20, 2024	Change in registered office from "D-93 Akash Nr Judges Bunglow, Premchand Nagar, Bodakdev Vastrapur, Ahmedabad, Gujarat - 380054" to "302, Parshwnath Business Park, Survey No. 836, F P No. 1/2, Prahladnagar Vejalpur, Ahmedabad– 380051, Gujarat, India"	For accommodation of the expansion of business of the Company.
2000#	Change in registered office from "10/B, Panama Society, Narayan Nagar, Paldi, Ahmedabad" to "D-93 Akash Nr Judges Bunglow, Premchand Nagar, Bodakdev Vastrapur, Ahmedabad, Gujarat - 380054"	For operational purposes.

Our Company has been unable to trace documents in relation to shifting of our registered office. For further details, please see "Risk Factors - We are unable to trace some of our historical corporate records including in relation to certain allotments made by our Company. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to these matters, which may impact our financial condition and reputation. Further, we have filed a compounding application with the RoC, which is pending as of this Draft Red Herring Prospectus" on page 34.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. "*To carry on the business of Manufacturers, Fabricators, Designers, Processors, Stockists, Importers, Exporters, Distributors, Moulders, Agents, Contractors, Whole-sellers, Retailers, Dealers and Stores and all type of e-commerce business of products made of paper, Plastic, plastic raw materials, PVC, foil, reinforced plastics, Synthetic raw materials and such other powder of all description and its products including Polystyrene, Nylon, Bakelite, Cellulose, Acetate High Impact Polystyrene, Polyvinyl Chloride Compound, Urea-formaldehyde, Urea, Carbon black Polypropylene Styrene, Acrylonitrite (SAN), Poly carbonate (PC) Polyethylene fabrics, Plasticizers, Polymers, resin, polyurethane, fibre glass, epoxy, malamide, formaldehyde, industry styrene, polystyrene, vinyl chloride, poly vinyl chloride, polyoleifines, vinyl acetate and copolymers and other products, acrylics and polyesters polycarbonates and polyethers and epoxy resins and composition silicon resins and compositions, moulding compositions including prefabricated sections and shapes, cellulosic plastics, and other thermosetting and thermoplastic materials of synthetic or natural origin including moulded plastic and moulding compositions, moulded furniture and all other moulded products and toys of all types, plastic liners and sacks of high density polyethylene, polypropylene, low density polyethylene, all composite and non-composite products and articles of all description for industrial, Commercial, Agricultural and domestic purposes of composition of synthetics, plastic P.V.C and other such raw-materials and its products.*

2. *To carry on business as manufacturers, processors, converters, exporters, importers, traders, distributors, stockiest, buyers, sellers, aggregators, agents or, merchants in all kinds of plastic granules, plastic moulded goods of all kinds and for all purposes and in bottles, containers, tubes, wrapping materials, foams and plastic products, plastic waste materials, pipes, sheets, footwears, gloves, buckles, purses, bags, boxes, belts, containers, packing materials, flooring, vinyl flooring, side walls, doors, sheets, boards, panels, frames, mouldings, profile, window, drywalls, accessories fitting and fixtures and wares related to plastics goods and articles, products, and compounds, and derivatives intermediates or compositions used for domestic, industrial, agricultural purposes and in all kinds and forms of laminate products such as paper/metal based decorative laminates, pre-laminated boards, laminated floorings, industrial laminates, fabricated items and articles, Products made of Polypropylene, PVC products, sheeting, PVC leather cloth sheets, plastic of all kinds and types, signage, sign boards made of PVC, acrylic sheets, polythelene coated paper, laminated compressed boards, silicon coated papers, decorative texturised coat, phenolic melamine laminates, bonded and coated abrasives, silicon carbide crucibles, abrasive grains and all types, kinds, nature and size of laminated products, sheets, articles, materials of insulation, hard boards, compressed boards, wood flour, boards, sawdust boards, plywood, panels, wall, pre-fabricated houses, whether or not containing synthetic resins*

and/or other binding material whether material synthetic and/arsandwitch thereof, and all kinds of wood products, matches furniture, boxes, windows, doors, tools and other articles, end products in which timber or wood is substantially used, for industrial, commercial and domestic purposes/uses, trading of all types of chemical products, and to manufacture, export, import, deal in fly ash products, cement products.

3. *To carry on the business of manufacturer, dealer, trader, converter, importer, exporter, dealer, stockiest, agent of particle boards, pre-laminated particle boards, MDF, pre-laminated MDF, HDF, Pre-laminated HDF, HDF Flooring, Veneer, Plywood, Commercial Plywood, Water Proof Plywood, Shuttering Plywood, Fire Retardant Plywood, Checkered Plywood, Plastic coated Plywood, High Density Plywood, Air Craft Plywood, Flexi Plywood, All types of Block Boards, Decorative Veneers, Decorative Veneer Door Skins, Decorative Laminated Floor Tiles, Timber slicing, Flush Doors, Panel Doors, Membrane Doors, Designer Door Skins, all types of Shutters, Wooden Frames & Carving Frames, Post Forming Laminates, Particle Board, Veneer, All types of Wooden Furniture, Modular furniture, Modular office furniture, Modular kitchen furniture, panel furniture and Furniture Components, all types of aluminum and aluminum products, sheets, sections, panels, angles, channels, racks, ladders, trolleys, powders, flaks, castings, metals, casting and forging of all types grades, qualities, shapes, categories, and description of ferrous and non-ferrous metals, iron, iron steel, alloys steels, alloy metal, pig irons, wrought irons, steel converters, rolled steel, makers, minerals, smelters, engineers, aluminum, iron and steel foundries, in all or any of their respective branches, metallurgical prospectors, explosers, contractors, agents and to establish workshops for the manufacture of all types of equipments, aluminum composition panels, by any process made of one or more nomination extrusion or otherwise different composition machine components and machineries made industries which the company can undertake and to deal in such equipment components and machineries and its derivatives of all types, styles and natures, All types of Adhesives, Synthetic Adhesives, Rubber Adhesives, Leather Products, PVS & Rexin products, Glass Products and to get the same on manufacturing basis, on job work basis, by trading, importing and exporting and selling and stocking and in any other manner.*

4. *To carry on trade or business to manufacture, produce, buy, sell, import, export and otherwise generally deal in any kinds and description of tiles including ceramic, polished vitrified, glazed vitrified and unglazed tiles for domestic, commercial, industrial and outdoor applications for walls, floor and roofings, sewer pipes, drain pipes, concrete pipes and pipes of all descriptions and all kinds acidic, basic, high alumina, high silica, high grog and natural other and all other types, shapes and sizes of refractories and ceramics and all chemical formulations, organic or inorganic descriptions and categories for use in steel plants, mini-steel plants, furnaces, power houses and all kinds of industries, research, development and for any other use or purpose and for that purpose to set up all plants and machinery and related equipments including oil, fired or gas fired rotating calcining kilns and other ovens and to carry all business for the manufacture of all kinds and descriptions of refractories and ceramics, all kinds of bathware & sanitarywares (including bathware & sanitarywares made of plastic, fibreglass or any other synthetic products) glass and glasswares, china, terracotta, porcelain products, bricks, building material, vinyl, vinyl asbestos and solid vinylware, adhesive vinyl covebase, poles, blocks, lime, limestone, crockery, pottery, tablewares hotelwares, decorative wares, garden wares, earthenwares, stonewares, pressed wares tiles, pottery, pipes, insulators of all descriptions and/or products thereof and all kinds of cement (ordinary white coloured Portland alumina heat furnaces, silica), cement products and other building materials, all kind of hardware, fittings, products made of marble, granite, stone, quartz etc.*

5. *To purchase, take / give on lease or otherwise acquire/ sold freehold and other lands, properties, mines, mining rights and metalliferous land and any interest therein and to explore, exercise, develop and turn to account the same and to crush, smelt, calcine, refine, dress, raise, get win, fabricate, grind, amalgamate, manipulate and prepare for market, purchase, sell and otherwise deal in ore, granite, marble, quartz, mineral sands, stones, artificial stones, metal and mineral substances of all kinds and to carry on any other operations in connection therewith.*

6. *To cultivate, grow, produce, harvest raise or deal in agriculture produce as agriculturists, farmers or gardeners and to set up processing unit for import, export, distribute or deal in agriculture produce of all description, like fruits, vegetable, seeds and herbal products and trade in all the products required for cultivation, harvesting, production and developments of seeds, vegetable, fruits and herbal items and to carry on the business of agriculturists, farmers, gardeners, and to acquire, hold, buy or acquire freehold or leasehold agriculture land, farm, garden or any other, property and to act as growers of corn, hay, straw, seeds or animal feed and deal in such business as may be required by farmers and dealers of agriculture produce and to undertake the activities for its processing, preservation or storage with the installation for plant, machinery, cold storage, air conditioning, refrigeration and other equipments and to provide consulting and support services.*

7. *To establish software development centers to develop software applications and products, client server solutions, web solutions, quality and process solutions and development of application packages for export and domestic market, networking solutions, multimedia, provide total business solutions covering supply of software, web based services and solutions to meet the requirements of all sectors of economy and different consumers and to import and distribute software for various computer systems for information processing, data communications and networks, Database*

Management Services, internet products and intelligent systems process control and offer information technology based professional services.

8. *To carry on in India or outside India, on own account or for others or through others and or as contractors on turnkey basis or otherwise the business of IT services, Fin-tech services, Information Technology enabled services, IT training, consulting and all types of all kinds of transcriptions, digitization and maintenance services, e-commerce, e-business including business to business, business to consumer, e-commerce solutions with built in security features and web based services and solutions to meet the requirements of all sectors of economy, hosting, offshore services, and to provide services of establishing management information systems of existing computer applications, contract of development resources, testing & certification of software, research, design, development, supply of technical knowhow, and to act as consultants, technical consultants and advisors in the field of computers and its applications in all the areas and to establish and run information processing centers anywhere in India and abroad, and to impart training, educate and to render placement services in the fields of information technology, information technology enabled services and computer software and employ the manpower of the company on time share basis for various organizations, firms, corporate bodies and other similar organizations situated in India or abroad and other allied activities.*

9. *To carry on the business of Enterprise design development, Technology stack choices (Replace, Retire, Renovate, Acquire), Evolution map of application design, Testing, Mobile testing, Agile testing, Business assurance, Quality Assurance, Managed Services, Design, integration & development of Add-ins, Data Migration, Business Designing Services, Application Maintenance, Game Development Services, Game Testing Services, Test Design, Ad Hoc Testing, Structured Testing, Usability Testing, Load testing, Mobile security Testing, New Product design and development, Product platform migration, Software product testing, Product support and maintenance, Product evaluation, packaging & release , systems design for capturing out large databases leveraging state of the art capabilities in Internet of Things (IoT), Artificial Intelligence (AI), Big Data analytics and Hospital Management Solutions (HMS) and other allied Activities.*"

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution	Particulars
August 1, 2024	Clause III (B) and III (C) of the MoA in relation to objects incidental or ancillary to the attainment main objects and other objects was amended by deleting clause III (C) which related to 'Other Objects'. Further, clause IV of our MoA was amended to specify the limit of liability of members of the Company to any unpaid amounts on the Shares held by them.
August 1, 2024	Clause V of our Memorandum of Association was amended to reflect the following: Sub-division of face value of equity shares of the Company from ₹ 60,000,000 divided into 6,000,000 equity shares of face value of ₹ 10 each to ₹ 60,000,000 divided into 30,000,000 Equity Shares of face value of ₹ 2 each.
August 1, 2024	Clause V of our Memorandum of Association was amended to reflect the change in the authorised share capital of our Company from ₹ 60,000,000 divided into 30,000,000 Equity Shares of face value of ₹ 2 each to ₹ 500,000,000 divided into 250,000,000 Equity Shares of face value of ₹ 2 each.
August 6, 2024	Clause I of Memorandum of Association was amended to reflect the change in name of our Company from '*Kumar Arch Tech Private Limited*' to '*Kumar Arch Tech Limited*'.

Major events and milestones of our Company

The table below sets forth some of the major events and milestones in our Company:

Calendar Year	Milestone
1998	Incorporation of our Company
2003-04	Completed the capacity expansion to 1,500 MTPA
	First entered into the global market with exports to the USA and Europe
2007-08	Completed the capacity expansion to 3,000 MTPA and area expansion to 8,632 sq. mtrs.
2011-12	Completed the capacity expansion to 7,910 MTPA and area expansion to 21,834 sq. mtrs.
2017-18	Completed the capacity expansion to 14,320 MTPA and area expansion to 21,834 sq. mtrs.
2022-23	Completed the capacity expansion to 27,600 MTPA and area expansion to 33,810 sq. mtrs.

Awards, accreditations, and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

Year	Awards, accreditations and recognition
2024	Received recognition as a three – star export house from the Directorate General of Foreign Trade (DGFT)
2024	Awarded ‘Best Exporter’ at the Rajasthan Business Summit organized by The Economic Times
2024	Received an award in the ‘Best Digital’ category and shortlisted for the award in the ‘Best use of social media’ category at the Rajasthan Business Summit organized by The Economic Times
2023	Certificate from World Book of Records, London for creating social awareness for Road Safety in Udaipur, Rajasthan
2022	Certificate of Appreciation for Plantation Campaign 2021 - 2022

Significant financial and strategic partnerships

Our Company does not have any significant financial or strategic partnerships as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

There has been no time or cost overrun in respect of our business operations since our incorporation as on the date of this Draft Red Herring Prospectus.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There has been no instance of rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our outstanding borrowings from lenders.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of facilities

For details of key products launched by our Company, entry into new geographies or capacity/facility creation, location of facilities, see “***Our Business***” on page 161.

There have been no exits from existing markets since our incorporation as on the date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not acquired any material business or undertaken any mergers or amalgamations or divestments of business or undertaking since its incorporation.

Guarantees provided to third parties by our Promoter offering their Equity Shares in the Offer for Sale

Except as disclosed below, there have been no guarantees issued by our Promoters offering their Equity Shares in the Offer for Sale to third parties:

Sr. No.	Name of guarantor	Name of the borrower / Guarantee given for	Name of the lender	Amount sanctioned as on August 31, 2024	Amount outstanding as on August 31, 2024	Obligations as on our Company	Financial implications in case of default	Security	Period of guarantee	Consideration
1	Shubham Taylia	Kumar Arch Tech Private Limited	State Bank of India	1,170 million	758.95 million	NA	Invocation of Guarantee	NIL	1 year	NIL
		Rituraj Pipes and Plastics Private Limited	Axis Bank	36.90 million	27.97 million	NA	Invocation of Guarantee	NIL	1 year	NIL
2	Shakun Taylia	Kumar Arch Tech Private Limited	State Bank of India	1,170 million	758.95 million	NA	Invocation of Guarantee	NIL	1 year	NIL
3	Jitendra Kumar Taylia	Kumar Arch Tech Private Limited	State Bank of India	1,170 million	758.95 million	NA	Invocation of Guarantee	NIL	1 year	NIL
		Rituraj Pipes and Plastics Private Limited	Axis Bank	36.90 million	27.97 million	NA	Invocation of Guarantee	NIL	1 year	NIL

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/arrangements and clauses/covenants which are material in nature and that there are no other clauses/covenants which are adverse/pre-judicial to the interests of the minority/public shareholders or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer. Also, there are no other agreements, deed of assignments, acquisition agreements, shareholders' agreement, inter-se agreements or agreements of like nature. Further, as on the date of this Draft Red Herring Prospectus, there are no special rights for nominee/nomination rights and information rights available to any of the Promoters / Shareholders of the Company. The Articles of Association of our Company do not give any special rights of any kind to any persons.

Other material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any subsisting material agreement, other than in the ordinary course of business. There are no other material agreements (except agreements entered in the ordinary course of business) have been entered into by our Company as on the date of this Draft Red Herring Prospectus. Further, there are no agreements, arrangements and clauses or covenants which are material, and which needs to be disclosed or the non-disclosure of which may have bearing on the investment decision in the Offer.

Neither our Promoters nor any of the Key Managerial Personnel, members of Senior Management Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

There are no agreements entered into by our Company pertaining to the primary and secondary transactions of securities of the Company including any financial arrangements thereof. Additionally, this Draft Red Herring Prospectus includes all the material covenants of the agreements disclosed hereunder.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our company has three subsidiaries, namely New Age Home Buildcon Private Limited, Taylias Industry Private Limited and Asific Buildcon Inc. For further details, see "*Our Subsidiaries*" on page 201.

Our Joint Ventures and Associate Companies

Our Company does not have any joint ventures or associate companies as on the date of this Draft Red Herring Prospectus.

Other Confirmations

There are no material clauses of our Articles of Association that have been left out from disclosures having bearing on the Offer or this Draft Red Herring Prospectus.

There is no conflict of interest between third party service providers (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Group Companies and Subsidiaries and their directors.

Except as disclosed in '***Our Group Companies - Nature and extent of interest of our Group Companies***' on page 227, as on the date of this Draft Red Herring Prospectus, there is no conflict of interest between the lessors of immovable properties (crucial for operations of our Company) and our Company, Promoters, Promoter Group, Key Managerial Personnel, Directors, Group Companies and Subsidiaries and their directors.

There are no other material covenant in any of the agreements (specifically related to primary and secondary transactions of securities and financial arrangements), other than the ones already disclosed in this Draft Red Herring Prospectus.

OUR SUBSIDIARIES

Our Subsidiaries

As on the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries, the details of which are provided below:

New Age Home Buildcon Private Limited ("*NAHBPL")*

Corporate information

New Age Home Buildcon Private Limited is a company limited by shares and was incorporated on March 12, 2024, under Companies Act, 2013. Its CIN is U47521GJ2024PTC149566, and its registered office is situated at 115/A Jaybhanu Society Nr. Bhavnath, Society Nr Sompuri Wadi Chandlodia, Ghatlodia, Ahmedabad, Gujarat, India, 380061.

Nature of business

New Age Home Buildcon Private Limited is engaged, *inter alia*, in the business of building, property development, engineering contracting, civil, mechanical, and labour contracting, consulting, dealing in, import and exporting, and manufacturing of prefabricated and precast houses, materials, tools, implements, machinery, and metalware in connection therewith or incidental thereto, and such other purposes as authorised under its constitutional documents.

Capital structure

The authorized share capital of New Age Home Buildcon Private Limited is ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each. Its issued and paid-up share capital is ₹ 10,000,000 consisting of 1,000,000 equity shares of face value of ₹ 10 each.

Shareholding

The shareholding pattern of New Age Home Buildcon Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares held of face value of ₹ 10 each	Percentage of the total shareholding (%)
1.	Kumar Arch Tech Limited	600,000	60.00
2.	Madhu Agrawal	200,000	20.00
3.	Surbhi Jitendrakumar Taylia	196,000	19.60
4.	Shakun Taylia	2,000	0.20
5.	Shubham Taylia	2,000	0.20
Total		1,000,000	100%

Taylias Industry Private Limited ("*TIPL*")

Corporate information

Taylias Industry Private Limited is a company limited by shares and was incorporated on February 13, 2020, under Companies Act, 2013. Its CIN is U20299GJ2020PTC112691, and its registered office is situated at 302, Parshwnath Business Park, Survey No. 836, F P No. 1/2, Prahladnagar Vejalpur, Ahmedabad – 380051, Gujarat, India.

Nature of business

Taylias Industry Private Limited is engaged, *inter alia*, in the business of designing, manufacturing, importing, exporting in product made of paper, plastics, foil, reinforced plastics, and thermoplastic materials of synthetics of natural origin and materials that are and that may be developed for the purpose, as authorised under its constitutional documents.

Capital structure

The authorized share capital of Taylias Industry Private Limited is ₹ 50,000,000 divided into 5,000,000 equity shares of ₹ 10 each. Its issued and paid-up share capital is ₹ 22,200,000 consisting of 2,220,000 equity shares of face value of ₹ 10 each.

Shareholding

The shareholding pattern of Taylias Industry Private Limited as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of equity shares of face value of ₹ 10 held	Percentage of the total shareholding (%)
1.	Kumar Arch Tech Limited	2,210,000	99.55
2.	Shubham Taylia (as a nominee of Kumar Arch Tech Limited)	10,000	0.45
Total		2,220,000	**100**

Asific Buildcon Inc.

Corporate information

Asific Buildcon Inc. was incorporated in the State of Nevada (United States) on July 31, 2020, under the laws of State of Nevada.

Nature of business

Asific Buildcon Inc- Incorporated in 2020, Asific Buildcon Inc. ("ABI"), is involved in Trading of Building Materials i.e, PVC-Sheets, Trimboards and profile and other building materials and Articles made out of PVC, Plastic products and other building materials. It supplies premium quality PVC profile along with various other products in USA markets. The company offers a wide range of products, which caters to multiple applications building materials and decorative, signages etc.

Capital structure

The Authorised Capital and issued Capital is USD 75,000 Common Stock having total value of USD 100,000.

Shareholding

The shareholding pattern of Asific Buildcon Inc. as on the date of this Draft Red Herring Prospectus is as follows:

Sr. No.	Name of the shareholder	Number of Common Stock of USD 1.333 held	Percentage of the total shareholding (%)
1.	Kumar Arch Tech Private Limited	75,000	100
Total		75,000	100

* *Total Capital Amount is USD 0.10 Million.*

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries, which are not accounted for by our Company.

Common pursuits

Our subsidiary, Taylias Industry Private Limited is engaged in the similar line of business as that of our Company, thereby resulting in certain common pursuits amongst our subsidiary, Taylias Industry Private Limited and our Company. However, we shall adopt necessary procedures and practises are permitted by law and regulatory guidelines to address any instances of conflict, if and when they arise. For details, see "*Risk Factors* – ***Our Promoters, and Directors and Group Companies have interests in certain companies, which are in businesses similar to ours and this may result in potential conflict of interest with us.***" on page 51.

Business interest in our Company

Except as stated in "*Our Business*" and "*Financial Statements*" on pages 161 and 230, respectively, our Subsidiaries does not have any business interest in our Company.

Other confirmations

Our Subsidiaries are not listed on any stock exchange in India or abroad. Further, neither our Subsidiaries have been refused listing in the last ten years by any stock exchange in India or abroad, nor our Subsidiaries have failed to meet the listing requirements of any stock exchange in India or abroad.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors, provided that our Shareholders may appoint more than 15 Directors after passing a special resolution in a general meeting.

As on the date of this Draft Red Herring Prospectus, we have six Directors, including two woman Directors, on our Board, of whom three are Executive Directors and three are Non-Executive and Independent Directors. Our Company is in compliance with the corporate governance requirements prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of Committees thereof.

The following table sets forth the details of our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Jitendra Kumar Taylia *Designation*: Chairman and Whole-Time Director *Date of birth*: September 1, 1952 *Address*: 4 A G 1, Vinayak Apartment, New Fatehpura, Girwa, Udaipur Shastri Circle Girwa, Udaipur 313001, Rajasthan, India. *Occupation*: Service *Current term*: Chairman and Whole-time director for a period of five years since June 26, 2024 *Period of directorship*: Director since June 26, 2024 *DIN*: 01194308	72	• Apexen Foundation of Medical Sciences
Shubham Taylia *Designation*: Managing Director *Date of birth*: September 10, 1989 *Address*: G-1, Vinayak Apartment, 4 a New Fatehpura, Girwa, Udaipur Shastri Circle Girwa, Udaipur 313001, Rajasthan, India. *Occupation*: Service *Current term*: Managing Director for a period of five years since July 1, 2024 *Period of directorship*: Director since November 12, 2008 *DIN*: 02416429	35	• Rituraj Pipes and Plastics Private Limited • Shri Kesariyaji Real Estate Private Limited • Apexen Foundation of Medical Sciences • Taylias Industry Private Limited • Geetanjali Infravision Private Limited
Shakun Taylia *Designation*: Whole-Time Director *Date of birth*: November 16, 1983 *Address*: 11/c. Jalvaayu Vihar, New Navlok Navratan Complex, Bhuwana, Udaipur, 313001, Rajasthan, India. *Occupation*: Service *Current term*: Whole-time director for a period of five years since September 11, 2024 *Period of directorship*: Director since February 16, 2016 *DIN*: 01974241	40	• Taylias Industry Private Limited • M.M. Thermoplast Private Limited • Tirupatibalaji Build-Con Private Limited
Suresh Amritlal Gandhi	73	• Eversmile Properties Private Limited

Name, designation, date of birth, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
Designation: Independent Director *Date of birth*: September 25, 1950 *Address*: D1401-1402, 14th Floor, Indiabulls Blu, Ganpatrao Kadam Marg, Lower Parel West, Mumbai – 400 013, Maharashtra *Occupation*: Business *Current term*: Independent Director for a period of three years from September 9, 2024 *Period of directorship*: Director since September 9, 2024 *DIN*: 00128495		• Cycom International Private Limited • Ess Gee Property Developers (India) Private Limited • Sheetal Sagar Builders & Developers Private Limited • Kenwood Holdings Private Limited • Ess Gee Real Estate Developers Private Limited • Ess Gee Cityheight Private Limited • Ess Gee Habitat Private Limited • Workwise Solution Private Limited • Royal Marwar Hospitality Private Limited • Surmahen Enterprises Private Limited • ESS GEE Projects India Private Limited • ESS GEE Lifespace Private Limited • Enersan Power Private Limited • Blu Jain Foundation •
Sushma Joshi *Designation*: Independent Director *Date of birth*: November 25, 1963 *Address*: A 14 Ahinsapuri Fatehpura, Udaipur, Fatehpura Udaipur, PO: Udaipur Shastri Circle, Dist: Udaipur 313001, Rajasthan, India. *Occupation*: Business *Current term*: Independent Director for a period of three years from September 9, 2024 *Period of directorship*: Director since September 9, 2024 *DIN*: 10722727	60	*Nil*
Bhagwat Singh Babel *Designation*: Independent Director *Date of birth*: July 24, 1953 *Address*: 221, Ameya, Behind Sagar Darshan Apartment, Near Vidhya Bhawan School, Devali, Udaipur, Rajasthan – 313001, India *Occupation*: Service *Current term*: Independent Director for a period of three years from September 9, 2024 *Period of directorship*: Director since September 9, 2024 *DIN*: 01476935	71	• R R Kabel Limited • Secure Meters Limited

Brief profiles of our Directors

Jitendra Kumar Taylia, aged 72 years, is the Chairman and Whole-Time Director and a Promoter of our Company. He holds a master's degree in commerce and a master's degree in arts from University of Udaipur, and a degree of doctor of philosophy with a thesis in the Indian granite industry and global marketing from Mohanlal Sukhadia University, Udaipur. He was previously engaged in the timber and furniture business and was an assistant professor in commerce from 1975 to 1995. While he has been associated with our Company for more than two decades, he was formally employed by the Company from April 1, 2017. He is primarily responsible for strategy, R&D, financial management, risk management and business development in our Company. In addition to the two decades of experience in the PVC blend-based products industry, considering his previous engagements, he has five decades of experience.

Shubham Taylia, aged 35 years, is the Managing Director and a Promoter of our Company. He holds a bachelor's degree in commerce and a master's degree in commerce from the University of Mumbai and has completed postgraduate programme in family managed business from S.P. Jain Institute of Management & Research, Mumbai. He has been associated with our Company since November 12, 2008. He is primarily responsible for operations, strategic planning, R&D, business development, financial management functions in our Company. He has 15 years of experience in the industry.

Shakun Taylia, aged 40 years, is the Whole-Time Director and a Promoter of our Company. She has cleared bachelor's degree in commerce from Mohanlal Sukadia University, Udaipur. She is associated with M.M Thermoplast Private Limited and Tirupatibalaji Build-Con Private Limited in the capacity of director on the Board. She has been associated with our Company since February 16, 2016. She is primarily responsible for supply chain functions in our Company. She has 19 years of experience in the building materials industry.

Suresh Amritlal Gandhi, aged 73 years, is the Independent Director of our Company. He is an associate member of the Institute of Chartered Accountants of India. He was previously associated with Cariphans India Limited. He has been associated with our Company since September 9, 2024. He has 40 years of experience in the PVC industry.

Sushma Joshi, aged 60 years, is the Independent Director of our Company. She holds a master's degree in science from Mohanlal Sukhadia University, Udaipur. She was previously associated with Super Shine Italia Abrasives as a proprietor from October 30, 2001. She has been associated with our Company since September 9, 2024. She has 19 years of experience in the abrasives industry.

Bhagwat Singh Babel, aged 70 years, is the Independent Director of our Company. He holds a degree of bachelor's in technology in electrical engineering from Banaras Hindu University and a diploma of membership from the Institution of Engineers (India). He is on the board of directors of Secure Meters Limited and was also on the board of Udaipur Urja Initiatives Producer Company Limited, RR Kabel Limited and the Indian Electrical and Electronics Manufacturers' Association. He has been associated with our Company since September 9, 2024. He has 17 years of experience in the energy metering and electrical engineering industry.

Relationship between our Directors

Except as stated below, none of our Directors are related to each other in any manner:

S. No.	Directors	Relationship with each Other
1	Jitendra Kumar Taylia	Father of Shubham Taylia and Shakun Taylia
2	Shubham Taylia	Son of Jitendra Kumar Taylia and brother of Shakun Taylia
3	Shakun Taylia	Daughter of Jitendra Kumar Taylia and sister of Shubham Taylia

Confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers or Fugitive Economic Offender as defined under the SEBI ICDR Regulations.

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or are suspended from being traded during the five years preceding the date of this Draft Red Herring Prospectus, during the term of his/ her directorship in such company.

None of our Directors have been or are directors on the board of any listed companies which have been or are delisted from any stock exchange(s) during their tenure.

Arrangement or understanding with major Shareholders, customers, suppliers, or others pursuant to which to which our Directors were selected as a Director or Senior Management Personnel

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Borrowing Powers of our Board

Pursuant to our Articles of Association, subject to applicable provisions of the Companies Act, 2013, and the special resolution passed by our Shareholders in their general meeting held on September 9, 2024, our Board has been authorized to borrow, from time to time, any sum or sums of monies, including by way of issuance of debentures, advances, deposits, loans or otherwise, which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), either from the Company's bankers and/or any one or more persons, bodies corporate or financial institutions or from any other sources abroad, whether secured or unsecured, may exceed the aggregate of its paid up capital of the Company, free reserves and securities premium, provided that the total outstanding amount so borrowed shall not, at any time, exceed the limit of ₹ 20,000.00 million.

Terms of appointment of our Executive Directors

Jitendra Kumar Taylia, Chairman and Whole-Time Director

Jitendra Kumar Taylia was appointed as the Chairman and Whole-time Director of our Company for a period of 5 years with effect from June 26, 2024 pursuant to a Board resolution dated May 20, 2024 and Shareholders' resolution dated June 26, 2024.

The details of the remuneration payable to Jitendra Kumar Taylia, pursuant to a Board resolution dated September 11, 2024 and Shareholders' resolution dated September 14, 2024 are stated below:

S. No	Particulars	Remuneration (per annum)
1.	Basic Salary	₹ 6,25,000 per month
2.	House Rent Allowance	₹ 2,50,000 per month
3.	Special Allowance	₹ 3,75,000 per month

Shubham Taylia, Managing Director

Shubham Taylia was re-designated as the Managing Director of our Company with effect from July 1, 2024, pursuant to a Board resolution dated July 1, 2024.

The details of the remuneration payable to Shubham Taylia, pursuant to a Board resolution dated September 11, 2024 and Shareholders' resolution dated September 14, 2024 are stated below

S. No	Particulars	Remuneration (per annum)
1.	Basic Salary	₹ 6,25,000 per month
2.	House Rent Allowance	₹ 2,50,000 per month
3.	Special Allowance	₹ 3,75,000 per month

Shakun Taylia, Whole-Time Director

Shakun Taylia was appointed as a Whole-time Director of our Company for a period of 5 years with effect from September 11, 2024 pursuant to a Board resolution dated September 11, 2024 and Shareholders' resolution dated September 14, 2024. The details of the remuneration payable are stated below:

S. No	Particulars	Remuneration (per annum)
1.	Basic Salary	₹ 75,000 per month
2.	House Rent Allowance	₹ 30,000 per month
3.	Special Allowance	₹ 45,000 per month

Terms of appointment of our non-executive Directors (including Independent Directors)

Pursuant to the Board resolution dated September 6, 2024, the sitting fees payable to our Non-Executive / Independent Directors for attending meetings of our Board and meetings of various Committees of our Board, is ₹ 20,000 and ₹ 10,000, respectively, within the limits prescribed under the Companies Act, 2013, and the rules notified thereunder.

Payment or benefits to Directors

Except as disclosed in "– *Terms of appointment of our Executive Directors*" on page 207, our Company has not entered into any contract appointing or fixing the remuneration of any Director in the two years preceding the date of this Draft Red Herring Prospectus.

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors, other than the remuneration as disclosed in "– *Terms of appointment of our Executive Directors*" on page 207 and sitting fees paid to them for such period.

There is no contingent or deferred compensation accrued for Fiscal 2024 payable to any of our Directors by our Company.

The remuneration that was paid to our Directors in Fiscal 2024 is as follows:

1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2024 is set out below:

(in ₹ million)

Name of Director	Designation	Remuneration
Jitendra Kumar Taylia	Chairman and Whole-Time Director	9.60
Shubham Taylia	Managing Director	9.60
Shakun Taylia	Whole-Time Director	0.90

2. Independent Directors

The details of sitting fees paid to our Independent Directors during Fiscal 2024 is set out below:

(in ₹ million)

Name of Director	Remuneration
Suresh Amritlal Gandhi	*Nil*
Sushma Joshi	*Nil*
Bhagwat Singh Babel	*Nil*

Remuneration paid or payable to our Directors by our Subsidiaries

None of our Directors were paid any remuneration, including any contingent or deferred compensation accrued for the year and payable at a later date, by our Subsidiaries in Fiscal 2024.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus:

S. No.	Name of Director	Number of Equity Shares	Percentage shareholding (%)
1.	Jitendra Kumar Taylia	5,45,18,550	31.73
2.	Shubham Taylia	2,52,43,200	14.69
3.	Shakun Taylia	54,50,000	3.17

Bonus or profit-sharing plan for our Directors

As on date of this Draft Red Herring Prospectus, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Interests of Directors

Our Directors may be deemed to be interested to the extent of the remuneration and reimbursements payable to each of them by our Company. All our Independent Directors may be deemed to be interested to the extent of sitting fees and commission payable, if any, to them for attending meetings of our Board and/or Committees thereof and the reimbursement of expenses payable to them as approved by our Board.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business.

Our Directors may be interested to the extent of Equity Shares held by them and their relatives (together with other distributions in respect of Equity Shares), if any, or held by the entities in which they are associated as partners, promoters, directors, proprietors, members, trustees or beneficiaries, or that may be subscribed by or subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members, trustees or beneficiaries, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For details, see **"**– *Shareholding of Directors in our Company"* on page ***206***.

Except Jitendra Kumar Taylia, Shubham Taylia and Shakun Taylia, who are also the Promoters of our Company, none of our other Directors have any interest in the promotion or formation of our Company. For further details, see "*Our Promoters and Promoter Group – Interests of Promoters*" on page 224.

Our Directors may be deemed to be interested to the extent of employee stock options that may be granted to them from time to time under the employee stock option schemes that may be formulated by our Company from time to time, or Equity Shares that may be allotted pursuant to the exercise of options granted to them under such schemes.

Except for Shakun Taylia who serves as a director on the Board of Tirupatibalaji Build-con Private Limited, from whom our Company has leased its corporate office, as disclosed in "***Our Group Companies – Nature and Interest in our Company***" on page 228 of this Draft Red Herring Prospectus, none of our Directors have any interest in any property acquired or proposed to be acquired of or by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Red Herring Prospectus.

None of our Directors have availed loans from our Company.

None of our Directors have any interest in our business other than as disclosed in this section and in "*Promoters and Promoter Group*" and "*Other Financial Information – Related Party Transactions*" on pages 222 and 261, respectively.

Changes to our Board in the last three years

The changes to our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of change	Reasons
Shakun Taylia	September 14, 2024	Change in designation to Whole-time Director (with effect from September 11, 2024)
Suresh Amritlal Gandhi	September 9, 2024	Appointment as an Independent Director
Sushma Joshi	September 9, 2024	Appointment as an Independent Director
Bhagwat Singh Babel	September 9, 2024	Appointment as an Independent Director
Shubham Taylia	July 1, 2024	Change in designation to Managing Director
Jitendra Kumar Taylia	June 26, 2024	Appointment as Chairman and Whole-time Director

Corporate Governance

The provisions of the Companies Act, 2013, along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the composition of our Board and constitution of the committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee;
6. Executive Committee; and
7. IPO Committee

1. Audit Committee

The Audit Committee was constituted pursuant to resolution of our Board dated September 09, 2024. The composition of the Audit Committee and its terms of reference are in compliance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The current constitution of the Audit Committee is as follows:

Name of Director	Position in the committee	Designation
Suresh Amritlal Gandhi	Chairperson	Independent Director
Sushma Joshi	Member	Independent Director
Shubham Taylia	Member	Managing Director

The Company Secretary shall act as the secretary to the Audit Committee.

The scope and functions of the Audit Committee are as follows:

a. overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b. recommending to the Board, the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;

c. reviewing and monitoring the statutory auditors' independence and performance and the effectiveness of audit process;

d. approving payments to the statutory auditors for any other services rendered by statutory auditors;

e. reviewing with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval, with particular reference to:

   i) matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;

   ii) changes, if any, in accounting policies and practices and reasons for the same;

   iii) major accounting entries involving estimates based on the exercise of judgment by management;

   iv) significant adjustments made in the financial statements arising out of audit findings;

   v) compliance with listing and other legal requirements relating to financial statements;

   vi) disclosure of any related party transactions; and

   vii) qualifications and modified opinions in the draft audit report.

f. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

g. scrutinizing inter-corporate loans and investments;

h. undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;

i. evaluation of internal financial controls and risk management systems;

j. formulating a policy on related party transactions, which shall include materiality of related party transactions;

k. approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

l. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

m. reviewing, along with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;

n. establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

o. reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

p. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

q. discussing with internal auditors any significant findings and follow up thereon;

r. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

s. discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

t. looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

u. approving the appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;

v. reviewing the functioning of the whistle blower mechanism;

w. ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;

x. formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;

y. reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiaries exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

z. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

aa. investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;

bb. reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;

cc. reviewing:

    i. Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

    ii. Any material default in financial obligations by the Company;

    iii. Any significant or important matters affecting the business of the Company; and

dd. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, listing agreements, the Companies Act or other applicable law."

The powers of the Audit Committee will include the following:

a. to investigate activity within its terms of reference;

b. to seek information from any employees;

c. to obtain outside legal or other professional advice;

d. to secure attendance of outsiders with relevant expertise, if it considers necessary; and

e. to have such powers as may be prescribed under the Companies Act and the SEBI Listing Regulations."

The Audit Committee shall mandatorily review the following information:

a. management's discussion and analysis of financial condition and result of operations;

b. management letters/letters of internal control weaknesses issued by the statutory auditors;

c. internal audit reports relating to internal control weaknesses;

d. the appointment, removal and terms of remuneration of the chief internal auditor;

e. the examination of the financial statements and the auditors' report thereon; and

f. statement of deviations, including:

   i) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

   ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

g. the financial statements, in particular, the investments made by any unlisted subsidiary."

2. Nomination and Remuneration Committee ("NRC")

The NRC was constituted pursuant to resolution of our Board dated September 09, 2024. The composition of the NRC and its terms of reference are in compliance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The current constitution of the NRC is as follows:

Name of Director	Position in the committee	Designation
Bhagwat Singh Babel	Chairperson	Independent Director
Suresh Amritlal Gandhi	Member	Independent Director
Sushma Joshi	Member	Independent Director

The scope and function of the NRC are as follows:

a) Formulating criteria for determining qualifications, positive attributes, and independence of a director, and recommending to the Board a policy relating to the remuneration of directors, key managerial personnel, and other employees ("Remuneration Policy"), ensuring alignment with the Company's long-term strategic objectives and safeguarding the influence of stakeholders.

b) For every appointment of an independent director, evaluate the balance of skills, knowledge, and experience on the Board, and based on such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: (a) Use the services of external agencies, if required; (b) Consider candidates from a wide range of backgrounds, having due regard to diversity, while ensuring strategic alignment with the Company's goals; (c) Consider the time commitments of the candidates.

c) Formulating criteria for evaluating the performance of independent directors and the Board.

d) Devising a policy on Board diversity, ensuring that while diversity is considered, it does not override the strategic needs and the control of the Board by promoters and directors.

e) Identifying persons qualified to become directors and who may be appointed in senior management, in accordance with the criteria laid down, and recommending their appointment and removal to the Board. Carrying out the evaluation of every director's performance, including independent directors.

f) Extending or continuing the term of appointment of an independent director, based on the report of performance evaluation.

g) Recommending to the Board, all remuneration, in whatever form, payable to senior management, ensuring alignment with Company strategy and retention of promoter influence.

h) Analyzing, monitoring, and reviewing various human resource and compensation matters.

i) Determining the Company's policy on specific remuneration packages for executive directors, including pension rights and any compensation payments, and determining remuneration packages for such directors.

j) The Committee, while formulating the Remuneration Policy, shall ensure that: (a) The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate directors of the quality required to run the Company successfully; (b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; (c) Remuneration to directors, key managerial personnel, and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives, appropriate to the working of the Company and its goals.

k) Performing such functions as required under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including: (a) Administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the "Plan"); (b) Determining the eligibility of employees to participate under the Plan; (c) Granting options to eligible employees and determining the date of grant; (d) Determining the number of options to be granted to an employee; (e) Determining the exercise price under the Plan; and (f) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending, and/or rescinding rules and regulations relating to the administration of the Plan.

l) Carrying out any other activities as may be delegated by the Board or as may be required under the Companies Act, the SEBI Listing Regulations, or any other applicable law, as may be amended from time to time.

3. Corporate Social Responsibility Committee ("CSR Committee")

The CSR Committee was constituted pursuant to resolution of our Board dated September 09, 2024. The composition of the CSR Committee and its terms of reference are in compliance with Section 135 of the Companies Act, 2013. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the committee	Designation
Jitendra Kumar Taylia	Chairperson	Chairman and Whole-Time Director
Shubham Taylia	Member	Managing Director
Sushma Joshi	Member	Independent Director

The terms of reference of the CSR Committee are as follows:

a. formulating and recommending to the Board, the policy on corporate social responsibility ("**CSR**", and such policy, the "**CSR Policy**"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;

b. identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c. recommending the amount of expenditure to be incurred on the CSR activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d. formulating the annual action plan of the Company;

e. delegating responsibilities to the CSR team and supervising proper execution of all delegated responsibilities;

f. monitoring the CSR Policy and CSR programmes and their implementation by the Company from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes; and

g. performing such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Corporate Social Responsibility Committee."

4. Stakeholders Relationship Committee ("SRC")

The SRC was constituted pursuant to resolution of our Board dated September 09, 2024. The composition of the SRC and its terms of reference are in compliance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The current constitution of the SRC is as follows:

Name of Director	Position in the committee	Designation
Bhagwat Singh Babel	Chairperson	Independent Director
Jitendra Kumar Taylia	Member	Chairman and Whole-Time Director

Name of Director	Position in the committee	Designation
Shubham Taylia	Member	Managing Director

The scope and function of the SRC are as follows:

a. redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

b. reviewing measures taken for effective exercise of voting rights by the shareholders;

c. investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;

d. reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

e. reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;

f. formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

g. approving, registering, refusing to register transfer or transmission of shares and other securities;

h. giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;

i. issuing duplicate share or other security(ies) certificate(s) *in lieu* of the original share/security(ies) certificate(s) of the Company; and

j. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties."

5. ***Risk Management Committee ("RMC")***

The RMC was constituted pursuant to resolution of our Board dated September 09, 2024. The composition of the RMC Committee and its terms of reference are in compliance with regulation 21 of the SEBI Listing Regulations. The current constitution of the RMC is as follows:

Name of Director	Position in the committee	Designation
Shubham Taylia	Chairperson	Managing Director
Jitendra Kumar Taylia	Member	Chairman and Whole-Time Director
Suresh Amritlal Gandhi	Member	Independent Director

The scope and function of the RMC are as follows:

a. To formulate a detailed risk management policy which shall include:

   (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;

   (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and

   (iii) Business continuity plan.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

c. To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;

d. To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

e. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

f. To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;

g. To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;

h. To review the status of the compliance, regulatory reviews and business practice reviews;

i. To review and recommend the Company's potential risk involved in any new business plans and processes;

j. To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and

k. To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee."

6. Executive and Finance Committee

The Executive and Finance Committee was constituted pursuant to resolution of our Board dated September 09, 2024. The current constitution of the Executive and Finance Committee is as follows:

Name of Director	Position in the committee	Designation
Jitendra Kumar Taylia	Chairperson	Chairman and Whole-Time Director
Shubham Taylia	Member	Managing Director
Shakun Taylia	Member	Whole-time Director

The scope and function of the Executive Committee are as follows:

a. Executive and signing of agreements, undertaking, applications, returns, papers, receipt and all documents in connection with bidding projects related to main objects of the Company;

b. Execution and signing of all documents related to Joint Venture and Partnership;

c. Execution and signing of all documents with reference to registration with all statutory authorities as may be applicable;

d. Execution & Signing of Documents in case of Opening, Transfer & Closing of bank account of all type;

e. Availing Internet Banking Services/Cash Management Services/Mobile Banking and any other service from Bank as required by the Company;

f. Issuance and Approval of authorisation for Legal Matters, Land related matters;

g. Any other matter related to day-to-day;

h. Subject to the provisions of Section 186, 180(1)(a), 180(1)(c) read with Section 179(3) of the Companies Act, 2013 and the rules made thereunder, authorization to

    a. Incorporate a Subsidiary;

    b. Invest the funds of the Company;

    c. Grant loans or give guarantee or provide security in respect of loans to any other body corporate or person except wholly owned subsidiary and/or joint venture Company up to a limit of Rs 1500 Crores.

    d. Grant loans or give guarantee or provide security by way of pledge or any other means in respect of loans availed/to be availed by company or wholly owned subsidiary or joint venture company up to the limit as the committee may deem fit in the interest of the Company.

7. ***IPO Committee***

The IPO Committee was constituted pursuant to resolution of our Board dated September 09, 2024. The current constitution of the IPO Committee is as follows:

Name of Director	Position in the committee	Designation
Jitendra Kumar Taylia	Chairperson	Chairman and Whole-Time Director
Shubham Taylia	Member	Managing Director
Shakun Taylia	Member	Whole-time Director

The scope and function of the IPO Committee are as follows:

a. approving all actions and signing and/or modifying agreements or other documents required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "CDSL") and the National Securities Depository Limited (the "NSDL") and signing and/or modifying, as the case may be, agreements and/or such other documents as may be required with NSDL, CDSL, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorize one or more officers of the Company to execute all or any of the aforementioned documents;

b. finalizing, settling, approving and adopting the draft red herring prospectus (the "DRHP"), the red herring prospectus (the "RHP"), the prospectus (the "Prospectus"), the preliminary and final international wraps, and any amendments, supplements, notices or corrigenda thereto, together with any summaries thereof (collectively, the "Offer Documents");

c. arranging for the submission, filing and/or withdrawal of the Offer Documents including incorporating such alterations, corrections or modifications as may be required by the Government of India, the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), the Registrar of Companies, Gujarat at Ahmedabad (the "RoC"), the stock exchanges where the Equity Shares are to proposed be listed (the "Stock Exchanges"), or any other relevant governmental, statutory, regulatory and/or any other competent authorities (collectively, the "Regulatory Authorities") or in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued therefrom time to time by any Regulatory Authorities (collectively, "Applicable Laws"), and taking all such actions as may be necessary for submission, withdrawal and filing of the Offer Documents;

d. taking all actions as may be necessary or authorized, in connection with the offer for sale by certain existing shareholders of the Company ("Selling Shareholders"), including taking on record the approval of the Selling Shareholders for offering their Equity Shares pursuant to the Offer, including the quantum in terms of number of Equity Shares or amount entirely to the Selling Shareholders in the Offer, allowing revision of the offer for sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

e. approving and issuing notices and/or advertisements in relation to the Offer as it may deem fit and proper in accordance with Applicable Laws and in consultation with the relevant intermediaries appointed for the Offer;

f. approving the relevant restated consolidated financial Information to be issued in connection with the Offer;

g. approving any steps towards compliance with corporate governance requirements, policies or codes of conduct of the Board, officers and other employees of the Company that may be considered necessary by it or as may be required under Applicable Laws or the listing agreements to be entered into by the Company with the Stock Exchanges, including, without limitation, policies on insider trading, whistle-blower mechanism, risk management and any other policies as may be required to be formulated under the Companies Act, 2013, as amended and the regulations prescribed by the SEBI including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

h. appointing and instructing the book running lead managers, syndicate members, bankers to the Offer, the registrar to the Offer, underwriters, escrow agents, monitoring agency, accountants, auditors, legal counsel, depositories, custodians, credit rating agencies, advertising agencies and all such persons, agencies or intermediaries as may be involved in or concerned with the Offer and whose appointment is required in relation to the Offer, to the extent relevant, including any successors or replacements thereof, by way of commission, brokerage, fees or the like, and negotiating, finalizing and settling the respective terms of their appointment and executing and delivering or arranging the delivery of, and if deemed fit, terminating the various agreements for such appointment, including any syndicate agreement, underwriting agreement, share escrow agreement, escrow agreement, sponsor bank agreement, agreement with registrar in relation to the Offer, and advertising agencies and any other intermediaries or parties in connection with the Offer;

i. opening and operating bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with the terms of any agreement entered into in this respect and subject to Applicable Laws;

j. opening and operating bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, in respect of the Offer and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

k. authorizing and approving the incurring of expenditure and the payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer, in accordance with the terms of any agreement entered into in this respect and subject to Applicable Laws;

l. seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into listing agreements with the Stock Exchanges;

m. seeking, if required, the consents, approvals and waivers of the Company's lenders, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned Regulatory Authorities in India or outside India, and any other consents, approvals or waivers that may be required in connection with the Offer;

n. submitting undertakings/certificates or providing clarifications to the SEBI and the Stock Exchanges;

o. deciding in consultation with the book running lead managers the size and timing and all other terms and conditions, including any amendments thereto, of the Offer and/or the number of Equity Shares to be offered, transferred and/or allotted in the Offer, including any reservation of Equity Shares for any category or categories of persons as permitted under Applicable Laws any rounding off in the event of any oversubscription as permitted under Applicable Laws, and to accept any amendments, modifications, variations or alterations thereto;

p. determining in consultation with the book running lead managers and/or any other advisors, the price at which the Equity Shares will be offered, transferred and/or allotted to investors in the Offer in accordance with Applicable Laws and determining the discount, if any, proposed to be offered to eligible categories of investors;

q. determining in consultation with the book running lead managers and/or any other advisors, the price band and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price (including the price at which Equity Shares are offered, transferred and/or allotted to anchor investors in the Offer, if any) after bid closure;

r. determining, in consultation with the book running lead managers and/or any other advisors, the bid opening and closing dates (including the bidding date in case of anchor investors, if any), including extending the Bid/Offer period;

s. determining the utilization of proceeds of the fresh issue of Equity Shares by the Company and accepting and appropriating proceeds of the fresh issue in accordance with the Applicable Laws;

t. finalizing in consultation with the book running lead managers, the Stock Exchanges and/or any other advisors, the basis of allocation and allotment and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor permitted under Applicable Laws to purchase the Equity Shares pursuant to the Offer;

u. approving/taking on record the transfer of the Equity Shares pursuant to the offer for sale by the Selling Shareholders in the Offer;

v. issuing receipts/allotment letters/confirmation of allocation notes, either in physical or in electronic mode, representing the underlying Equity Shares, with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchanges;

w. taking all actions as may be necessary or authorized in connection with the Offer;

x. Authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents, and authorities as may be required from time to time in relation to the Offer.

y. Doing all such acts, deeds, matters, and things and executing all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the book running lead managers.

z. Taking such actions, giving such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds, and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company.

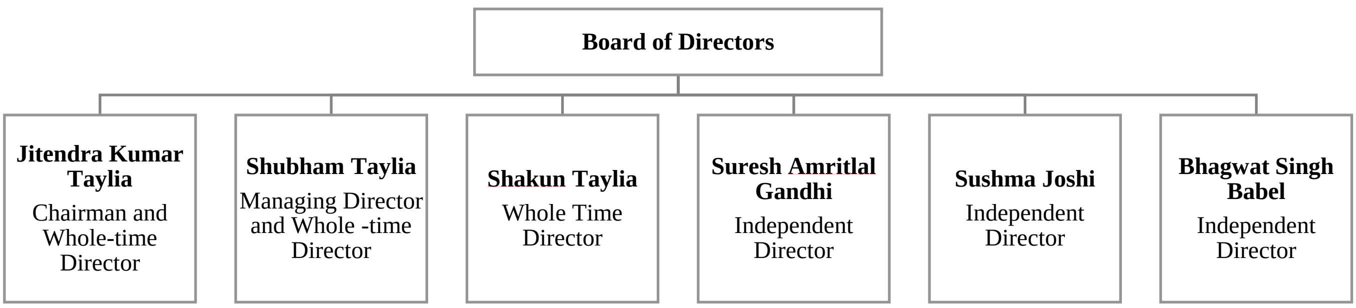
aa. Authorizing any officers (the "**Authorized Officers**"), for and on behalf of the Company, to negotiate, finalize, execute, deliver, and terminate, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that any such Authorized Officer considers necessary, desirable, or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements with the Stock Exchanges, the registrar's agreement, the depositories agreements, the offer agreement with the Selling Shareholders and the book running lead managers (and other entities as appropriate), the underwriting agreement, the share escrow agreement, the syndicate agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, the advertisement agency agreement, and any agreement or document in connection with any Pre-IPO Placement (including any placement agreement, escrow agreement, and Offer documentation), with, and to make payments to or remunerate by way of fees, commission, brokerage, or the like or reimburse expenses incurred in connection with the Offer by the book running lead managers, lead managers, syndicate members, placement agents, registrar to the Offer, bankers to the Offer, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, credit rating agencies, advertising agencies, monitoring agencies, and all such persons or agencies as may be involved in or concerned with the Offer, and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

bb. Authorizing any Authorized Officer, for and on behalf of the Company, to severally take any and all action in connection with making applications, seeking clarifications, and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Offer, including, without limitation, applications to, and clarifications or approvals from the Regulatory Authorities, any lenders to the Company, any party with whom the Company has entered into commercial and other agreements or any other third parties, and that any such action already taken or to be taken is hereby ratified, confirmed, and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be.

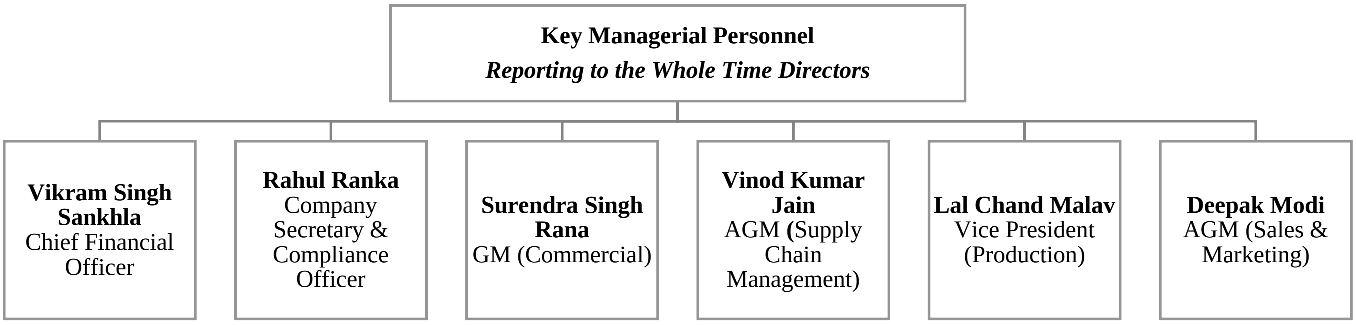
cc. Severally authorizing the Authorized Officers, for and on behalf of the Company, to do or cause to be done any and all acts, deeds, matters, or things as any such Authorized Officer may deem necessary, desirable, or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offer, and any documents so executed and delivered or acts, deeds, matters, and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing, and any such document so executed and delivered or acts, deeds, matters, and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed, and approved as the act and deed of the Authorized Officer and the Company, as the case may be.

dd. Executing and delivering any and all documents, papers, or instruments and doing or causing to be done any and all acts, deeds, matters, or things as it may deem necessary, desirable, or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Offer; and any documents so executed and delivered or acts, deeds, matters, and things done or caused to be done by the IPO.

Management Organisation Chart



Key Managerial Personnel and Senior Management Personnel



Brief profiles of our Key Managerial Personnel

In addition to Jitendra Kumar Taylia, Chairman and Whole-Time Director, Shubham Taylia, the Managing Director, and Shakun Taylia, the Whole Time Director, whose details are disclosed under *"– Brief profiles of our Directors*" on page 205 above, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

Vikram Singh Sankhala is the Chief Financial Officer of our Company since May 2, 2024. He has been associated with our Company since June 12, 2023. He holds a bachelor's degree in technology from Indian Institute of Technology, Kharagpur, a postgraduate diploma in management from Indian Institute of Management, Calcutta and a postgraduate diploma in financial engineering from the ICFAI University. He is a certified Financial Risk Manager. He is currently responsible for financial functions of our Company. He was previously associated with Reliance Global Management Services Private Limited, Reliance Tech Services Private Limited and Dr. Reddy's Laboratories Limited. In the Fiscal 2024, he received a remuneration of ₹ 2.4 million.

Rahul Ranka was appointed as the Company Secretary of our Company on June 3, 2024 and as the compliance officer of the Company on September 6, 2024. He holds a degree of bachelor's in business management from Pacific Academy of Higher Education and Research University, Udaipur and he has cleared bachelor's in law from Mohanlal Sukhadia University, Udaipur. He is an associate member of the Institute of Company Secretaries of India. He is currently responsible for secretarial matters and regulatory compliance in our Company. He was previously associated with Emarald Inc., and H.G. Infra Engineering Limited. He did not receive any remuneration in Fiscal 2024 as he was appointed on June 3, 2024.

Brief profiles of our Senior Management Personnel

In addition to Vikram Singh Sankhala, Chief Financial Officer of our Company, and Rahul Ranka, the Company Secretary and Compliance Officer of our Company, whose details are provided in "*– Brief profiles of our Key Managerial Personnel"* on page 205 above, the details of other Senior Management Personnel, is set forth below:

Surendra Singh Rana is the General Manager (Commercial) of our Company. He has been associated with our Company since December 7, 2007. He has cleared bachelor of Education from Mohanlal Sukhadia University, Udaipur. He holds a certificate in industrial accountancy issued by the Institute of Computer Accountants He is responsible for commercial functions of our Company. In the Fiscal 2024, he received a remuneration of ₹ 1.08 million.

Vinod Kumar Jain is the Assistant General Manager (Supply Chain Management) of our Company. He has been associated with our Company since April 17, 2010. He holds a bachelor's degree in commerce has cleared masters in international business from Mohanlal Sukhadia University, Udaipur. He is currently responsible for supply chain management in our Company. In the Fiscal 2024, he received a remuneration of ₹ 0.65 million.

Lal Chand Malav is the Vice President (Production) of our Company. He has been associated with our Company since April 1, 2004 as a contract employee. He has been employed on a full-time basis since April 1, 2024. He has cleared bachelor's in engineering (mechanical) from Mohanlal Sukhadia University, Udaipur. He has 20 years of experience in production. He is currently responsible for the production in our Company. Our Company did not pay any direct remuneration to Lal Chand Malav in Fiscal 2024, as he was employed on a full-time basis since April 1, 2024.

Deepak Modi is the Assistant General Manager (Sales and Marketing) of our Company. He has been associated with our Company since May 1, 2019. He has cleared matriculation. He was previously associated with M.M. Thermoplast Private Limited. He is currently responsible for sales, marketing and other allied functions in our Company. In the Fiscal 2024, he received a remuneration of ₹ 0.42 million.

Status of the Key Managerial Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Retirement and termination benefits

Our Key Managerial Personnel and Senior Management Personnel have not entered into any service contracts with our Company, which include termination or retirement benefits.

Except applicable statutory benefits upon termination of their employment in our Company, none of our Key Managerial Personnel and Senior Management Personnel is entitled to receive any benefits upon their retirement or termination of their employment with our Company.

Relationships between Key Managerial Personnel and/or Senior Management Personnel

Except as disclosed under "– *Relationship between our Directors*" on page 205, none of our Key Managerial Personnel or Senior Management Personnel are related to any of our Directors, or other Key Managerial Personnel and Senior Management Personnel of the Company.

Arrangements and understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares as on date of this Draft Red Herring Prospectus.

Payment or benefits to Key Managerial Personnel and Senior Management Personnel

In Fiscal 2024, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Key Managerial Personnel or Senior Management Personnel (including contingent or deferred compensation) other than the remuneration as disclosed above in "– *Terms of appointment of our Executive Directors*", "– *Payment or benefits to Directors*" and "– *Key Managerial Personnel and Senior Management Personnel*" on pages 207, 207 and 218, respectively.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

Our Company does not have any performance linked bonus or a profit-sharing plan for our Key Managerial Personnel and Senior Management Personnel as on the date of this Draft Red Herring Prospectus. For further details, see *"–Terms of appointment of our Executive Directors*" and *"– Bonus or profit-sharing plan for our Directors*" on pages 207 and 208, respectively.

Interests of Key Managerial Personnel and Senior Management Personnel

For details of the interest of the Managing Director and Executive Directors of our Company, see "*–Interests of Directors*" on page 208.

Other than our Executive Directors, our other Key Managerial Personnel and Senior Management Personnel are interested in our Company only to the extent of the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company or any dividend payable to them.

None of our Key Managerial Personnel and Senior Management Personnel hold employee stock options in our Company.

Changes in the Key Managerial Personnel and Senior Management Personnel in last three years

Other than as disclosed under "– *Changes to our Board in the last three years*" on page 209, the changes to our Key Managerial Personnel and Senior Management Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of appointment/ cessation	Reason
Lal Chand Malav	April 1, 2024	Appointment as our Vice President (Production)*
Vikram Singh Sankhala	May 2, 2024	Appointment as our Chief Financial Officer
Rahul Ranka	June 3, 2024	Appointment as our Company Secretary and Compliance Officer**

* *He was appointed on a full-time basis on April 1, 2024. Prior to the same, from April 1, 2004 to March 31, 2024, he was associated with our Company as a contractual employee.*

*** He was appointed as compliance officer on September 6, 2024.*

Further, the attrition rate of the Key Managerial Personnel and Senior Management Personnel of our Company is not high as compared to our peers.

Payment or benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given since incorporation or intended to be paid or given to any officer of the Company, including our Key Managerial Personnel and Senior Management Personnel.

Employee stock options

As on the date of the Draft Red Herring Prospectus, our Company does not have an employee stock option scheme.

PROMOTERS AND PROMOTER GROUP

Jitendra Kumar Taylia, Shubham Taylia, Shakun Taylia, Madhu Agrawal and M.M. Thermoplast Private Limited are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 13,76,59,250 Equity Shares, representing 80.11% of the pre-Offer issued, subscribed and paid-up capital, on a fully diluted basis. For further details, see "*Capital Structure - History of the Share Capital held by our Promoters - Build-up of the Equity shareholding of our Promoters in our Company*" on page 78.

Details of our Promoters are as follows:

<u>*Individual Promoter*</u>

	Jitendra Kumar Taylia, aged 72 years, is the Chairman and Whole-time Director and one of the Promoters of our Company. **Date of Birth:** September 1, 1952 **Address:** 4 A G-1, Vinayak Apartment, New Fatehpura, Girwa, Udaipur – 313001, Udaipur, Rajasthan, India. **Permanent Account Number:** ABTPT6221A For further details of his educational qualifications, professional experience, positions and posts held in the past, other directorships and special achievements, see "*Our Management*" on page 204.
	Shubham Taylia, aged 35 years, is the Managing Director and one of the Promoters of our Company. **Date of Birth:** September 10, 1989 **Address:** G-1, Vinayak Apartment, 4 A New Fatehpura, Girwa, Udaipur – 313001, Udaipur, Rajasthan, India. **Permanent Account Number:** AGGPT0092D For further details of his educational qualifications, professional experience, positions and posts held in the past, other directorships and special achievements, see "*Our Management*" on page 204.
	Shakun Taylia, aged 40 years, is the Whole-time Director and one of the Promoters of our Company. **Date of Birth:** November 16, 1983 **Address:** 11/C, Jalvaayu Vihar, New Navlok Navratan Complex, Bhuwana, Udaipur – 313001, Rajasthan, India. **Permanent Account Number:** AFXPT3229G For further details of her educational qualifications, professional experience, positions and posts held in the past, other directorships and special achievements, see "*Our Management*" on page 204.

Madhu Agrawal, aged 67 years, is one of the Promoters of our Company.

Date of Birth: February 18, 1957

Address: 24 A, Vinayak Apartment, New Fatehpura, Udaipur, Girwa, Udaipur Shastri Circle, Udaipur, Rajasthan – 313001, India.

Permanent Account Number: ACVPA1942L

Our Company confirms that the permanent account number, bank account number, passport number, driving license number and Aadhaar card number of each of our Individual Promoters, shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Corporate Promoter

M.M. Thermoplast Private Limited

Corporate information

M.M. Thermoplast Private Limited was incorporated as a private company on September 9, 1997 under the Companies Act, 1956 having corporate identification number U25201RJ1997PTC014195. The registered office of M.M. Thermoplast Private Limited is located at 11A, 1st Floor, Shubham Complex New Fatehpura, Udaipur - 313001, Rajasthan, India. M.M. Thermoplast Private Limited is primarily engaged in the manufacturing, processing, designing and dealing for any or all of plastics such as monofilament yarns, ropes, twines, chairs, or rubber goods including the business of resins and moulding components such as ABS, Acetal, P.V.C, thermoplastics etc.

The Permanent Account Number of M.M. Thermoplast Private Limited is AACCM8111D.

Board of directors:

The board of directors of M.M. Thermoplast Private Limited comprises of the following members:

1. Shakun Taylia; and

2. Madhu Agrawal

The shareholding pattern of M.M. Thermoplast Private Limited is as follows:

Name of the shareholder	Number of shares held	Percentage of shareholding (%)
Madhu Agrawal	2,25,000	75.00%
Shakun Taylia	27,400	9.13%
Jitendra Kumar Taylia	27,400	9.13%
Shubham Taylia	20,200	6.74%
Total	**3,00,000**	**100.00%**

Details of the promoters of M.M. Thermoplast Private Limited

The promoters of M.M. Thermoplast Private Limited are Shakun Taylia and Madhu Agrawal. For details in relation to Shakun Taylia and Madhuri Kumari Agarwal, see "- *Individual Promoter*" on page 222.

Details of change in control of M.M. Thermoplast Private Limited

There has been no change in the control of M.M. Thermoplast Private Limited in the three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where M.M. Thermoplast Private Limited is registered, shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Change in the control of our Company

There has been no change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus. However, pursuant to a resolution dated September 6, 2024 adopted by our Board, Jitendra Kumar Taylia, Shubham Taylia, Shakun Taylia, Madhu Agrawal and M.M. Thermoplast Private Limited have been identified as Promoters of our Company. For further details, see "*Capital Structure*" on page 74.

Interests of our Promoters and common pursuits

Our Promoters are interested in our Company to the extent: (1) that they have promoted our Company; (2) of their respective shareholding in our Company, the shareholding of the relatives and entities in which the Promoters are interested and which hold Equity Shares in our Company and the dividend payable upon such shareholding, if any, and other distributions in respect of the Equity Shares held by them, their relatives or such entities, if any; (3) of being Director of our Company, as applicable and the sitting fees / remuneration, benefits and reimbursement of expenses payable by our Company to them, as per the terms of their employment agreement, as applicable; and (4) that our Company has undertaken transactions with them, or their relatives or entities in which our Promoters hold shares or have an interest, if applicable. For further details, see "*Capital Structure*", "*Our Management*", and "*Offer Document Summary - Summary of Related Party Transactions*" on pages 74, 204 and *230*, respectively.

Except as disclosed in "*Offer Document Summary - Summary of Related Party Transactions*" on page 18 and "*Management – Interest of our Directors"* on page 208, our Promoters are not interested in any transaction in acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as disclosed below, our Promoters do not have any interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus.

The Corporate office of our Company has been leased from Tirupatibalaji Build-con Private Limited on an annual basis. The lease is renewed annually. Our Director, Shakun Taylia is a director on the board of directors of Tirupatibalaji Build-con Private Limited and our Promoters, Shubham Taylia and Jitendrakumar Taylia are shareholders of Tirupatibalaji Build-con Private Limited.

Except as stated in "*Our Management*" and "*Offer Document Summary - Summary of Related Party Transactions*" on pages 204 and 18, respectively, there has been no payment of any amount or benefit given to our Promoters or the members of the Promoter Group during the two years preceding the date of filing of this Draft Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus.

Our Promoters do not have any conflict of interest with third party service providers crucial for operations of our Company.

Except as disclosed in "*Offer Document Summary - Summary of Related Party Transactions*" on page 18 and "*Management – Interest of our Directors",* our Promoters do not have any conflict of interest with the lessors of immovable properties (crucial for operations of our Company).

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm during the three years preceding the date of filing of this Draft Red Herring Prospectus.

Confirmations

Our Promoters have not been declared as a Wilful Defaulter or Fraudulent Borrower.

Our Promoters and the members of the Promoter Group have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than as disclosed in "- *Promoter Group – Entities forming part of our Promoter Group*" and "*Group Companies*" on pages 225 and 227, our Promoters are not involved in any other ventures. Further, our Promoters do not have any direct interest in any venture that is involved in the same line of activity or business as conducted by our Company.

There has been no disciplinary action including penalty (including any outstanding actions) imposed by the SEBI or the Stock Exchanges in the five years preceding the date of this Draft Red Herring Prospectus against our Promoters.

Except as disclosed below, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Logo of our Company having Trademark Application No. 2064199 is registered under name of our Promoters, Jitendra Kumar Taylia and Shubham Taylia. The transfer of the same to our Company is under process.

Material guarantees

Except as disclosed in "*History and certain other corporate matters - Guarantees provided to third parties by our Promoter offering their Equity Shares in the Offer for Sale"* in page 225, our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

Details of the members of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (other than our Promoters) are provided below:

Natural persons forming part of our Promoter Group (other than our Individual Promoters)

Sr. No.	Name of Individual	Relationship
Jitendra Kumar Taylia		
1.	Virendra Kumar Agarwal	Brother
2.	Meenaxi Agarwal	Sister
3.	Sandhya Agarwal	Sister
4.	Rajkumari Purushottam Agarwal	Sister
5.	Surbhi Jitendrakumar Taylia	Daughter
6.	Vishnu Prakash Agarwal	Spouse's brother
7.	Rajendra Prakash Agarwal	Spouse's brother
8.	Ved Prakash Agarwal	Spouse's brother
9.	Ajay Agarwal	Spouse's brother
10.	Manju Agarwal	Spouse's sister
11.	Anita Agarwal	Spouse's sister
Shubham Taylia		
1.	Naina Bhushan	Spouse
2.	Surbhi Jitendrakumar Taylia	Sister
3.	Inaya Taylia	Daughter
4.	Sudhanshu Bhushan	Spouse's father
5.	Archana Bhushan	Spouse's mother
6.	Nikhil Bhushan	Spouse's brother
7.	Neha Bhushan	Spouse's sister
Shakun Taylia		
1.	Nikhil Nahar	Spouse
2.	Surbhi Jitendrakumar Taylia	Sister
3.	Arsh Nahar	Son
4.	Virendra Nahar	Spouse's father
5.	Snehlata Nahar	Spouse's mother
6.	Nishant Nahar	Spouse's brother
Madhu Agrawal		
1.	Vishnu Prakash Agarwal	Brother
2.	Rajendra Prakash Agarwal	Brother
3.	Ved Prakash Agarwal	Brother
4.	Ajay Agarwal	Brother
5.	Manju Agarwal	Sister
6.	Anita Agarwal	Sister
7.	Virendra Vijaylal Agrawal	Spouse' Brother

Sr. No.	Name of Individual	Relationship
8.	Meenaxi Agarwal	Spouse' Sister
9.	Sandhya Agarwal	Spouse' Sister
10.	Rajkumari Purushottam Agarwal	Spouse' Sister

Entities forming part of our Promoter Group (other than our Corporate Promoter)

Sr. No.	Name of the entity
1.	AK Transchargers
2.	Apexen Foundation of Medical Sciences
3.	Geetanjali Infravision Private Limited
4.	Green Archtech LLP
5.	IDA Origins (OPC) Private Limited
6.	J.S. Construction
7.	Jitendra Kumar Taylia HUF
8.	LN Infravision and Constructions
9.	Mach Fincap Private Limited
10.	New Age Home Buildcon Private Limited
11.	Nikhil Global Infravision
12.	Phoenix Traders
13.	Rituraj Pipes and Plastics Private Limited
14.	S.M. Enterprises (Partnership Firm)
15.	Sneh Stones Private Limited
16.	Sudhanshu Bhushan (Proprietorship Firm)
17.	Taropa (Proprietorship firm)
18.	Tirumala Marbles
19.	Tirumala Stone Mart
20.	Tirumala Stones
21.	Tirupatibalaji Build-Con Private Limited
22.	Udaisagar Developers
23.	Udaisagar Estates Private Limited
24.	Virendra Agrawal (HUF)

OUR GROUP COMPANIES

As per the SEBI ICDR Regulations and the applicable accounting standards, the term ‘group companies’, for the purpose of identification and disclosure in the Offer Documents, shall include (i) such companies (other than our Subsidiaries) with which there were related party transactions, in accordance with Ind AS 24, as disclosed in the Restated Consolidated Financial Information; and (ii) any other companies considered material by the Board.

With respect to (ii) above, our Board in its meeting held on September 27, 2024 adopted the Materiality Policy, pursuant to which companies (except those covered in (i) above) shall be considered “material” and will be disclosed as a “group company” if (a) such company was categorized as a subsidiary in the Restated Consolidated Financial Information and has ceased to be a subsidiary of our Company and with which there were related party transactions during the periods covered in the Restated Consolidated Financial Information or (b) such companies which are part of the promoter group with which there were one or more transactions with our Company during the most recent financial year (or relevant stub period, if applicable) in the Restated Consolidated Financial Information of our Company included in the Offer Documents, which individually or in the aggregate, exceed 10% of the consolidated revenue from operations of our Company as per the Restated Consolidated Financial Information of our Company for the most recent financial year.

Based on the above, our Group Companies are set forth below:

1. Rituraj Pipes and Plastics Private Limited;
2. Tirupatibalaji Build-con Private Limited*; and
3. Apexen Foundation of Medical Sciences

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements, in respect of our Group Companies (based on market capitalization for listed companies and on turnover in case of unlisted companies), for the last three years shall be hosted on the website of our Company:

- reserves (excluding revaluation reserve);
- sales;
- profit after tax;
- earnings per share;
- diluted earnings per share; and
- net asset value.

Our Company is providing link to the websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Companies and other information provided on such website does not constitute a part of this Draft Red Herring Prospectus. In accordance with the SEBI ICDR Regulations, details of our Group Companies are set out below.

Details of the Group Company

1. Rituraj Pipes and Plastics Private Limited

Registered office

The registered office of Rituraj Pipes and Plastics Private Limited is situated at 11A, Shubham Complex, New Fatehpura, Udaipur, Rajasthan – 313 001.

Financial information

Certain financial information derived from the audited financial statements of Rituraj Pipes and Plastics Private Limited for Fiscals 2023, 2022 and 2021 are available at https://www.echon.co/investor-relations/.

2. TirupatiBalaji Build-con Private Limited*

Registered office

The registered office of Tirupatibalaji Build-con Private Limited is situated at 11A, Shubham Complex, New Fatehpura, Udaipur, Rajasthan – 313 001.

Financial information

Certain financial information derived from the audited financial statements of Tirupatibalaji Build-con Private Limited for Fiscals 2023, 2022 and 2021 are available at https://www.echon.co/investor-relations/.

** Tirupatibalaji Build-con Private Limited has approved a proposal for conversion into a limited liability partnership pursuant to a board resolution dated September 6, 2024.*

3. Apexen Foundation of Medical Sciences

Registered office

The registered office of Apexen Foundation of Medical Sciences is situated at 115/A, Jaybhanu Society, Nr Bhavnath Soc Near Sompuri Wadi, Chandlodiya, Ahmedabad, Gujarat, India, 382481.

Financial information

Certain financial information derived from the audited financial statements of Apexen Foundation of Medical Sciences for Fiscals 2023, 2022 and 2021 are available at https://www.echon.co/investor-relations/.

Litigation

Our Group Companies are not party to any litigation which may have material impact on our Company.

Common Pursuits

As on date of this Draft Red Herring Prospectus, there are no common pursuits between our Company and our Group Companies.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Other than disclosed in "***Offer Document Summary – Summary of Related Party Transactions***" and the "***Restated Consolidated Financial Information – Related Party Transactions***" on page 18 and 261, there are no other related business transactions between our Group Company and our Company.

Nature and extent of interest of our Group Companies

a) *Business Interests*

Except as disclosed in "***Offer Document Summary – Summary of Related Party Transactions***" and the "***Restated Consolidated Financial Information – Related Party Transactions***" on page 18 and 261, our Group Companies have no business interests in our Company.

b) *In the promotion of our Company*

Our Group Companies do not have any interest in the promotion of our Company.

c) *In the properties acquired by us in the three years preceding this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Except as disclosed below, our Group Companies are not interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company:

The corporate office of our Company has been leased from Tirupatibalaji Build-con Private Limited on an annual basis. The lease is renewed annually. The suitable risk factor has been included in "*Risk Factors* – ***We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation, cash flows and financial condition.***" on page 50.

d) *In transactions for acquisition of land, construction of building and supply of machinery*

Our Group Companies are not interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

Other confirmations

None of our Group Companies have equity shares listed on a stock exchange. Our Group Companies have not made any public / rights / composite issue in the last three years.

DIVIDEND POLICY

Our Board at its meeting held on September 9, 2024, has adopted a dividend distribution policy ("**Dividend Policy**"). The declaration and payment of dividends, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act.

In terms of our Dividend Policy, the quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to profits earned during the year; Capital expenditure requirements; past performance / dividend history of the Company; resources required to fund acquisitions and / or new businesses; cash flow required to meet operations & contingencies; cost of borrowings and outstanding borrowings; return on capital invested & post Dividend EPS; additional investments in subsidiaries / associates of the Company; any other factor as deemed fit by the Board.

Our Company has not declared any dividend on the Equity Shares of our Company in Fiscals 2024, 2023 and 2022 and the period from April 1, 2024, until the date of this Draft Red Herring Prospectus. However, this is not necessarily indicative of any dividend declaration or the quantum of our Company's dividend, in the future. See, "***Risk Factors – Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements***" on page 49.

SECTION V - FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Kumar Arch Tech Limited
(Formerly known as Kumar Arch Tech Private Limited)

Dear Sirs/Madams,

1. We have examined, as appropriate (refer paragraph 5 below), the attached Restated Consolidated Financial Information of **Kumar Arch Tech Limited** (here in after referred to as the "**Company**" or **the" Issuer**") and its subsidiaries (the Company and its subsidiary collectively referred to as the "Group"), which comprise the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022,the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary of material accounting policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company ("the **Board**") at their meeting held on September 26, 2024, for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a. Section 26 of Part I of Chapter III of the Companies Act 2013, as amended (the **"Act**");

    b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**ICDR Regulations**"); and

    c. The Guidance Note on Reports in Company Prospectuses (Revised2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended (the "**Guidance Note**").

Management's Responsibility for the Restated Financial Information

2. The Company's management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India ("**SEBI**"), BSE Limited and the National Stock Exchange of India Limited (collectively, "**Stock Exchanges**") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note: 1.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note as applicable.

Auditors' Responsibilities

3. We have examined these Restated Consolidated Financial Information taking into consideration:

    a. The terms of reference and terms of our engagement agreed upon with you vide our engagement letter dated May 1, 2024, in connection with the proposed IPO;

    b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

    c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

    d. The requirements of Section26 of the Act and the ICDR Regulations.

    Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the Management from:

    a. The audited Consolidated Financial Statements of the Group for the year ended March 31, 2024, which were prepared in accordance with the Indian Accounting Standards (**"Ind AS"**) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (**"Audited Consolidated Financial Statements"**), which has been approved by the Board of Directors at their meeting held on September 24, 2024; and

b. The audited Special Purpose Ind AS Consolidated financial statements of the Group for the year ended March 31, 2023 and March 31, 2022 prepared in accordance with **Ind AS, as** prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015 and other accounting principles accepted in India ("**Special Purpose Ind AS Consolidated Financial Statements**"), which have been approved by the Board of Directors at their meetings held on September 24, 2024.

5. For the purpose of our examination, we have relied on:

a. Auditors' report issued by us dated September 24, 2024 on the audited Consolidated Financial Statements of the Group as at year ended March 31, 2024 as referred in Para4(a)above; and

b. Auditors' report issued by us dated September 24, 2024 on the audited Special Purpose Ind AS Consolidated Financial Statements of the Company as at and for each of the years ended March 31, 2023 and March 31, 2022, as referred in Para4 (b) above

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications, retrospectively in the financial years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the year ended March 31, 2024;

b. does not contain any modifications requiring adjustments; and

c. have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

7. We have 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.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements and special purpose Ind AS consolidated financial statement mentioned in paragraph 4 above.

9. This report should not be in anyway construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for the use of Board of Directors for inclusion in the DRHP to be filed with SEBI, the Stock Exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent writing.

For, R.R.S & Associates
Chartered Accountants FRN: 118336W

Rajesh Shah (Partner)
MembershipNo.034549
UDIN: 24034549BKGRFL7128

Date: September 26, 2024
Place: Ahmedabad

All figures in ₹ million, unless otherwise stated

Restated Consolidated Statement of Assets and Liabilities

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
I. ASSETS:				
(1) Non-Current Assets				
(a) Property, Plant & Equipment	2(a)	618.59	316.84	284.48
(b) Capital Work in progress	2(b)	0.00	111.97	40.32
(c) Right -of Use Assets	2(a)	1.58	-	-
(d) Intangible assets	2(c)	0.02	0.06	0.13
(e) Financial assets				
Other Financial Assets	5	535.46	92.26	71.66
(f) Other non-current assets	6	72.79	27.70	31.21
Total Non-Current Assets		**1,228.45**	**548.83**	**427.80**
(2) Current Assets				
(a) Inventories	7	739.62	399.07	403.89
(b) Financial assets				
Trade Receivables	8	707.18	653.26	454.77
Cash and cash equivalents	4(a)	180.56	294.88	24.39
Other Financial Assets	5	5.60	-	-
(c) Other current asset	6	81.53	77.72	107.71
Total Current Assets		**1,714.49**	**1,424.93**	**990.76**
TOTAL- ASSETS		**2,942.94**	**1,973.76**	**1,418.57**
II. EQUITY AND LIABILITIES:				
(1) EQUITY				
(a) Share Capital	9	57.28	57.28	57.28
(a1) Pending allotment		-	-	-
(b) Other Equity	10	2,226.15	1,116.46	480.56
Total Equity		**2,283.43**	**1,173.74**	**537.84**
(2) Non-Current Liabilities				
(a) Financial liabilities				
Borrowings	13	-	29.22	75.96
Lease Liabilities	14	0.94	-	-
(b) Provisions	11	3.50	1.69	1.54
(c) Deferred Tax Liabilities (Net)	3	2.94	12.08	16.27
Total Non-Current Liabilities		**7.38**	**42.99**	**93.77**
(3) Current Liabilities				
(a) Financial liabilities				
Borrowings	13	300.64	264.75	220.07
Lease Liabilities	14	0.67	-	-
Trade payables	12			
A) Total Outstanding Dues of Micro and Small Enterprises		4.36	4.06	-

All figures in ₹ million, unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
B) Total Outstanding Dues of other than Micro and Small Enterprises		290.73	300.66	440.90
Other financial liabilities	14	15.76	0.39	49.73
(b) Provisions	11	0.22	0.50	0.53
(c) Other current liabilities	15	15.81	81.29	62.70
(d) Current Tax liabilities (Net)	16	23.94	105.38	13.02
Total Current Liabilities		**652.13**	**757.04**	**786.96**
TOTAL EQUITY AND LIABILITIES		**2,942.94**	**1,973.76**	**1,418.57**

The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For R R S & Associates
Chartered Accountants
Firm Reg. No.118336W

Rajesh Shah
Partner
M.No.034549

Place: Ahmedabad
Date: September 26, 2024

For and on behalf of the Board of Directors
KUMAR ARCH TECH LIMITED

Shubham Taylia
Managing Director
DIN: 02416429

Shakun Taylia
Whole Time Director
DIN: 01974241

Vikram Singh Sankhala
Chief Financial Officer

Rahul Ranka
Company Secretary and Compliance Officer
Membership No. A38416

Place: Ahmedabad
Date: September 26, 2024

All figures in ₹ million, unless otherwise stated

Restated Consolidated Statement of Profit and Loss

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2022
REVENUE:				
Revenue from operations				
Sale of Products		4,077.96	4,070.96	2,505.64
Other operating income		0.81	1.59	-
Total Revenue from Operations	17	**4,078.77**	**4,072.55**	**2,505.64**
Other income	18	84.09	72.54	41.77
Total Revenue (I)		**4,162.86**	**4,145.09**	**2,547.41**
EXPENSES:				
(a) Cost of materials consumed	19	1,564.47	1,613.28	1,400.78
(b) Purchases of Stock In Trade	20	119.85	196.61	92.59
(c) Changes in inventories of finished goods and work-in-progress	21	(223.06)	(12.81)	(91.27)
(d) Employee benefits expense	22	47.95	33.13	21.58
(e) Other expenses	23	1,177.46	1,416.30	817.51
Total Expenses (II)		**2,686.68**	**3,246.52**	**2,241.19**
Profit before interest, tax, depreciation and amortisation (I - II)		1,476.18	898.57	306.21
Finance Costs	24	9.46	22.34	23.52
Depreciation and amortisation expense	2	53.02	34.59	31.04
Profit before tax		**1,413.70**	**841.64**	**251.65**
Tax expenses / (benefit):				
(a) Current tax expense		314.68	215.88	54.09
(b) Deferred tax		(8.97)	(4.29)	(6.70)
Net tax expense		**305.71**	**211.60**	**47.39**
Profit for the year		**1,107.99**	**630.05**	**204.26**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Re-measurement gains / (losses) on defined benefit plans		(0.66)	0.38	(0.03)
Income tax relating to matter that will not be reclassified to profit or loss		0.17	(0.10)	0.01
		(0.49)	**0.29**	**(0.02)**
Total Comprehensive Income		**1,107.50**	**630.34**	**204.24**
Earnings per equity share of face value ₹ 2 each				
Basic and Diluted (₹)	34	6.45	3.67	1.19

The accompanying notes form an integral part of the Financial Statements
As per our report of even date attached

For R R S & Associates
Chartered Accountants
Firm Reg. No.118336W

Rajesh Shah
Partner
M.No.034549

Place: Ahmedabad
Date: September 26, 2024

For and on behalf of the Board of Directors
KUMAR ARCH TECH LIMITED

Shubham Taylia
Managing Director
DIN: 02416429

Shakun Taylia
Whole Time Director
DIN: 01974241

Vikram Singh Sankhala
Chief Financial Officer

Rahul Ranka
Company Secretary and Compliance Officer
Membership No. A38416

Place: Ahmedabad
Date: September 26, 2024

All figures in ₹ million, unless otherwise stated

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
A. Cash flow from Operating Activities :			
Profit / (Loss) before tax	1,413.70	841.64	251.65
Adjustments for :			
Depreciation and amortisation expense	53.02	34.59	31.04
Finance costs	9.46	22.34	23.52
Balance Written off/(Written back)/(Net)	(6.50)	(0.02)	-
(Profit) / Loss on sale of Property, Plant and Equipment	-	(1.02)	(3.89)
Unrealised Foreign Exchange Fluctuation Loss/(Gain)	(3.70)	2.08	(7.87)
Interest Income on Fixed Deposits	(10.61)	(4.66)	(3.48)
Operating profit before working capital changes	1,455.36	894.95	290.98
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Trade receivables	(41.52)	(194.99)	(305.60)
Inventories	(340.55)	4.82	(160.74)
Other assets	(55.13)	27.98	(37.21)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payable, liabilities & provisions			
Trade payables	(9.64)	(136.17)	162.34
Other liabilities	(50.11)	(30.75)	96.33
Financial Liabilities	-	-	-
Provision	0.88	0.49	0.44
Cash generated from operations	**959.29**	**566.33**	**46.54**
Net income tax paid/refund	(396.12)	(123.52)	(58.79)
Net cash flow from/(used in) Operating Activities (A)	**563.17**	**442.81**	**(12.25)**
B. Cash flow from Investing Activities :			
Purchase of property, plant and equipment and intangible assets and capital advances	(242.27)	(144.69)	(104.27)
Sale of property, plant and equipment and intangible assets	-	7.20	5.00
Interest Income	10.61	4.66	3.48
Investments in Fixed Deposits with Bank (not considered as Cash and Cash Equivalent)	(442.61)	(15.08)	(31.02)
Increase /(Decrease) in Loan Given			
Investments in Subsidiary	-	-	-
Net cash flow used in Investing Activities (B)	**(674.27)**	**(147.92)**	**(126.81)**
C. Cash flow from Financing Activities :			
Proceeds from borrowings	6.66	(2.06)	145.68
Repayment of borrowings			
Proceeds from issue of Share capital	-	-	-
Payment of Lease Liabilities	(0.60)		
Finance costs	(9.28)	(22.34)	(23.52)
Net cash flow from Financing Activities (C)	**(3.22)**	**(24.40)**	**122.15**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(114.32)**	**270.49**	**(16.91)**

All figures in ₹ million, unless otherwise stated

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Cash and Cash Equivalents at the beginning of the year	**294.88**	**24.39**	**41.30**
Cash and Cash Equivalents at end of the year {Refer Note 5(a)}	**180.56**	**294.88**	**24.39**

Notes:

(i) The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of Cash Flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

(ii) Cash and Cash Equivalents {Refer Note 5(a)}

Particulars	**As at March 31, 2024**	**As at March 31, 2023**	**As at March 31, 2022**
Cash on hand	4.74	6.52	3.50
Balance with banks in current account	175.82	288.36	20.89
Cash and Cash Equivalents as per Cash flow statement	**180.56**	**294.88**	**24.39**

(iii) Previous year figures have been rearranged and/or regrouped. Wherever necessary.

See accompanying notes forming part of the financial statements
In terms of our report attached

For R R S & Associates
Chartered Accountants
Firm Reg. No.118336W

For and on behalf of the Board of Directors
KUMAR ARCH TECH LIMITED

Rajesh Shah
Partner
M.No.034549

Shubham Taylia
Managing Director
DIN: 02416429

Shakun Taylia
Whole Time Director
DIN: 01974241

Vikram Singh Sankhala
Chief Financial Officer

Rahul Ranka
Company Secretary and Compliance Officer
Membership No. A38416

Place: Ahmedabad
Date: September 26, 2024

Place: Ahmedabad
Date: September 26, 2024

Annexure 1: Restated Adjustments

Summarised below are the restatement adjustments made to the equity of the Audited financial statements of the company for the year ended March 31,2023 and March 31,2022 and their consequential impact on the profit / (loss) of the company :

a) Statement of reconciliation of standalone equity under Ind AS and Indian GAAP (IGAAP)

All figures in ₹ million

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
	Total equity as per IGAAP	**1,285.76**	**612.53**
1	Derecognition of Revenue on Export Sales	(394.71)	(276.42)
2	Other Ind AS adjustments	263.78	212.23
3	Prior Period Expenses	0.89	(0.01)
4	Remeasurement of Post-employment benefit obligations	(1.02)	(0.53)
5	Borrowings transaction cost adjustments	0.14	0.10
6	Other Comprehensive Income	0.27	(0.02)
7	Tax effect of Adjustment	42.42	6.50
8	Change in Depreciation Method	(23.79)	(16.53)
	Total equity as per Ind AS	**1,173.74**	**537.84**

(b)Statement of reconciliation of Total comprehensive Income

Sr. No.	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Profit after tax as per IGAAP	668.43	204.86
1	Derecognition of Revenue on Export Sales (Net)	(118.28)	(103.54)
2	Other Ind AS adjustments	44.97	102.41
3	Prior Period Expenses	0.91	1.34
4	Remeasurement of Post-employment benefit obligations	(0.49)	(0.41)
5	Borrowings transaction cost adjustments	0.04	0.03
6	Right to Use Adjustment	-	-
6	Tax effect of Adjustment	41.45	7.95
7	Depreciation	(7.26)	(8.37)
	Profit after tax as per Ind AS	**629.76**	**204.28**
	Other comprehensive income (net of tax)	0.29	(0.02)
	Total comprehensive income as per Ind AS	**630.05**	**204.26**

Notes to Adjustment

1. Remeasurements of post-employment benefit obligations: Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the periods/years.

2. Expected Credit Loss: As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debt.

3. Borrowings transaction cost: Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

4. Security deposits: Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value.

5. Right of use assets and Lease liability: The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses. The company recognises lease liabilities measured at the present value of lease payments to be made over the lease

term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

6. Impact of Ind As 8: Accounting Policies, Changes in Accounting Estimates and Errors are corrected retrospectively by restating the comparative amount for prior period presented in which the error occurred or if the error occurred before the earliest periods/years presented, by restating the opening statement of financial position.

7. Deferred tax: Deferred tax have been recognised on the adjustments made on transition to Ind AS.

8. Other comprehensive income: Under Ind AS, all items of income and expense recognised in a periods/years should be included in profit or loss for the periods/years, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

Note 1: Under previous GAAP, Investment (other than Investment in Subsidiaries) were carried at lower of cost or market value. Under Ind AS, the company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and its Previous GAAP carrying amount has been recognised in retained earnings. Fair value changes are recognised in the Statement of Profit and Loss for the year ended 31st March, 2024.

Note 2: Under previous GAAP, prior period items were shown separately whereas under IND AS, prior period error is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

Note 3: Under previous GAAP, useful life of Intangible Asset (Brand) was considered 10 years (restricted as per AS 26), whereas under IND AS useful life of Intangible Asset (Brand) is considered 50 years as per management estimates and technical evaluation.

Note 4: Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income.

Annexure II: Notes to the Financial Statement including a summary of significant accounting policies and other explanatory information

Company overview

The Restated Consolidated Financial Information comprise financial statements of Kumar Arch Tech Limited (the "**Company**") for each years ended as on March 31, 2024, March 31, 2023, and March 31, 2022, that had been previously prepared and audited as per the requirements of the Companies Act, 2013 and now restated as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on September 11, 2018, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 and Guidance note on reports in Company Prospectus (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI")

KUMAR ARCH TECH LIMITED ("the Company") is a Limited Company and was incorporated and domiciled in India having its registered office at 302 PARSHWNATH BUSINESS PARK, SURVEY NO. 836, F P NO. 1/2, PRAHLADNAGAR VEJALPUR, Ahmedabad, Gujarat, 380051. The Company is engaged in the manufacture and marketing of Rigid Foam PVC Sheet, Profile and article made thereof products. The company has set up a manufacturing plant located in Udaipur (Raj.) which has commenced commercial production from 2001-02.

The Restated Consolidated Financial Information are authorized for issue by the Company's Board of Directors on September 26, 2024

1.1. Basis of preparation:

(A) Statement of Compliance with Ind AS

The Restated Consolidated Financial Information of the company comprise the restated balance sheet as of March 31, 2024, March 31, 2023, and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flows for the years ended March 31, 2024, March 31, 2023, and March 31, 2022, and the statement of significant accounting policies, and other explanatory information relating to such financial periods

The Restated Consolidated Financial Information have been prepared on a going-concern basis.

These Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the financial statements as at and for the years ended March 31, 2024, March 31, 2023, and March 31, 2022 as mentioned above.

The accounting policies are applied consistently to all the periods presented in the Restated Consolidated Financial Information except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use

The Restated Consolidated Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed Initial Public Offering of its equity shares, in accordance with the requirements of: - Section 26 of part I of Chapter III of the Act - relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, issued by the Securities and Exchange Board of India ('SEBI') as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and- Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated Consolidated Financial Information has been compiled by the company from:

The audited financial statements of the Company as at and for the year ended March 31, 2023, which were prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as "Ind AS"), and other accounting principles generally accepted in India("Audited Financial Statements"), which has been approved by the Board of Directors at their meeting held on September 24, 2024; and

The audited special purpose Ind AS financial statements of the Company as at and for the year ended March 31, 2023 and March 31, 2022 prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015 and other accounting principles accepted in India ("**Special Purpose Ind AS Audited Financial Statements**"), which have been approved by the Board of Directors at their meetings held on September 24, 2024;

These Restated Consolidated Financial Information have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 as applicable
This note provides a list of the significant accounting policies adopted in the preparation of the Restated Consolidated Financial Information. These policies have been consistently applied to all the periods/years presented unless otherwise stated.

The Restated Consolidated Financial Information have been prepared on an accrual basis under the historical cost convention except where the Ind AS requires a different accounting treatment.

(B) Functional and presentation currency

These Restated Consolidated Financial Information are presented in ₹, which is also functional currency of the Company. All amounts disclosed in the Restated Consolidated Financial Information and notes have been rounded off to the nearest "million" with two decimals, unless otherwise stated.

(C) Use of estimates

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenditure for the period and disclosures of contingent liabilities as at the Balance Sheet date. Actual results could differ from those estimates

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation

The areas involving critical estimates or judgments are:

- Useful life of property, plant, and equipment.
- Defined benefit obligation
- Provisions
- Recoverability of trade receivables
- Current tax expense and current tax payable

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company

(D) Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/noncurrent basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2. Revenue recognition:

a. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices and projected market conditions.

c. Other income:
   i. Dividend income is recognized when the right to receive dividend is established.
   ii. Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.
   iii. Other income is recognized when no significant uncertainty as to its determination or realisation exists.

1.3. Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Straight-line method" (SLM) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

Treatment of expenditure during construction period

Expenditure, net of income earned, during construction (Including financing cost related to borrowed funds for construction or acquisition of qualifying Property, Plant and Equipment) period is included under capital work-in-progress, the same has been allocated to the respective Property, Plant and Equipment on the completion of construction. Advances given towards acquisition or construction of Property, Plant and Equipment outstanding at each reporting date are disclosed as Capital Advances under "Other Non-current Assets".

The estimated useful lives are mentioned as under -

Type of Asset	Useful lives
Freehold Land	Non-Depreciable Asset
Building	10 - 30 years
Plant and Machinery	15 years
Vehicles	8 years
Equipment	3 - 6 years
Furniture and Fixtures	10 years
Electric Installation	10 years

1.4. Intangible Assets:

Intangible assets acquired separately are measured on initial recognized at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognized, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortized over their respective estimated useful life which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangibles are as mentioned below:

Type of intangible asset	Useful life
Software	6 years

1.5. Financial Instruments

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

De-recognition of financial assets
A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement

These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognized of the original liability and the recognized of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.6. Impairment of assets:

Financial Asset

A financials Asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit and loss, for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognized.

1.7. Inventories:

a. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.

b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost [net of GST], labour and relevant appropriate overheads. Cost of raw materials and packing material are determined on specific identification basis by taking material cost [net of GST].

1.8. Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding book overdrafts , if any, as they are considered an integral part of the company's cash management.

1.9. Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

1.10. Earnings Per Share:

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

1.11. Taxes on Income:

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

1.12. Provisions, Contingent Liabilities and Contingent Assets:

Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability

It is disclosed for:

a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or
b. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

1.13. Leases:

"The Company has adopted Ind AS 116 ""Leases"". At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the

Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method."

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.14. Foreign currency transactions and translation:

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

1.15. Employee Benefits:

1. ***Defined contribution plan***: The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

2. ***Defined benefit obligations plan***:

   i. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

   ii. The Company also provides benefit of compensated absences to its employees which are in the nature of long -term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

3. Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. which are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

1.16. Measurement of Profit before interest, tax, depreciation and amortisation

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

All figures in ₹ million, unless otherwise stated

Restated Consolidated Statement of changes in equity

Note 1.

A. Equity Share Capital

Particulars	Amount
As at April 1, 2021	**57.28**
Changes in equity share capital	-
As at March 31, 2022	**57.28**
Changes in equity share capital	-
As at March 31, 2023	**57.28**
Changes in equity share capital	-
As at March 31, 2024	**57.28**

B. Other Equity

Particulars	Retained Earnings	Securities Premium	Total Equity
As at April 1, 2021	**180.02**	**95.35**	**275.37**
Add: Profit for the year	204.26	-	204.26
Add: Other comprehensive income for the year	(0.02)	-	(0.02)
Add/(Less): Adjustment due to Currency Exchange Rate Fluctuation	0.95	-	0.95
As at March 31, 2022	**385.21**	**95.35**	**480.56**
Add: Profit for the year	630.05	-	630.05
Add: Other comprehensive income for the year	0.29	-	0.29
Add/(Less): Adjustment due to Currency Exchange Rate Fluctuation	5.56	-	5.56
As at March 31, 2023	**1,021.11**	**95.35**	**1,116.46**
Add: Profit for the year	1,107.99	-	1,107.99
Add: Other comprehensive income for the year	(0.49)	-	(0.49)
Add/(Less): Adjustment due to Currency Exchange Rate Fluctuation	2.19	-	2.19
As at March 31, 2024	**2,130.81**	**95.35**	**2,226.15**

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For R R S & Associates
Chartered Accountants
Firm Reg. No.118336W

For and on behalf of the Board of Directors
KUMAR ARCH TECH LIMITED

Rajesh Shah
Partner
M.No.034549

Shubham Taylia
Managing Director
DIN: 02416429

Shakun Taylia
Whole Time Director
DIN: 01974241

Vikram Singh Sankhala
Chief Financial Officer

Rahul Ranka
Company Secretary and Compliance Officer
Membership No. A38416

Place: Ahmedabad
Date: September 26, 2024

Place: Ahmedabad
Date: September 26, 2024

All figures in ₹ million, unless otherwise stated

Note 2. Property, Plant and Equipment & Intangible Asset

(a): Property, Plant and Equipment:

Particulars	Freehold Land	Buildings	Plant & Machinery	Solar Plant	Vehicles	Equipment	Furnitures and Fixtures	Computer	Total	Right of use assets
Gross carrying amount: (Deemed Cost)										
As at April 1, 2021	**30.42**	**44.09**	**171.16**	**-**	**4.94**	**0.43**	**0.17**	**0.75**	**251.96**	**-**
Additions during the year	14.39	0.64	8.08	41.32	-	0.10	-	0.05	64.58	-
Deductions during the year	-	1.11	-	-	-	-	-	-	1.11	-
As at March 31, 2022	**44.82**	**43.62**	**179.24**	**41.32**	**4.94**	**0.53**	**0.17**	**0.80**	**315.44**	**-**
Additions during the year	22.11	-	50.39	-	-	0.11	0.22	0.22	73.04	-
Deductions during the year	-	-	8.22	-	-	-	-	-	8.22	-
As at March 31, 2023	**66.92**	**43.62**	**221.41**	**41.32**	**4.94**	**0.64**	**0.38**	**1.02**	**380.26**	**-**
Additions during the year	83.55	146.72	121.59	-	-	1.38	0.15	0.84	354.24	2.07
Deductions during the year	-	-	-	-	-	-	-	-	-	-
As at March 31, 2024	**150.48**	**190.34**	**343.01**	**41.32**	**4.94**	**2.02**	**0.54**	**1.86**	**734.51**	**2.07**
Accumulated depreciation:										
As at April 1, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Additions during the year	-	2.08	27.59	0.05	0.78	0.10	0.05	0.29	30.96	
Deductions during the year	-	-	-	-	-	-	-	-	-	
As at March 31, 2022	**-**	**2.08**	**27.59**	**0.05**	**0.78**	**0.10**	**0.05**	**0.29**	**30.96**	**-**
Additions during the year	-	2.08	28.60	2.62	0.78	0.12	0.06	0.25	34.52	
Deductions during the year	-	-	2.05	-	-	-	-	-	2.05	
As at March 31, 2023	**-**	**4.17**	**54.15**	**2.67**	**1.57**	**0.22**	**0.11**	**0.54**	**63.43**	**-**
Additions during the year	-	3.69	44.63	2.62	0.78	0.37	0.05	0.36	52.49	0.49
Deductions during the year	-	-	-	-	-	-	-	-	-	
As at March 31, 2024	**-**	**7.85**	**98.78**	**5.29**	**2.35**	**0.59**	**0.16**	**0.90**	**115.92**	**0.49**
Net carrying amount										
As at March 31, 2022	**44.82**	**41.53**	**151.65**	**41.27**	**4.16**	**0.43**	**0.12**	**0.51**	**284.48**	**-**
As at March 31, 2023	**66.92**	**39.45**	**167.26**	**38.65**	**3.38**	**0.42**	**0.27**	**0.48**	**316.84**	**-**

All figures in ₹ million, unless otherwise stated

Particulars	Freehold Land	Buildings	Plant & Machinery	Solar Plant	Vehicles	Equipment	Furnitures and Fixtures	Computer	Total	Right of use assets
As at March 31, 2024	**150.48**	**182.48**	**244.23**	**36.03**	**2.59**	**1.43**	**0.38**	**0.96**	**618.59**	**1.58**
(b) Capital work in progress										-
As at April 1, 2021	**-**	**-**	**0.64**	**-**	**-**	**-**	**-**	**-**	**0.64**	
Addition during the year/period	-	8.65	31.67	-	-	-	-	-	40.32	
Capitalised /Disposal during the year/period	-	-	0.64	-	-	-	-	-	0.64	
As at March 31, 2022	**-**	**8.65**	**31.67**	**-**	**-**	**-**	**-**	**-**	**40.32**	**-**
Addition during the year/period	-	23.90	47.75	-	-	-	-	-	71.65	-
Capitalised /Disposal during the year/period	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	**-**	**32.55**	**79.42**	**-**	**-**	**-**	**-**	**-**	**111.97**	**-**
Addition during the year/period	-	5.42	-	-	-	-	-	-	5.42	
Capitalised /Disposal during the year/period	-	37.98	79.42	-	-	-	-	-	117.40	
As at March 31, 2024	**-**	**0.00**	**(0.00)**	**-**	**-**	**-**	**-**	**-**	**0.00**	**-**

Assets pledged as security
1. Hypothecation of entire plant and machinery & other fixed assets of the company both present and future.
2. Equitable Mortgage on Factory land & building situated at B-2, RIICO Industrial Area Gudli in the name of Kumar Arch Tech Limited Admeasuring Total Area 7835 Sqmt.
3. Equitable Mortgage on Factory land & building situated at E-92, RIICO Industrial Area Gudli in the name of Kumar Arch Tech Limited Admeasuring Total Area 4632 Sqmt.
4. Equitable Mortgage on Factory land & building situated at E-37, RIICO Industrial Area Gudli in the name of Kumar Arch Tech Limited Admeasuring Total Area 4000 Sqmt.

Ageing of Capital Work-in-Progress

Capital work in progress	Amount of assets under development for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 year	
As at March 31, 2022	40.32	-	-	-	**40.32**
As at March 31, 2023	71.65	40.32	-	-	**111.97**
As at March 31, 2024	-		-	-	**-**

(c): Intangible Assets:

Particulars	Software	Total
Gross carrying amount:		
As at April 1, 2021	**0.21**	**0.21**
Additions during the year	-	-
Deductions during the year	-	-
As at March 31, 2022	**0.21**	**0.21**
Additions during the year	-	-
Deductions during the year	-	-
As at March 31, 2023	**0.21**	**0.21**
Additions during the year	-	-
Deductions during the year	-	-
As at March 31, 2024	**0.21**	**0.21**
Accumulated depreciation:		
As at April 1, 2021	**-**	**-**
Additions during the year	0.08	0.08
Deductions during the year	-	-
As at March 31, 2022	**0.08**	**0.08**
Additions during the year	0.07	0.07
Deductions during the year	-	-
As at March 31, 2023	**0.15**	**0.15**
Additions during the year	0.04	0.04
Deductions during the year	-	-
As at March 31, 2024	**0.19**	**0.19**
Net carrying amount		
As at March 31, 2022	**0.13**	**0.13**
As at March 31, 2023	**0.06**	**0.06**
As at March 31, 2024	**0.02**	**0.02**

Note 3. Income Tax and Deferred Tax

Particulars	As at March 31,		
	2024	2023	2022
(a) Total Tax recognised in the Statement of Profit and Loss:			
Current Income Tax:	314.68	215.88	54.09
Deferred Tax	-8.97	-4.29	-6.70
Tax Expenses reported in the Statement of Profit or Loss	305.71	211.60	47.39
(b) Tax expenses reported in Other Comprehensive Income (OCI)			
Tax on net loss(gain) on remeasurement of defined benefit plan	0.17	(0.10)	0.01
	0.17	(0.10)	0.01
(c) Reconciliation of estimated Income tax expenses at Indian Statutory Income Tax Rate to Income Tax expenses reported in the Statement of Profit & Loss			
Accounting Profit before income tax	1,413.70	841.64	251.65
Expected income tax expenses	319.36	198.27	48.30
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:			
Expense disallowed (net)	-30.74	1.32	1.28
Other	-10.16	-4.88	-6.00
Total tax expenses reported in the Statement of Profit or Loss	278.46	194.71	43.58
(d) Deferred Tax Assets/(Liabilities)			
Impact of Expenditure charged to the Statement of Profit and Loss in the Current Year but allowed for tax purpose on payment basis	-0.49	0.09	-0.01
Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	3.53	11.99	16.28
Lease Liability	0.04		
Right of use assets	(0.15)		
Provision for doubtful debts and advances			
Deferred Tax Assets/(Liabilities)	2.94	12.08	16.27

(e) Movement in Deferred tax Assets/(Liabilities) relates to :

Particulars	Right of use Assets	Lease Liability	Employee Benefit	Property, Plant and Equipment and Intangible Assets
At April 1, 2021	**-**	**-**	**-**	**22.98**
Charged/(Credited)				
- To Profit or Loss	-	-	-	6.70
- To other comprehensive Income	-	-	0.01	-
At March 31, 2022	**-**	**-**	**(0.01)**	**16.28**
Charged/(Credited)				
- To Profit or Loss		-	-	4.29
- To other comprehensive Income		-	-0.10	-
At March 31, 2023	**-**	**-**	**0.09**	**11.99**
Charged/(Credited)				
- To Profit or Loss	0.15	-0.04	0.41	8.46
- To other comprehensive Income	-	-	0.17	-
At March 31, 2024	**(0.15)**	**0.04**	**(0.49)**	**3.53**

Note 4. Cash and Cash Equivalents

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
(a) Cash and cash equivalents			
Balances with banks in current accounts	175.82	288.36	20.89
Cash on hand	4.74	6.52	3.50

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
	180.56	**294.88**	**24.39**
(b) Bank Balances other than Cash and cash Equivalents			
Fixed deposit with original maturity of more than 3 months but less than 12 months	-	-	-
Total	**180.56**	**294.88**	**24.39**

Note 5. Other Financial Assets

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Non-Current			
Security deposits	13.94	13.34	7.83
In Term Deposit Accounts with Original maturity more than 12 Months	521.52	78.91	63.83
	535.46	**92.26**	**71.66**
Current			
Goods and services tax credit receivable	5.60	-	-
	5.60	**-**	**-**
Total	**541.06**	**92.26**	**71.66**

Note 6. Other Current Assets

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Non-current			
Capital Advances	72.79	27.70	31.21
	72.79	**27.70**	**31.21**
Current			
Balances with government authorities			
Goods and services tax credit receivable	69.03	49.59	55.36
Advances to supplier	10.76	26.62	33.11
Advances to employees	1.14	1.20	1.18
Other Current Assets	-	-	17.08
Prepaid expenses	0.60	0.31	0.98
	81.53	**77.72**	**107.71**
Total	**154.32**	**105.43**	**138.92**

Note 7. Inventories
(Cost or net realisable value whichever is lower)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Raw Material	239.50	120.84	144.94
Work-in-progress	29.45	13.26	20.80
Finished goods	230.30	36.09	78.90
Reusable Waste	8.34	1.77	-

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Stores, spares & consumables	7.98	3.70	2.01
Packing Material	4.93	10.37	5.59
Stock in Trade	29.00	15.30	16.00
Stock in Transit	190.12	197.73	135.65
Total	**739.62**	**399.07**	**403.89**

Mode of Valuation - Refer note no. 1.7 of the significant accounting policies

Note 8. Trade Receivables

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Secured Considered good	-	-	-
Unsecured Considered good	707.18	653.26	454.77
Trade Receivables which have significant increase in Credit Risk	-	-	-
Trade Receivables-credit impaired	-	-	-
	707.18	**653.26**	**454.77**
Less: Allowance for doubtful debt (expected credit loss)	-	-	-
Net Total Debtors	**707.18**	**653.26**	**454.77**
Receivable from related parties (Refer note 29)	102.07	106.28	71.97
Others	605.10	546.98	382.80
Total Trade Receivables	**707.18**	**653.26**	**454.77**

Trade Receivable ageing schedule:

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Trade Receivables Undisputed, Considered Good			
Up to 6 Months	550.45	608.28	421.60
6 Months - 1 year	100.94	10.01	23.28
1 Year - 2 years	28.02	27.11	4.60
2 Years - 3 years	21.26	1.35	2.48
More Than 3 years	6.50	6.51	2.81
Trade Receivables Disputed, Considered Good			
Up to 6 Months	-	-	-
6 Months - 1 year	-	-	-
1 Year - 2 years	-	-	-
2 Years - 3 years	-	-	-
More Than 3 years	-	-	-
Total	**707.18**	**653.26**	**454.77**

Note 9. Equity Share Capital

Particulars	As at March 31,		
	2024	2023	2022
Authorised:			
6,00,000 Equity shares of ₹ 10/- each	60.00	60.00	60.00

Total	**60.00**	**60.00**	**60.00**
Issued, Subscribed and Fully Paid-up :			
57,27,540 (Previous Year 57,27,540) Equity shares of ₹ 10/- each	57.28	57.28	57.28
Total	**57.28**	**57.28**	**57.28**

9.1 Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31,		
	2024	2023	2022
	No. of equity shares	No. of equity shares	No. of equity shares
Shares outstanding at the beginning of the year/period	57,27,540	57,27,540	57,27,540
Issued during the year/period	-	-	-
Shares outstanding at the end of the year/period	57,27,540	57,27,540	57,27,540

9.2 Details of shareholders holding more than 5 % equity shares in the company

Name of the shareholder	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding	No. of equity shares held	% of Shareholding
Jitendra Kumar Taylia	18,17,285	31.73%	18,17,285	31.73%	18,17,285	31.73%
M M Thermoplast Pvt Ltd	16,08,500	28.08%	16,08,500	28.08%	16,08,500	28.08%
Shubham Taylia	8,41,440	14.69%	8,41,440	14.69%	8,41,440	14.69%
Surbhi Jitendrakumar Taylia	6,46,670	11.29%	6,46,670	11.29%	6,46,670	11.29%
Tirupatibalaji Build-con Pvt Ltd	4,94,400	8.63%	4,94,400	8.63%	4,94,400	8.63%

9.3 Details of promoters / members of the promoter group shareholding in the company

Name of the shareholder	As at March 31, 2024			As at March 31, 2023			As at March 31, 2022		
	No. of equity shares held	% of Sharehol ding	% Change during the year	No. of equity shares held	% of Sharehol ding	% Change during the year	No. of equity shares held	% of Sharehol ding	% Change during the year
Jitendra Kumar Taylia	18,17,285	31.73%	-	18,17,285	31.73%	-	18,17,285	31.73%	5.48%
M M Thermoplast Pvt Ltd	16,08,500	28.08%	-	16,08,500	28.08%	-	16,08,500	28.08%	-
Shubham Taylia	8,41,440	14.69%	-	8,41,440	14.69%	-	8,41,440	14.69%	-
Surbhi Jitendrakumar Taylia	6,46,670	11.29%	-	6,46,670	11.29%	-	6,46,670	11.29%	5.24%
M/s TirupatiBalaji Build-Con Pvt. Ltd.	4,944,00	8.63%	-	4,944,00	8.63%	-	4,944,00	8.63%	-
Madhu Agarwal	1,39,750	2.44%	-	1,39,750	2.44%	-	1,39,750	2.44%	-
Shakun Taylia	75,000	1.31%	-	75,000	1.31%	-	75,000	1.31%	-
Rituraj Pipes and Plastics Pvt. Ltd.	57,000	1.00%	-	57,000	1.00%	-	57,000	1.00%	-
J .S. Construction	47,495	0.83%	-	47,495	0.83%	-	47,495	0.83%	-

9.4 Terms / Rights attached to the equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

9.5 Subsequent to 31st March, 2024, Authorized Share Capital and Issued, Subscribed & Paid-up share capital of the Company have been sub divided/split from Rs. 10 per share to Rs. 2 per share pursuant to extra ordinary general meeting of the Company held on 1st August, 2024. Accordingly Issued and subscribed share capital of 57,27,540 shares of Rs 10 each is sub divided/split to 2,86,37,700 shares of Rs 2 each. Further, with the approval of shareholders of the Company, the authorised share capital of the Company has been increased from Rs. 60 Million (sub divided into 3,00,00,000 equity shares of nominal value of Rs. 2/-) to Rs. 500.00 million (sub divided into 25,00,00,000 equity shares of nominal value of Rs. 2/-). Also the shareholder of the Company approved the issuance of bonus equity shares of face value of Rs 2 per share pursuant to shareholder meeting of the Company held on 6th August 2024, in the proportion of 5 new bonus Equity Shares for every 1 Shares held by the Shareholder. Accordingly Board has made allotment of 14,31,88,500 fully paid new equity shares of Rs. 2 each to the members of the Company on 09th August, 2024

Note 10. Other Equity

Particulars	As at March 31,		
	2024	2023	2022
Securities Premium	95.35	95.35	95.35
Retained earnings	2,130.81	1,021.11	385.21
Total	**2,226.15**	**1,116.46**	**480.56**

Nature and purpose of reserves:

Retained Earnings: Retained Earnings are the profits/(loss) that the company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

(a)Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash: NIL
(b) Aggregate number and class of shares allotted as fully paid up by way of bonus shares:
Securities Premium: The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve. This reserve is available for utilisation in accordance with the provisions of Companies Act, 2013.

Note 11. Provisions

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Non-Current			
Provision for employee benefits (refer note 30)			
Gratuity Payable	3.27	1.69	1.54
Leave Benefit	0.23	-	-
	3.50	**1.69**	**1.54**
Current			
Provision for employee benefits (refer note 30)			
Gratuity Payable	0.21	0.50	0.53
Leave Benefit	0.01	-	-
	0.22	**0.50**	**0.53**
Total	**3.73**	**2.19**	**2.08**

Note 12. Trade Payables

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Trade payables			
Due to micro and small enterprises	4.36	4.06	-
Due to others	290.73	300.66	440.90
Total	**295.09**	**304.73**	**440.90**

Trade Payable ageing schedule:

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Undisputed dues of MSME			
Not Due	0.04	2.00	-
Up to 1 Year	4.33	2.06	-
1-2 Years	-	-	-
2-3 Years	-	-	-
More Than 3 Years	-	-	-
Undisputed dues of Others	-	-	-
Not Due	-	-	-
Up to 1 Year	258.77	265.13	427.20
1-2 Years	16.46	26.09	9.94
2-3 Years	9.15	6.21	1.08
More Than 3 Years	6.34	3.24	2.67
Total	**295.09**	**304.73**	**440.90**

Note 13. Borrowings

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Non-Current			

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Secured			
Loan from Bank	0.31	89.38	114.07
Less: Current Maturity	(0.31)	(60.16)	(38.11)
Unsecured			
Loan from related parties	-	-	-
	-	**29.22**	**75.96**
Current			
Secured			
Loan from Bank- Working Capital	295.81	187.10	166.16
Current Maturity of Long Term Borrowings	0.31	60.16	38.11
Unsecured			
Loan from related parties	-	7.49	15.80
Loan from Others	4.52	10.01	-
	300.64	**264.75**	**220.07**
Total	**300.64**	**293.97**	**296.03**

Note 13.1: Vehicle Loan from Yes Bank are secured by Hypothecation of Vehicle.

Note 13.2:

Particulars	**Fund Base Limit from State Bank of India Bank**
Guarantors	**Corporate Guarantor**- 1. Tirupatibalaji Build-con Private Limited and 2. S M Enterprises
	Personal Guarantor- 1. Shri Shubham Taylia S/o Shri Jitendra Kumar Taylia 2. Shri Shakun Taylia D/o Shri Jitendra Kumar Taylia 3. Shri Tulsi Ram Joshi S/o Shri Hagami Lal Joshi 4. Shri Jitendra Kumar Taylia S/o Shri Vijay Lal Agarwal
Tenor	90 days. The cover period of 90 days for Receivables would be extended only in respect of the buyers other than associate / sister concern. Receivables exceeding the above cover period will not be reckoned for computing Drawing Power. Drawing Power will also not be available on unpaid stocks.
Primary Security	First charge by way of hypothecation of entire current assets of the company viz. raw material, stock in process, finished goods, consumables, book debt and other current assets both present and future.
Secondary Security	1. Hypothecation of entire plant and machinery & other fixed assets of the company both present and future. 2. Equitable Mortgage on Factory land & building situated at B-2, RIICO Industrial Area Gudli in the name of Kumar Arch Tech Limited Admeasuring Total Area 7835 Sqmt. 3. Equitable Mortgage on Factory land & building situated at E-92, RIICO Industrial Area Gudli in the name of Kumar Arch Tech Limited Admeasuring Total Area 4632 Sqmt. 4. Equitable Mortgage on Factory land & building situated at E-37, RIICO Industrial Area Gudli in the name of Kumar Arch Tech Limited Admeasuring Total Area 4000 Sqmt.
Rate of Interest	**Cash Credit**: Interest at the rate of 0.60% above EBLR and **EPC/PCFC/FBD/EBR/FBP**: Interest at the rate of 1.15% above T-Bill linked rate
Margin	25% of Stocks and 40% of Receivables cover period 120 days
Interest Payment Frequency	Monthly

Note 13.3: "Long Term Borrowings" payable within 12 months from the reporting date are reduced from "Long term Borrowings and disclosed under "Current Borrowing".

Note 13.4: Interest free Loans from related parties from Directors and other parties are listed in register maintained under section 186 of the Act. There is no stipulation on the repayment of loan.

Note 14. Other Financial Liabilities

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Non-Current			
Lease Liabilities	0.94	-	-
	0.94	**-**	**-**

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Current			
Lease Liabilities	0.67	-	-
	0.67	**-**	**-**
Payables related to Employees	2.95	0.39	1.39
Other Financial Liabilities	-	-	48.34
Book Overdraft	12.81	-	-
	15.76	**0.39**	**49.73**
Total	**17.37**	**0.39**	**49.73**

Note 15. Other Liabilities

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Current			
Statutory liabilities	5.32	7.14	1.75
Advance from Customer	10.48	74.15	60.94
Total	**15.81**	**81.29**	**62.70**

Note 16. Current Tax Liabilities (Net)

Particulars	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Provision for Taxation (Net of Advance tax)	23.94	105.38	13.02
Total	**23.94**	**105.38**	**13.02**

Note 17. Revenue From Operations

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Sale of products			
In India	722.44	806.27	370.21
Outside India	3,355.52	3,264.69	2,135.43
Other Operating Income	**0.81**	**1.59**	**-**
Duty Draw Back	0.16	0.73	-
Local Scrap Sale	0.65	0.85	-
Total	**4,078.77**	**4,072.55**	**2,505.64**

Note 17.1 Major items of goods sold

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from sale of products			
Rigid Foam/ PVC Sheets & Doors & article made thereof	3,798.77	3,261.94	2,127.03
Polymer, Chemicals & Others	280.00	810.61	378.61
Total	**4,078.77**	**4,072.55**	**2,505.64**

Note 18. Other Income

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Interest income	10.61	4.66	3.48
Rent income	1.21	1.20	0.12
Written-off Account	6.50	0.02	-

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Foreign Exchange Gain/(Loss) on Fluctuation (Net)	64.99	65.38	34.27
Other Income	0.77	0.26	0.01
Profit on Sale of Property, Plant and Equipment	-	1.02	3.89
Total	**84.09**	**72.54**	**41.77**

Note 19. Cost of material consumed

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Raw materials Consumed			
Opening stock	120.84	144.94	75.74
Add: Purchases during the year	1,683.13	1,589.18	1,469.99
Less: Closing stock	(239.50)	(120.84)	(144.94)
Total	**1,564.47**	**1,613.28**	**1,400.78**

Note 19.1 Purchase of Imported & Indigenous Raw Material

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Indigenous	396.04	398.94	356.83
Indigenous (in %)	23.53	25.10	24.27
Import	1,287.08	1,190.24	1,113.16
Import (in %)	76.47	74.90	75.73
Total	**1,683.13**	**1,589.18**	**1,469.99**

Note 20. Purchases of Stock In Trade

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Polymer, Chemicals & Others	119.85	196.61	92.59
Total	**119.85**	**196.61**	**92.59**

Note 21. Changes in inventories of Finished goods and Work-in-progress

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Inventories at the beginning of the year			
Finished goods	36.09	78.90	50.63
Stock in Trade	15.30	16.00	-
Work-in-progress	15.03	20.80	18.23
Stock in Transit	197.73	135.65	91.21
	264.16	251.35	160.08
Inventories at the end of the year			
Finished goods	230.30	36.09	78.90
Stock in Trade	29.00	15.30	16.00
Work-in-progress	37.80	15.03	20.80
Stock in Transit	190.12	197.73	135.65
	487.21	264.16	251.35
Net (increase)/decrease in stock	**(223.06)**	**(12.81)**	**(91.27)**

Note 22. Employee Benefits Expenses

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Salaries, wages and bonus	32.36	21.36	17.56
Directors Remuneration	13.05	10.50	3.00
Contribution to provident and other funds	1.52	0.82	0.77
Staff welfare expenses	1.02	0.46	0.26
Total	**47.95**	**33.13**	**21.58**

Note 23. Other Expenses

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Power Consumption	103.23	87.83	64.67
Consumption of stores and spares	40.47	52.31	42.95
Job Work Charges	246.88	226.94	27.97
Other Manufacturing Expenses	24.46	17.17	12.02
Labour Expenses	88.84	91.06	67.78
Packing Material Consumed	102.43	86.29	66.07
Insurance Expenses	1.64	2.28	2.50
Statutory Audit fee	0.60	0.60	0.60
Corporate Social Responsibility Expenses	8.80	2.00	1.78
Fire Extinguisher Equipment Exp	0.15	-	-
Legal & Professional Fee	20.02	7.73	5.11
Security Services & Expenses	2.72	1.82	1.26
Telephone Expenses	0.80	0.36	0.37
Travelling Expenses	6.05	5.59	4.57
Repair & Maintenance	0.51	4.87	0.45
Bank Charges	2.63	7.14	0.44
Other Administrative Expenses	18.39	40.93	18.15
Selling & Distribution Expenses	26.68	16.79	30.28
Net Gain on Foreign Currency Transactions and Translation (Net)	-	-	-
Sea Freight Charges	215.65	476.59	277.89
Sales Promotion Expenses	19.44	18.35	0.45
Clearing and Forwarding Expense	201.29	208.41	144.45
Sales Commission	2.67	2.39	15.97
Transportation Expense	43.10	58.85	31.80
Total	**1,177.46**	**1,416.30**	**817.51**

Note 23A Payment to auditors (Excluding GST)

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Statutory Audit fee	0.60	0.60	0.60

Note 23B Purchase of Imported & Indigenous Store & Spares

Particulars	For the Year ended	For the Year ended	For the Year ended
	March 31, 2024	March 31, 2023	March 31, 2022
Indigenous (₹ in million)	35.48	52.12	38.78
Indigenous (in %)	79.30	76.66	73.14
Import (₹ in million)	9.26	15.87	14.24
Import (in %)	20.70	23.34	26.86
Total	**44.74**	**67.99**	**53.02**

Note 24. Finance Cost

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on borrowings	9.28	22.34	23.52
Interest on Lease Liabilities	0.18	-	-
Total	**9.46**	**22.34**	**23.52**

Note 25. Fair Value Measurement

(i) Financial Assets And Liabilities

The carrying value and fair value of financial instruments by category is as follows :

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets :						
Amortized cost :						
Trade Receivables	707.18	707.18	653.26	653.26	454.77	454.77
Cash and cash equivalents	180.56	180.56	294.88	294.88	24.39	24.39
Other Bank Balances	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other Financial Assets	5.60	5.60	-	-	-	-
Total	**893.34**	**893.34**	**948.14**	**948.14**	**479.16**	**479.16**
Financial liabilities :						
Amortized cost :						
Trade payables	295.09	295.09	304.73	304.73	440.90	440.90
Other financial liabilities	15.76	15.76	0.39	0.39	49.73	49.73
Lease Liabilities	1.61	1.61	-	-	-	-
Short Term Borrowings	300.64	300.64	264.75	264.75	220.07	220.07
Long Term Borrowings	-	-	29.22	29.22	75.96	75.96
Total	**613.10**	**613.10**	**599.09**	**599.09**	**786.66**	**786.66**

(ii)Investments in Subsidiaries: a) Investments in Subsidiaries have been accounted at cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have been disclosed at cost in the tables above. b) Financial Instrument measured at Amortised Cost: The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Note 26. Capital Management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using Debt-Equity ratio, which is net debt divided by total equity. Debt is defined as liabilities comprising interest-bearing loans and borrowings, lease liabilities less cash and bank balances. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio was as follows.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Total loans and borrowings	300.64	293.97	296.03
Less : Cash and bank balances	180.56	294.88	24.39
Adjusted net debt	**120.08**	**(0.91)**	**271.64**
Total equity	**2,283.43**	**1,173.74**	**537.84**

Adjusted net debt to adjusted equity ratio	**0.05**	**(0.00)**	**0.51**
Debt equity considering only borrowings as debt	**0.13**	**0.25**	**0.55**

Note 27. Earning/Expenses in Foreign Currency

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Earning in foreign Currency			
FOB Value of Exports	1,949.62	2,509.85	1,700.96
Expenses in foreign Currency			
CIF Value of Imports	1241.29	965.07	646.85
Sales Commission paid	2.47	2.28	14.45
Travelling Expenses	3.53	1.94	0.94

Note 28. Employee Benefit Plans:

A. Defined Contribution Plans: The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 0.635 Million (Previous Year ended 31.03.23 ₹ 0.259 Million and previous year ended 31.03.2022 ₹ 0.201 Million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme. The Company made contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The Company recognized ₹ 0.142 Million (Previous year ended 31.03.23 ₹ 0.056 Million and previous year ended 31.03.2022 ₹ 0.113 Million) for ESIC contributions in the Statement of Profit & Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme."

B. Defined Benefit Plans: The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with Total ceiling on gratuity of ₹2 Million.

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:			
Obligations at beginning of the year	2.19	2.08	1.61
Current Service Cost	0.56	0.34	0.33
Past Service Cost	-	-	-
Interest Cost	0.16	0.15	0.11
Actuarial (gain)/loss	-	-	-
- Due to change in Financial Assumptions	0.07	(0.03)	(0.08)
- Due to experience adjustments	0.59	(0.35)	0.11
Benefits paid	(0.09)	-	-
Obligations at the end of the year	**3.48**	**2.19**	**2.08**
(b) Expense recognised in the statement of profit and loss for the year :			
Service Cost	0.56	0.34	0.33
Interest Cost	0.16	0.15	0.11
Expense charged to the statement of profit and loss	**0.72**	**0.49**	**0.44**
(c) Expense recognised in other comprehensive income for the year :			
Return on plan assets excluding amounts included in net interest expense	-	-	-
Actuarial (gain)/loss	-	-	-
- Due to change in Financial Assumptions	0.07	(0.03)	(0.08)
- Due to experience adjustments	0.59	(0.35)	0.11
Expense charged to other comprehensive income	**0.66**	**(0.38)**	**0.03**
Assumptions:			
Discount rate	7.10%	7.35%	7.19%
Estimated rate of return on plan assets	0.00%	0.00%	0.00%
Annual increase in salary costs	5.00%	5.00%	5.00%

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement age	58 years	58 years	58 years
Sensitivity Analysis:			
Impact on defined benefit obligation			
Increase of +0.5% in discount rate	32.23	20.02	19.05
Decrease of +0.5% in discount rate	37.77	24.11	22.86
Increase of +0.5% in salary escalation rate	36.99	23.81	22.56
Decrease of +0.5% in salary escalation rate	32.58	20.17	19.20
Expected future Cash outflows towards the plan are as follows :			
Year 1	0.21	0.50	0.53
Year 2	0.17	0.08	0.15
Year 3	0.18	0.08	0.07
Year 4	2.00	0.09	0.08
Year 5	0.09	0.55	0.08
Year 6 to 10	0.55	0.44	0.81

Notes:
1. The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

Note 29. Related Party Disclosures

A) List of Related Parties and description of their relationship are as follows:

Nature of Relationship

1. Key Managerial Personnel

Mr. Shubham Taylia – Managing Director
Mrs. Shakun Taylia – Whole time Director
Mr. Jitendra Kumar Taylia – Chairman & Whole Time Director
Mr. Vikram Sankhla – Chief Financial Officer
Mr. Rahul Ranka – Company Secretary

2. Relatives of KMP/Directors

V K Agarwal HUF
VINAYAK BUILDERS
J K Taylia
Madhu Agarwal
Naina Bhushan
Nikhil Nahar
Surbhi Jitendrakumar Taylia

3. Entities in which the KMP or relative of KMP can exercise significant influence

Rituraj Pipes and Plastics Private Limited Pvt Ltd.
MM Thermoplast Pvt Ltd
Tirupatibalaji Build Con Pvt Ltd
Ida Origins OPC Pvt Ltd
Green Arch Tech Pvt Ltd
Apexen Foundation of Medical Science
J S Construction
S M Enterprises
V K Agarwal HUF
Vinayak Builders HUF

B) Total transactions with related parties are as follows:

Particulars	Group Company		
(A) Nature of transactions	2023-24	2022-23	2021-22
Sales of Goods	44.47	97.62	128.25
Rent Income	1.20	1.20	
Other Income			
Purchase of Goods	111.94	50.55	33.77
Job Work Charges	1.32	17.10	19.50
Man Power Supply	13.73	14.40	11.97
Stores and Spares Expenses	0.04		0.03
Repair and Maintenance Expenses	0.05		0.08
Rent Expenses	0.16		
Interest Expense	0.07	0.06	0.06
Remuneration	10.50	10.50	3.00
Salary Expenses	13.05	6.90	3.00
CSR Expenses	8.80	2.00	1.78
Sale of Capital Goods		1.30	0.25
Purchase of Capital Goods	0.02	0.54	0.59
Loan Taken			18.40
Loan Repaid	3.40	8.15	11.26

(B) Balances at the end of the year	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured loan	0.00	3.01	11.60
Trade Payable	17.82	10.52	0.05
Trade Receivable	102.07	107.96	73.38

C) Transactions with related parties are as follows:

Particulars	2023-24	2022-23	2021-22
Rituraj Pipes And Plastics Private Limited			
Sale Of Goods	43.98	94.48	116.02
Rent Income	1.20	1.20	
Purchase Of Goods	61.60	50.55	33.77
Job Work Charges	1.32	17.10	19.50
Store & Spares Expenses	0.04		0.03
Repair & Maintenance Expenses	0.05		0.08
Sale Of Capital Goods		1.30	0.25
Purchase Of Capital Goods	0.02	0.54	0.59
M M Thermoplast Private Limited			
Sales of Goods		3.14	12.24
Man Power Supply	1.87	2.01	2.71
Tirupatibalaji Build-con Private Limited			
Sales of Goods	0.49		
Man Power Supply	2.93	3.31	3.38
Rent expenses	0.16		
APEXEN FOUNDATION OF MEDICAL SCEINCE			
CSR Expenses	8.80	2.00	1.78
S M Enterprises			
Purchase of Goods	50.34		
Man Power Supply	2.96	3.11	2.36
J S Construction			
Man Power Supply	4.02	3.77	2.39
Loan repaid			
V K Agarwal HUF			
Interest	0.07	0.06	0.06
Loan Repaid	0.38		
Vinayak Builders			
Man Power Supply	1.95	2.20	1.12
Loan Repaid		1.00	
Loan taken			1.00

Particulars	2023-24	2022-23	2021-22
J K Taylia			
SALARY	9.60	4.80	1.80
Loan Repaid	0.39	5.20	8.80
Loan taken			14.10
Madhu Agarwal			
SALARY	0.90		
Loan Repaid	0.24	1.50	
loan taken			
Shubham Taylia			
Remuneration	9.60	9.60	3.00
Loan Repaid			2.00
Loan Taken			
Naina Bhushan			
SALARY	1.20	1.20	1.20
Shakun Taylia			
Remuneration	0.90	0.90	
Loan Taken			1.30
Loan Repaid	0.39	0.45	0.46
Nikhil Nahar			
Loan Repaid	2.00		
Loan Taken			2.00
Surbhi Jitendrakumar Taylia			
SALARY	1.35	0.90	
Vijay Educational Trust			
Loan taken			
loan Repaid			

D) Balances with related parties at end of the year:

Particulars	2023-24	2022-23	2021-22
Rituraj Pipes And Plastics Private Limited			
Trade Receivables	43.64	49.01	35.53
Trade Payables	9.70	1.29	0.05
M M Thermoplast Private Limited			
Trade Receivables	45.43	37.49	30.49
Tirupatibalaji Build-con Private Limited			
Trade Payable	0.20	1.32	
Trade Receivables	0.00	5.56	0.74
IDA Origins OPC P Ltd			
Trade Receivables	4.31	4.31	3.79
S M Enterprises			
Trade Receivables	8.69	8.15	0.82
Trade Payable		5.40	
J S Construction			
Trade Payable	7.92	2.50	
Trade Receivables		1.77	0.99
V K Agarwal HUF			
Unsecured loan taken		0.38	0.44
Vinayak Builders			
Trade Receivables		1.68	1.02
Trade Payable			
Unsecured loan taken			1.00
J K Taylia			
Unsecured loan taken		0.39	5.59
Shakun Taylia			
Unsecured loan taken			0.84
Nikhil Nahar			
Unsecured loan taken		2.00	2.00
Madhu Agarwal			
Unsecured loan taken		0.24	1.74
Shubham Taylia			
Unsecured loan taken			

Note 30. Micro Small & Medium Enterprises

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSME Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2024 and March 31, 2023. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars	As at March 31, 2024
a) The Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	
Principal amount due remaining unpaid	4.36
Interest amount due remaining unpaid	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act.	-

Note 31. Other statutory information

i. The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during any reporting period.
ii. The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
iii. The Group has not traded or invested in crypto currency or virtual currency during reporting periods.
iv. The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
v. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
vi. The Group does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.
vii. The Company is not covered under Section 8, thus related disclosure is not applicable.
viii. There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting periods.
ix. The Group does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.
x. The Group did not have any Relationship with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
xi. Details of delay in registration of charges or satisfaction with Registrar of Companies (ROC)
xii. Code of Social Security, 2020: The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Note 32. Earnings Per equity Share

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Calculation of EPS prior to issuance of bonus and share split			
Profit after tax for the period /year (in Rs. Millions)	1,107.99	630.05	204.26
Profit available to the equity shareholders (in Rs. Millions) (a)	1,107.99	630.05	204.26
Weighted average number of equity shares outstanding during the period/ year (b)	57,27,540	57,27,540	57,27,540
Earnings per share (a/b)			
Basic & Diluted Earnings per share	193.45	110.00	35.66
Face value per share	10	10	10
Calculation of EPS after giving effect of bonus issue and split			
Profit after tax for the period /year (in Rs. Millions)	1,107.99	630.05	204.26
Profit available to the equity shareholders (in Rs. Millions) (a)	1,107.99	630.05	204.26
Weighted average number of equity shares outstanding during the period/ year (b)*	17,18,26,200	17,18,26,200	17,18,26,200
Earnings per share (a/b)			
Basic & Diluted Earnings per share	6.45	3.67	1.19
Face value per share	2	2	2

** refer note 32.1 below.*

Note 32.1 Subsequent to 31st March, 2024, Authorized Share Capital and Issued, Subscribed & Paid-up share capital of the Company have been sub divided/split from Rs 10 per share to Rs 2 per share pursuant to extra ordinary general meeting of the Company held on 1st August, 2024. Accordingly Issued and subscribed share capital of 57,27,540 shares of Rs 10 each is sub divided/split to 2,86,37,700 shares of Rs 2 each. Also the shareholder of the Company approved the issuance of bonus equity shares of face value of Rs 2 per share pursuant to shareholder meeting of the Company held on 6th August 2024, in the proportion of 5 new bonus Equity Shares for every 1 Shares held by the Shareholder. Accordingly Board is proposed to allot 14,31,88,500 fully paid equity shares of Rs 2 each to the members of the Company.

Note 33. Segment reporting

The Company primarily operates in the Rigid Foam/ PVC Sheets & Doors & article made thereof segment. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the company as a single unit. Therefore, there is no reportable segment for the company as per the requirement of Ind AS 108 "Operating Segments".

Geographical locations: The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Segment Revenue			
Sales and Income from Operations			
Within INDIA	723.25	807.86	370.21
Outside INDIA	3,355.52	3,264.69	2,135.43
Total	**4,078.77**	**4,072.55**	**2,505.64**

Note 34. Corporate Social Responsibility Expenditure

Details of CSR expenditure required to be spent and amount spent are as under:

Nature of Activities	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount required to be spent by the company during the year as per	8.80	2.00	1.78
Section 135 of the Companies Act, 2013 read with schedule VII			
Amount spent during the Year			
Education and Knowledge enhancement	8.80	2.00	1.78
Total	**8.80**	**2.00**	**1.78**
Excess spent of previous year	-	-	-
Total of shortfall / (Excess)	-	-	-

Reason for shortfall, if any: Not Applicable, the Company has expended the amount in terms of the Companies Act.

Note 35. Financial Risk Management

The Company's financial liabilities comprise mainly of borrowings, trade, other payables and financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables. The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of the Company monitors the risk as per risk management policy. Further The Audit Committee has additional oversight in the area of financial risks and controls. The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

(a) Market risk: Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company comprises two types of risks: interest rate risk and currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and loans. Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:
- a parallel shift of 100-basis points of the interest rate yield curves in major currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 5%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit and loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analysis: The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March, 2024, 31 March, 2023 and 31 March, 2022.

(b) Interest rate risk

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Fixed-rate instruments			
Financial Assets	521.52	78.91	63.83
Financial Liabilities	4.52	17.50	15.80
Variable-rate instruments			
Financial Assets	-	-	-
Financial Liabilities	296.12	276.47	280.23

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax

Particulars	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2022
Increase in 100 basis points	-2.22	-2.07	-2.10
Decrease in 100 basis points	2.22	2.07	2.10

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in foreign currencies (primarily USD, EUR, GBP and AED). Consequently, the Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The Company manages its foreign currency risk by following policies approved by board as per established risk management policy. The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk (based on notional amounts) is as follows:

Particulars *(Amount in FCY)*	31 March, 2024		31 March 2023		31 March 2022	
	Trade receivables	Trade payables	Trade receivables	Trade payables	Trade receivables	Trade payables
USD	89,50,862	15,57,293	85,64,092	18,58,779	79,86,726	29,67,800
EUR	-	5,977	1,07,274	18,538	54,735	17,814
GBP	27,462	-	30,742	-	-	-
Total	**89,78,323**	**15,63,270**	**87,02,108**	**18,77,317**	**80,41,462**	**29,85,614**
Net exposure to foreign currency	**74,15,053.36**		**68,24,791.08**		**50,55,847.60**	

The following significant exchange rates have been applied during the year.

Particulars	Average rate			Year-end spot rate		
	Year Ended	Year Ended	Year Ended	Year Ended	As at	As at
	31 March, 2024	31 March 2023	31 March 2022	31 March, 2024	31 March 2023	31 March 2022
USD 1	82.80	79.01	74.66	83.37	82.22	75.81
EUR 1	89.91	87.13	85.38	90.22	89.61	84.66
GBP 1	103.58	100.83	100.35	105.29	101.87	99.78

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP and AED rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in exchange rate	USD		EUR		GBP	
		Profit / (loss) before tax	Equity (net of tax)	Profit / (loss) before tax	Equity (net of tax)	Profit / (loss) before tax	Equity (net of tax)
31 March, 2024							
Strengthening	5%	30.61	22.90	(0.03)	(0.02)	0.14	0.11
Weakening		(30.61)	(22.90)	0.03	0.02	(0.14)	(0.11)
31 March 2023							
Strengthening	5%	26.49	19.82	0.39	0.29	0.15	0.12
Weakening		(26.49)	(19.82)	(0.39)	(0.29)	(0.15)	(0.12)
31 March 2022							
Strengthening	5%	18.73	14.02	0.16	0.12	-	-
Weakening		(18.73)	(14.02)	(0.16)	(0.12)	-	-

(d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily trade receivables and other financial assets including deposits with banks. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management.

Other financial assets

This comprises mainly of deposits with banks and other intercompany receivables. Credit risk arising from these financial assets is limited.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 90 days. Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing from both banks and financial institutions at an optimised cost.

The table below analysis non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed under the ageing buckets are the contractual undiscounted cash flows and includes contractual interest payments.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at 31 March, 2024				
Financial Liabilities				
Borrowings (Incl. Current Maturities)	300.64	300.64	-	300.64
Lease Liabilities (Incl. Current Lease Liabilities)	1.61	0.67	0.94	1.61
Trade Payables	295.09	295.09	-	295.09
Other Financial Liabilities	15.76	15.76	-	15.76
Total	**613.10**	**612.16**	**0.94**	**613.10**
As at 31 March, 2023				
Financial Liabilities				
Borrowings (Incl. Current Maturities)	293.97	264.75	29.22	293.97
Lease Liabilities (Incl. Current Lease Liabilities)	-	-	-	-
Trade Payables	304.73	304.73	-	304.73
Other Financial Liabilities	0.39	0.39	-	0.39
Total	**599.09**	**569.87**	**29.22**	**599.09**
As at 31 March, 2022				
Financial Liabilities				
Borrowings (Incl. Current Maturities)	296.03	220.07	75.96	296.03
Lease Liabilities (Incl. Current Lease Liabilities)	-	-	-	-
Trade Payables	440.90	440.90	-	440.90
Other Financial Liabilities	49.73	49.73	-	49.73
Total	**786.66**	**710.70**	**75.96**	**786.66**

Note 36. Contingent Liabilities and Commitments

I. Contingent liabilities

Particulars		Year Ended 31 March, 2024	Year Ended 31 March, 2023	Year Ended 31 March, 2022
(a)	Claims against the Company not acknowledged as debts comprise of in respect of Pending Income Tax Demands	1.44	-	-
(b)	Bank guarantees for Performance	5.06	9.38	15.84
	Total	**6.50**	**9.38**	**15.84**

Details of pending Income tax demand: In subsidiary Taylias Industry P Ltd. there is a demand of ₹ 1.44 million for the AY 2023-24
Details of Bank Guarantees: Kumar Arch Tech Limited and Taylias Industry P Ltd has given guarantee to Govt Department for tender, bonds etc

II. Commitments

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Letter of Credit Opened with Banks	159.58	273.26	369.51
Total	**159.58**	**273.26**	**369.51**

Note 37. Leases

A. Operating lease commitments - Company as lessee

The Company's lease asset classes primarily consist of leases for Office & Other Building. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended 31 March, 2024, 31 March, 2023 and 31 March, 2022

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Right of Use Assets (Refer Note 2A)	1.58	-	-
Total	**1.58**	**-**	**-**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss.

The following is the movement in lease liabilities during the year ended 31 March, 2024, 31 March, 2023 and 31 March, 2022

Particulars	Year Ended 31 March, 2024	Year Ended 31 March, 2023	Year Ended 31 March, 2022
Recognition on adoption of Ind AS 116	-	-	-
Opening Lease Liabilities	-	-	-
Additions during the year	2.07	-	-
Finance cost accrued during the year	0.14		
Payment of lease liabilities	(0.60)	-	-
Total	**1.61**	**-**	**-**

The following is the break-up of current and non-current lease liabilities as at 31 March, 2024, 31 March, 2023 and 31 March, 2022

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(Measured at amortised cost, Refer Note 31)			
(i) Non-current lease liabilities	0.94		
(ii) Current lease liabilities	0.67		
Total	**1.61**	**-**	**-**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March, 2024, 31 March, 2023 and 31 March, 2022 on discounted basis

Particulars		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i)	Not later than a year	0.67	-	-
(ii)	Later than a year but not later than five years	0.94	-	-
(iii)	More than five years	-	-	-

The following impact have been given in profit and loss of Ind AS 116 - Leases

Changes [Increase / (decrease)]	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
(i) Depreciation and Amortisation	0.49	-	-
(ii) Finance Cost (Net)	0.14	-	-
(iii) Lease Rent Cost	(0.60)	-	-
Profit before tax	**0.03**	**-**	**-**

Note 38. First Time Ind AS Adoption Reconciliation

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2021. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Ind AS 101 - "First-time Adoption of Indian Accounting Standards" requires that all Ind AS and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2024 for the Company, be applied retrospectively and consistently for all financial years presented. The Company has recognised all assets and liabilities whose recognition is required by Ind AS and has not recognised items of assets or liabilities which are not permitted by Ind AS, reclassified items from previous GAAP to Ind AS as required under Ind AS and applied Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the company.

Set out below are the Ind AS 101 optional exemptions availed and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Derecognition of financial assets and financial liabilities: The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.
2. Classification and measurement of financial assets: The Company has assessed conditions for classification of the financial assets on the basis of the facts and circumstances that were exist on the date of transition to Ind AS.
3. Deemed cost of property, plant and equipment and intangible assets: On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 01, 2021 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets.
4. Estimates: Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

Note 39. Ratios

The following are analytical ratios for the year / period ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	Variance %	Reason for Variance (In case of variance for more than 25%)
Liquidity Ratio (in times)						
Current Ratio	Current Assets	Current Liabilities	2.63	1.88	39.68%	Mainly due to increase in total current assets and decrease in total current liabilities during the period.
Solvency Ratio (in times)						
Debt – Equity Ratio	Total Debt	Shareholder's Equity	0.13	0.25	-47.15%	Mainly due to decrease in borrowings during the period and increase in total equity during the period.
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt Service	3.89	2.59	50.04%	Mainly due to decrease in borrowings during the period and increase in total equity during the period.
Profitability ratio (in %)						
Net profit ratio	Profit After Tax	Total Revenue	26.62%	15.20%	75.11%	Mainly due to profit during the year
Return on Equity (ROE):	Profit After Tax	Average Shareholder's Equity	64.10%	73.62%	-12.94%	Not Applicable
Return on capital employed (ROCE)	Earnings before interest and tax	Capital Employed	54.98%	58.39%	-5.84%	Not Applicable
Return on investment (ROI)	Income generated from investments	Time weighted average investments	-	-	NA	Not Applicable
Utilization Ratio (in times)						
Trade receivables turnover ratio	Sale of products	Average Trade Receivables	6.12	7.48	-18.20%	Not Applicable
Inventory Turnover Ratio	Cost of goods sold or Sales	Average Inventory	2.57	4.48	-42.66%	Mainly due to average increase in inventory.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	6.01	4.79	25.50%	Mainly due to average decrease in Trade Creditors
Net capital turnover ratio	Net Sales	Working Capital	3.92	6.21	-36.86%	Mainly due to increase in average working capital.

The following are analytical ratios for the year / period ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	Variance %	Reason for Variance (In case of variance for more than 25%)
Liquidity Ratio (in times)						
Current Ratio	Current Assets	Current Liabilities	1.88	1.26	49.51%	Mainly due to increase in total current assets and decrease in total current liabilities during the period.
Solvency Ratio (in times)						
Debt – Equity Ratio	Total Debt	Shareholder's Equity	0.25	0.55	-54.50%	Mainly due to decrease in borrowings during the period and increase in total equity during the period.
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt Service	2.59	1.18	120.63%	Mainly due to decrease in borrowings during the period and increase in

Particulars	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	Variance %	Reason for Variance (In case of variance for more than 25%)
						total equity during the period.
Profitability ratio (in %)						
Net profit ratio	Profit After Tax	Total Revenue	15.20%	8.02%	89.56%	Mainly due to profit during the year
Return on Equity (ROE):	Profit After Tax	Average Shareholder's Equity	73.62%	46.93%	56.87%	Mainly due to profit during the year
Return on capital employed (ROCE)	Earnings before interest and tax	Capital Employed	58.39%	32.37%	80.36%	Mainly due to profit during the year
Return on investment (ROI)	Income generated from investments	Time weighted average investments	-	-	NA	Not Applicable
Utilization Ratio (in times)						
Trade receivables turnover ratio	Sale of products	Average Trade Receivables	7.48	8.56	-12.60%	Not Applicable
Inventory Turnover Ratio	Cost of goods sold or Sales	Average Inventory	4.48	4.33	3.28%	Not Applicable
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	4.79	4.34	10.27%	Not Applicable
Net capital turnover ratio	Net Sales	Working Capital	6.21	12.50	-50.35%	Mainly due to increase in average working capital.

Notes

1. Debt represents Short Term and Long-Term Borrowings
2. Net Profit after taxes + non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc. || Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income. || Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
3. Tangible net worth + deferred tax liabilities + Lease Liabilities + Short Term Borrowings

Note 40. Change in Depreciation and Amortisation

During the year, the Management has reassessed the method of providing depreciation on tangible assets after taking into consideration the expected usage. Based on the said reassessment, method of depreciation has been changed to Straight Line Method from Written Down Value Method in case of Property, Plant and Equipment with effect from April 01,2022.

The Company has accounted for these changes in estimate of depreciation method retrospectively and consequently, depreciation and amortisation expense for the year ended March 31, 2024 is lesser by ₹ 7.23 Million and for the year ended March 31, 2023 is lesser by ₹ 0.69 Millions.

Note 41. Regrouping: Previous year figures have been regrouped wherever necessary, so as to make them comparable with those of the current year.

For R R R S & Associates
Chartered Accountants
Firm Reg. No.118336W

For and on behalf of the Board of Directors
KUMAR ARCH TECH LIMITED

Rajesh Shah
Partner
M.No.034549

Shubham Taylia
Managing Director
DIN: 02416429

Shakun Taylia
Whole Time Director
DIN: 01974241

Vikram Singh Sankhala
Chief Financial Officer

Rahul Ranka
Company Secretary and Compliance Officer
Membership No. A38416

Place: Ahmedabad
Date: September 26, 2024

Place: Ahmedabad
Date: September 26, 2024

OTHER FINANCIAL INFORMATION

The accounting ratios derived from the Restated Consolidated Financial Information as required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

S.No.	Particulars	As at and for Fiscal		
		2024	2023	2022
1.	Earnings per share			
2.	- Basic (in ₹)	6.45	3.67	1.19
3.	- Diluted (in ₹)	6.45	3.67	1.19
4.	RoNW (%)	48.52%	53.68%	37.98%
5.	Net Asset Value per Equity Share (in ₹)	398.68	204.91	93.90
6.	EBITDA (in ₹ million)	1,476.18	898.57	306.21

Notes: The ratios have been computed as under: Earnings per share = Net profit after tax (loss after tax) as restated / Weighted average number of equity shares outstanding during the period/year.

1. *Diluted earnings per share: Net profit after tax (loss after tax) as restated / Weighted average number of potential equity shares outstanding during the period/year.*
2. *Return on Net Worth (%) = Net profit after tax, as restated / Net worth as restated as at period/year end.*
3. *Net Worth represents 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, but does not include reserves created out of revaluation of assets, write-back of depreciation amalgamation, capital reserve and ESOP reserve.*
4. *Net Asset Value per equity share (in ₹) = Net Worth at the end of the period/year / number of equity shares outstanding at the end of the period/year.*
5. *EBITDA is calculated as restated profit before exceptional items and tax plus Finance Costs, Depreciation and amortisation expense less Other Income.*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as at and for the Fiscals 2024, 2023 and 2022 and the reports thereon (collectively, the "**Audited Financial Statements**") are available on our website at https://www.echon.co/investor-relations/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, see "***Restated Consolidated Financial Information - Note 31***" on page 261.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2024, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "***Risk Factors***", "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Position and Results of Operations***", on pages 27, 230 and 279, respectively.

(₹ in million, except ratios)

Particulars	As at March 31, 2024	As adjusted for the proposed Offer(1)
Borrowings		
Current borrowings (I)	300.64	[●]
Non-current borrowings (including current maturity) (II)	-	[●]
Total Borrowings (III = I + II)	300.64	[●]
Equity		
Share capital(2)(IV)	57.28	[●]
Non-controlling interests (V)	-	[●]
Other Equity (VI)	2,226.15	[●]
Total equity (VII = IV + V + VI)	2,283.43	[●]
Total Borrowings / Total Equity (III/VII)	0.13.	[●]
Total non-current borrowings / Total Equity (II/VII)	-	[●]

Notes:

1) *The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.*

2) *Our Company has undertaken a bonus issuance of 14,31,88,500 Equity Shares on August 9, 2024. Further, pursuant to a Board resolution dated July 27, 2024 and shareholders resolution dated August 1, 2024, the face value of our Equity Shares were sub-divided into ₹ 10 to ₹ 2 each.*

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail fund based and non-fund-based facilities in the ordinary course of business for purposes such as, *inter alia*, meeting our working capital requirements or business requirements. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer and in connection thereto.

Set forth below is a brief summary of our aggregate outstanding borrowings amounting to ₹ 763.46 million, as on August 31, 2024 on a consolidated basis.

(in ₹ million)

Category of Borrowing	**Sanctioned Amount as on August 31, 2024 (to the extent applicable)***	**Amount outstanding as on August 31, 2024***
OUR COMPANY		
Secured Borrowings		
Term Loan	-	-
Working Capital		
-Fund Based Limits	500	414.69
-Non-fund Based Limits	670	347.76
Total (A)	**1,170**	**762.45**
Unsecured Borrowings		
Term Loan		
Working capital facilities	-	-
-Fund Based Limits	-	-
-Non-fund Based Limits	-	-
Total (B)	-	-
OUR SUBSIDIARIES		
Secured Borrowings		
Term Loan	-	-
Working Capital	-	-
-Fund Based Limits	-	-
-Non-fund Based Limits	-	-
Total (C)	-	-
Unsecured Borrowings		
Term Loan	-	-
Working capital facilities		
-Fund Based Limits	1.44	1.44
-Non-fund Based Limits	-	-
Total (D)	-	-
Total borrowings (A+B+C+D)	**1,171.44**	**763.89**

**As certified by A Y & Company, Chartered Accountants, pursuant to their certificate dated September 27, 2024.*

For further details of our outstanding borrowings as on March 31, 2024, March 31, 2023 and March 31, 2022, see "*Restated Consolidated Financial Information* " on page *230*.

Set forth below is a brief summary of our aggregate sanctioned and outstanding borrowings on a consolidated basis (Company and its Subsidiaries) for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022*:

Name of Lender	Date of Sanction of Loan	Type of loan	Financial Year ended March 31, 2024				Financial Year ended March 31, 2023				Financial Year ended March 31, 2022			
			Opening Balance as at April 01, 2023	Closing Balance as at March 31, 2024	Amount repaid during the Financial Year ended March 31, 2024	New loans sanctioned/Increase in Utilisation during the Financial Year ended March 31, 2024	Opening Balance as at April 01, 2022	Closing Balance as at March 31, 2023	Amount repaid during the Financial Year ended March 31, 2023	New loans sanctioned/Increase in Utilisation during the Financial Year ended March 31, 2023	Opening Balance as at April 01, 2021	Closing Balance as at March 31, 2022	Amount repaid during the Financial Year ended March 31, 2022	New loans sanctioned/Increase Utilisation during the Financial Year ended March 31, 2022
State Bank of India	August 6, 2024	Working capital Limit (fund based)	187.10	295.81	0.00	108.72	166.16	187.10	0.00	20.93	76.47	166.16	0.00	89.69

**As certified by A Y & Company, Chartered Accountants, pursuant to their certificate dated September 27, 2024.*

All indicative key terms of our borrowings are disclosed below:

- ***Tenor and interest rate***: The tenor of the fund based and non-fund based facilities ranges from 0 to 1 year. Certain short-term loans availed by us have a tenor of up to one year. The interest rate of our loans are Cash Credit: Interest at the rate of 0.60% above EBLR and EPC/PCFC/FBD/EBR/FBP: Interest at the rate of 1.15% above T-Bill linked rate, which is linked to the marginal cost of fund-based lending rate or external benchmark rates

- ***Security***: In terms of our borrowing, we are required to create security by way of execution of certain security documents, including letters of arrangement.

- ***Repayment***: Our facility is repayable on demand.

- ***Penal Interest:*** We are bound to pay additional interest to our lenders for defaults in the payment of interest or other monies due and payable. This additional interest is charged as per the terms of our loan agreements and is typically 50 bps per annum, over the applicable interest rate for any deviation in financial covenants.

- ***Restrictive Covenants:*** As per the terms of our loan agreement, certain corporate actions for which we require prior written consent of the lender *inter alia* includes:

    a) effecting any drastic change in the management of the business;

    b) extending corporate guarantees to its associates (if any);

    c) changing the ownership structure of our Company including change in the shareholding of promoters. directors and principal shareholders;

    d) issuing further capital or raising loans;

    e) reconstituting the Company;

    f) effecting any change in the remuneration payable to directors;

    g) entering into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person; and

    h) disposing off / selling / replacing any immovable or movable assets, except finished goods.

- ***Events of Default:*** Our borrowing arrangements prescribe the following events of default, including among others:

    (a) failure to pay any amount due to the banks;

    (b) failure to pay any amount or meet with any obligation when due to any person other than the bank or an event of default being constituted in relation to our credit or any other arrangement with any person other than the banks;

    (c) any of our representation or warranty being or becoming untrue or incorrect;

    (d) breach of any covenant or undertaking;

    (e) any security provided becoming invalid or unavailable;

    (f) being or becoming unable to carry on business for any reason;

    (g) any steps for the liquidation, winding up or appointment of a receiver of our assets coming to the notice of the banks;

    (h) Any other occurrence or existence of one or more events which in the opinion of the lender is material.

- ***Consequences of occurrence of events of default:*** Our borrowing arrangements prescribe the following consequences of occurrence of events of default, including among others:

    a) Declare all amounts payable to be due and payable immediately;

b) Cancel and withdraw the facilities;

c) Levy additional interest or penal charges or additional commission;

d) Convert the loan into equity or other capital in other capital in accordance with regulatory guidelines;

e) Enforce security; and

f) Repossess the hypothecated asset.

This is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

- ***Guarantees given by the Promoters***

  Except for as disclosed in *"History and Certain Corporate Matters - Guarantees given by the Promoters"*, as on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantees to any third party with respect to repayment of loan facilities availed by the Company.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations, cash flows and financial condition.***" on page 41.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is intended to convey management's perspective on our financial condition and results of operations for the Fiscals ended March 31, 2022, March 31, 2023 and March 31, 2024. This discussion and analysis are based on, and should be read in conjunction with, our Restated Consolidated Financial Information (including the schedules, notes and significant accounting policies thereto) included in the section titled "Restated Consolidated Financial Information" beginning on page 230.

Our Restated Consolidated Financial Information have been derived from our audited consolidated financial statements for Fiscal 2022, Fiscal 2023 and Fiscal 2024 and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Please also see "Risk Factors – We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate. not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.", on page 51.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" beginning on page 25 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 27 and 161, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in this section has been derived from the Wazir Report prepared and released by Wazir and commissioned and paid for by us and prepared exclusively in connection with the Offer. The Wazir Report is available on the website of our Company at https://www.echon.co/investor-relations/. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Wazir Report and included herein with respect to any particular year, refers to such information for the relevant Fiscal. For further details and risks in relation to commissioned reports, see "Risk Factors — Industry information included in this Draft Red Herring Prospectus has been derived from an industry report prepared by Wazir exclusively commissioned and paid for by us for such purpose." on page 43. Also, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and market data" on page 22.

Unless otherwise stated, a reference to "the Company", or "our Company" in this section is a reference to Kumar Arch Tech Limited on a standalone basis, while any reference to "we", "us" and "our" in this section refers to Kumar Arch Tech Limited and its subsidiaries on a consolidated basis.

Overview

We are the largest manufacturer and exporter of PVC[5] blend-based building material products in India, in terms of value, as of March 31, 2024. With a legacy of over 22 years of operations, our expertise in material science and our R&D[6] capabilities, we have developed our proprietary formulations which give us the flexibility to manufacture products by blending more than eight different raw materials. We provide our customers a wide range of products, classified into three categories, (i) board/sheets and their derivatives such as trimboards, doors, and wall ceiling panels and columns, (ii) profiles which comprise of mouldings and door frames, (iii) and signage solutions. We are one of the pioneers in the PVC blend-based building material products industry in India, have diversified our product offering along with innovation and quality well suited to meet the requirements

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[5] "**PVC**" means polyvinyl chloride.

[6] "**R&D**" means research and development of the products manufactured by us.

of international and Indian markets (*Source: Wazir Report*). We commanded 18% market share in the PVC blend-based building material products industry in India as of March 31, 2024, *(Source: Wazir Report)*

As of March 31, 2024, the share of PVC blend-based building material products exported from India to US markets by us was 28% of the total export of PVC blend-based building material products, where the market for the PVC blend-based building material products is valued at US$ 14 billion in 2023 and is the largest globally and is expected to reach US$ 19 billion by 2028 with a CAGR of 6%, and the Indian PVC blend-based building material market, is valued at US$ 1.3 billion in 2023 and is expected to reach US$ 2.9 billion by 2028 with a CAGR of 17% (*Source: Wazir Report*). We are one of the fastest growing players globally, having delivered a revenue from operations CAGR of 27.59% over 2022 to 2024 (*Source: Wazir Report*). We are the largest player in India in terms of capacity in the PVC blend-based building material segment with a production capacity of 27,600 MTPA as on March 31, 2024 (*Source: Wazir Report*).

We provide tailored solutions to our customers and have produced specialized products such as customized boards and profiles. We analyse customer feedback to identify demand trends and we collaborate with our customers to develop new product attributes or entirely new products. Our ability to provide custom solutions highlight our solution-focused approach. Products developed under this approach increase our revenue and ensures business stickiness as well as longstanding relationships with customers.

Our offerings span across the value chain and include product conceptualisation, designing, manufacturing and delivery, based the specific needs of our customers. Over the years, we have developed a comprehensive product portfolio of more than 900 SKUs as of June 30, 2024, under PVC blend-based building material products and signages.

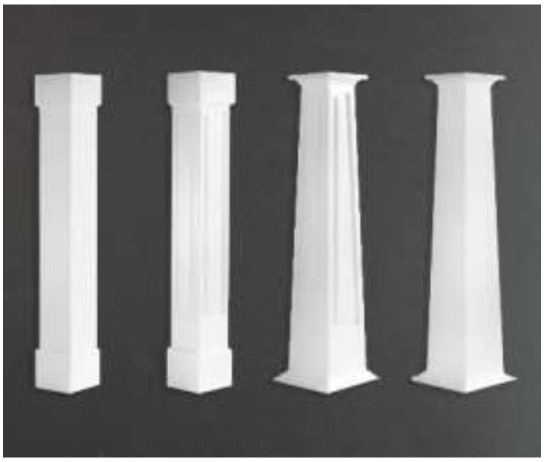
Product Portfolio

Our key manufactured PVC blend-based building material products are boards/sheets, mouldings, wall and ceiling panels, which we supply to residential, commercial and industrial sectors for new construction and renovations, in domestic and international markets we cater to. Set out below is the revenue contribution of our products for the last three years:

Revenue Split by Product	As at and for the Fiscal Year ended March 31,		
	2024	2023	2022
Building Material Products (₹ million)	3,474.95	3,372.88	2,291.07
Boards/Sheets and value-added products and their derivatives (₹ million)	2,791.07	2,797.32	1,804.46
Profiles (Mouldings and Door-frames) (₹ million)	683.88	575.56	486.61
Signage (₹ million)	545.79	527.26	87.87
Others (₹ million)	58.03	172.41	126.70

The images below set forth a range of our product offerings:

<table>
<tr><td rowspan="3">Board / Sheets and their derivatives</td><td colspan="2">Board / Sheets</td></tr>
<tr><td></td><td></td></tr>
<tr><td colspan="2">Derivatives</td></tr>
</table>

	 Trimboard	 Door
	 Wall and ceiling panels	 Columns
Profiles	 Mouldings	 Door frames
Signages		

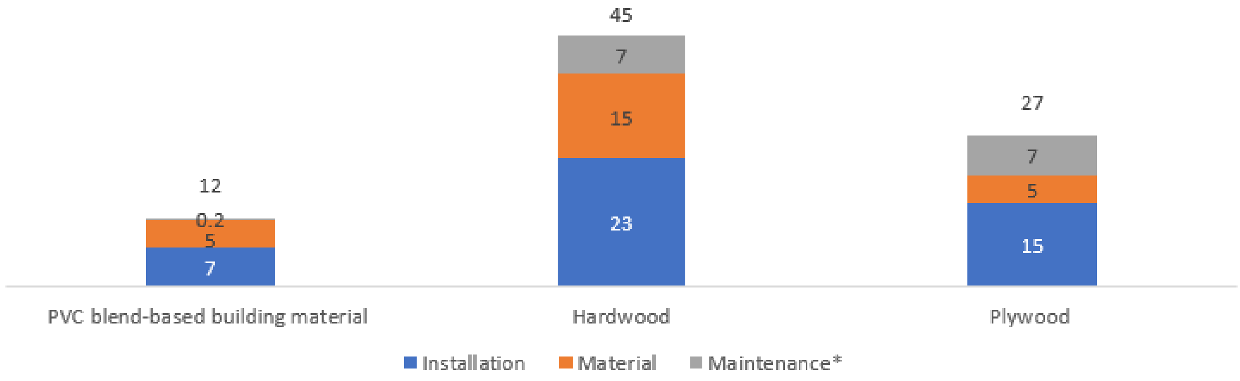
Our products serve as alternatives to and have distinct advantages over wood-based products including superior durability, low maintenance requirements, cost-effectiveness, variety of aesthetic options and resistance to moisture, insects, and fire *(Source: Wazir Report)*. Set out below is a comparison of PVC blend based products with its peers.

	PVC	Plywood	MDF	Particle board	Solid acrylic	PP sheets	Cement boards	Quartz surface	Tiles
Ease of installation	Lightweight and easy to install	Requires more effort than PVC	Similar to plywood	Prone to breaking during installation	Requires more effort than PVC	Lightweight and easy to install	Requires more effort than PVC	Easy to install	Require a skilled labour force for proper installation
Shape deformity	Highly resistant	Moderate resistance	Moderate resistance	Low resistance	Experience shape deformity.	Can experience shape deformity.	Moderate resistance	Moderate resistance	Can deform under certain circumstances
Termite resistance	Highly resistant	Termite resistant if treated	Similar to plywood	Susceptible to termites	Highly resistant	Resistance to termites	Resistance to termites	Resistance to termites	Resistance to termites
Water resistance	Highly resistant	Water-resistant if treated	Swells and deforms when exposed to water	Highly susceptible to water damage	Highly resistant	Highly resistant	Moderate resistance	Highly resistance	Highly resistance
Fire resistance	High fire resistance	No fire resistance	No fire resistance	Low fire resistance	Low fire resistance	Moderately resistance	Resistant to fire	Sensitive to fire	High fire resistance
Resistance to hazardous chemicals	Easy to clean and maintain	Requires regular maintenance	Requires regular maintenance	Difficult to maintain	Easy to clean and maintain	Low maintenance	Low maintenance	Low maintenance	Easy to clean and maintain
Cleaning & maintenance	Lightweight and easy to install	Requires more effort than PVC	Similar to plywood	Prone to breaking during installation	Requires more effort than PVC	Lightweight and easy to install	Requires more effort than PVC	Easy to install	Require a skilled labour force for proper installation

(*Source: Wazir Report*)

PVC blend-based products have a higher life cycle of more than 20-25 years compared to wood and MDF[7] which have a life span of 10 – 12 years *(Source: Wazir Report)*. In addition, PVC blend-based products have lesser life-cycle cost compared to hardwood and plywood. For instance, set out below is a comparison of material, installation and maintenance costs over the life-cycle of flooring products across PVC blend-based products, hardwood products, and plywood products

(*In US$ / sq.ft.*)



(Source: Wazir Report)

We manufacture a diverse range of signages which find applications in cut outs, danglers, wobblers, standees, kiosks, shelf talkers, infographics and branding at commercial buildings and shopping malls, retail shelving, tradeshows and QR payment codes at retail outlets replacing traditional cardboards, plywood, MDF and metal panels. We are amongst few branded signages company in India, offering a wide range of signage dimensions and thickness options, ranging from 0.9 mm to 30 mm (*Source: Wazir Report*). We also have an innovative range of educational products such as alphabetical boards for interactive leaning as a replacement of traditional charts made of plywood or cardboard. Our domain expertise and relationships with our customers allow us to design and deliver innovative and sustainable products that meet the evolving demands of the industry and maintain our strong market position.

We have a well-established global footprint, across 15 countries as of June 30, 2024. We sell our products to distributors, who further supply to traders, fabricators and retailers in their respective countries. Our network includes three largest home improvement/DIY stores in the USA, having presence of over 4,400 stores *(Source: Wazir Report)*. Our sales and marketing network is supported by a dedicated team of 11 members as of June 30, 2024. In the last three Fiscals, we exported our products to 8 countries including the USA, United Kingdom, Italy, France, Poland, Netherlands, Portugal, and Canada. As per the Wazir Report, India's export globally in PVC blend-based building material products has grown from US$ 119 million in Fiscal 2020 to US$ 222 million in Fiscal 2024 with a CAGR of 17% and export to the USA has increased from US$ 47 million in Fiscal 2020 to US$ 144 million in Fiscal 2024 with a CAGR of 32%. We are the largest exporter of PVC blend-based building materials from India as on March 31, 2024 *(Source: Wazir Report)* and our share in export to the USA market from India has increased from 17% in Fiscal 2020 to 28% in Fiscal 2024 *(Source: Wazir Report)*. Our share in the PVC blend-based building material products has increased from 7% in Fiscal 2020 to 18% in Fiscal 2024 in India, reflecting our strong market positioning and competitive edge *(Source: Wazir Report)*. Our revenue from operations from export sales has grown at a CAGR of 25.36% from Fiscal 2022 to 2024, in comparison to India's export sales in the PVC blend-based building materials industry which has grown at a CAGR of 17% from Fiscal 2022 to Fiscal 2024 (*Source: Wazir Report*).

Additionally, in order to expand awareness for our product and brand, we will be opening our own retail centre under the brand "New Age Home" in Udaipur, India, by December 2024, to ensure our presence across both business-to-business and business-to-consumer segments. We believe that there is significant scope for a one-stop shop for PVC blend-based building material products and "*New Age Home*" can capitalize on this by offering a comprehensive range of products including wall panels, doors, flooring, ceiling and decoratives.

During Fiscal 2024, 2023 and 2022, the aggregate installed capacity of our facilities was 27,600 MTPA, 27,600 MTPA, and 22,920 MTPA and our capacity utilisation in the same period was 65.30%, 52.03%, and 50.73%respectively. We are expanding our annual capacity by establishing a facility in Udaipur, Rajasthan with a proposed installed capacity of 90,000 MTPA and have acquired a strategically located facility in Virginia, USA, For further details on our facilities, see "*–Facilities*" on page 181.

[7] "**MDF**" means medium-density fiberboard.

Our continued focus on R&D has been instrumental in the growth of our operations and driving innovation in the PVC blend-based building material products industry. Our state-of-the-art R&D focuses on developing tailored products to meet the diverse needs of residential, commercial, and industrial sectors. Our R&D capabilities have enabled us to develop expertise in various categories of innovative products such as(i) wall and ceiling panels such as decorative embossed panels that replicate finishes like marble, wood, and stone, while also addressing functional and practical challenges, (ii) profiles / mouldings such as pre-mitered profiles and kits for various applications, (iii) columns, and (iv) graphic educational-aid As of June 30, 2024, our R&D has developed several categories of innovative products. Set our below are the details of our revenue from innovative products for the last Fiscals:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from innovative products	2,230.60	1,866.92	1,039.63
% of the revenue from innovative products out of the total revenue	54.68	45.84	41.49

Our Company is led by our Promoter, Chairman, and Whole-time Director, Dr. Jitendra Kumar Taylia, who founded our Company in 1998. With over five decades of experience in manufacturing sector including over 22 years of experience in the PVC blend-based building material products industry, he has been instrumental in shaping our Company's vision and growth trajectory. We also benefit from the visionary stewardship and expertise of our Promoter, Whole-time Director, Shubham Taylia who has over 15 years of experience in the PVC blend-based building material products industry. Our professional management team, under the guidance of our experienced Promoters and senior management, ensures seamless execution of our strategic initiatives. The commitment of our workforce at the entry-level contributes to our operational efficiency and overall success. For further details on our Directors, Key Management Personnel, and Senior Management Personnel, please see "*Our Management*" on page 204.

The following table sets forth certain key performance indicators for the periods indicated

Financial KPIs

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ million)	4,078.77	4,072.55	2,505.64
Gross Margins (₹ million)	2,617.51	2,275.47	1,103.54
Gross Margin (%)	64.17	55.87	44.04
EBITDA (₹ million)	1,476.18	898.57	306.21
EBITDA Margin (%)	36.19	22.06	12.22
PAT (₹ million)	1,107.99	630.05	204.26
PAT Margin %	27.16	15.47	8.15
Cash flow from operations after working capital changes (₹ million)	563.17	442.81	(12.25)
Return on Capital Employed (RoCE) *(%)*	54.98	58.39	32.37
Return on Equity (RoE) *(%)*	64.10	73.62	46.93
Debt to Equity Ratio	0.13	0.25	0.55

Notes:

12. *Revenue from operation as per Restated Consolidated Financial Information.*
13. *Gross margin (₹ million) is calculated as revenue from operations as per Restated Consolidated Financial Information minus Cost of materials consumed, purchases of stock in trade and changes in inventories of finished goods and work-in-progress.*
14. *Gross margin (%) is calculated as material margin divided by revenue from operations *100.*
15. *EBITDA (₹ million) is calculated as restated profit before share of profit/(loss) from joint venture and tax plus finance costs, depreciation, amortisation expense and impairment of goodwill.*
16. *EBITDA margin (%) is calculated as EBITDA divided by revenue from operations*100.*
17. *PAT is calculated as restated profit for the year as per Restated Consolidated Financial Information.*
18. *PAT margin is calculated as restated profit for the year divided by total income.*
19. *Cashflow from operations is calculated as restated cashflow from operations for the year as per Restated Consolidated Financial Information.*
20. *Return on capital employed (%) is calculated as EBIT as a % of average capital employed. EBIT is calculated as EBITDA minus depreciation and amortization and impairment of goodwill. Capital employed refers to sum of shareholders' equity plus non-current liabilities plus current borrowings less cash and cash equivalents.*
21. *Return on equity (%) is calculated as PAT divided by average total equity multiplied by 100.*
22. *Debt to equity ratio is calculated as total borrowings (current + non-current)/total equity.*

Operation KPIs

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Capacity (in MT)	27,600.00	27,600.00	22,920.00
Revenue Split by Geography (₹ million)	4,078.77	4,072.55	2,505.64
-Outside India (₹ million)	3,355.52	3264.69	2135.43

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
-Within India (₹ million)	723.25	807.86	370.21

** Capacity (in MT) Indicates aggregate capacity across all the plants operated as at the last date of the year.*

Principal Factors Affecting our Results of Operations

Our financial performance and results of operations are influenced by a number of important factors, some of which are beyond our control, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of supplies, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled "*Risk Factors*" on page *27* .

1. Condition of the markets that we operate in

As an export-oriented company, our financial performance is closely linked to the condition of the global markets we operate in. International stability, including geopolitical dynamics and economic fluctuations, plays a critical role in influencing demand for our products and the cost of raw materials. Any significant disruptions, such as trade conflicts or diplomatic tensions, can lead to delays in our supply chain, higher logistics costs, and potential barriers to market access. Additionally, price volatility in both raw materials and finished products is a constant factor affecting our operations. The cost of inputs can fluctuate due to supply chain disruptions, speculative activities, or seasonal demand variations, which in turn impacts our margins. Simultaneously, shifts in global market trends and competition can affect the pricing of our finished goods, creating pressure on profitability. Moreover, the trade relations and policies of the countries we do business with are pivotal to our success. Changes in tariff structures, regulatory environments, or the introduction of protectionist measures can impact market access and cost structures. Conversely, favourable trade agreements present opportunities for growth by enhancing our competitive positioning in key markets. We continuously monitor these developments to adapt to the evolving international landscape and mitigate potential risks.

2. Costs of raw materials and other inputs

Our principal raw materials and products purchased to integrate with our systems include PVC resin and chemicals needed for our proprietary mixes that are used in our products. Our Cost of Goods Sold, which is the aggregate of our cost of materials consumed, purchase of stock-in-trade and changes in inventories of finished goods and work-in-progress, makes up a large portion of our operating expenses. For the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our Cost of Goods Sold amounted to, ₹ 1,461.26 million, ₹ 1,797.08 million and ₹ 1,402.10 million respectively, or, 35.83%, 44.13% and 55.96% of our total income, respectively. Set out below is a reconciliation of our Cost of Goods Sold, for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	Percentage of Cost of Goods Sold	Amount	Percentage of Cost of Goods Sold	Amount	Percentage of Cost of Goods Sold
	(₹ million)	*(%)*	*(₹ million)*	*(%)*	*(₹ million)*	*(%)*
Cost of materials consumed	1,564.47	107.06%	1,613.28	89.77%	1,400.78	99.91%
Purchase of stock-in-trade	119.85	8.20%	196.61	10.94%	92.59	6.60%
Changes in inventories of finished goods and work-in-progress	(223.06)	-15.26%	(12.81)	-0.71%	(91.27)	-6.51%
Cost of Goods Sold	**1,461.26**	**100.00%**	**1,797.08**	**100.00%**	**1,402.10**	**100.00%**

Our operations rely on resins as the primary raw material in the manufacturing of PVC boards. The price and availability of resins are subject to market volatility due to factors beyond our control, including changes in crude oil prices, supply chain disruptions, geopolitical events, and natural disasters. Any sustained increase in resin prices could substantially raise our production costs. We currently rely on imported raw materials for a significant majority of our raw material requirements. The table below sets forth details relating to cost of imported raw material as a percentage of our total raw materials purchased in Fiscal 2022, 2023 and 2024:

Particular	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of total raw materials purchased (%)	Amount (₹ million)	Percentage of total raw materials purchased (%)	Amount (₹ million)	Percentage of total raw materials purchased (%)
Cost of Raw Material Imported	1,287.08	76.47%	1,190.24	74.90%	1,113.16	75.73%

The import of certain of our raw materials is regulated by the various regulatory requirements, which empowers the relevant authority to undertake any measures that it deems fit. There can be no assurance such regulations will not become more stringent in the future, which could potentially restrict our ability to import raw materials from other jurisdictions.

Our competitiveness, manufacturing costs, and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials. We currently have multiple suppliers for each of our raw materials and while we do not enter into long-term supply contracts, we have not experienced any disruptions in our supplies. Further, with most of our raw material suppliers, we source raw materials from such third-party suppliers on a purchase order basis where the pricing is typically negotiated for each purchase order on the basis of several factors including the prevailing prices of such raw materials in international markets. There can be no assurance that, in the event of an increase in our raw material requirements, or any decrease in availability of such raw materials with our suppliers, we may not be able to procure adequate raw materials in a timely manner. In addition, the price and availability of such raw materials depend on various factors beyond our control, including overall economic conditions, foreign exchange rates, production levels, market demand and competition for such materials, production and transportation costs, duties and taxes and trade and regulatory restrictions. In addition, there can be no assurance that we will be able to enter into new or continue our existing arrangements with our raw materials suppliers on terms commercially acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner, if at all, which may impact our business operations and financial performance.

3. Supply chain disruptions and logistics

Our business is highly dependent on a stable and efficient supply chain to source raw materials and deliver finished products to international markets. Any disruption in this chain can adversely affect our operations, timelines, and profitability. Factors such as geopolitical tensions, natural disasters, global pandemics, and transportation bottlenecks have the potential to cause delays or interruptions in the supply of key materials. These disruptions may lead to increased production costs, reduced manufacturing efficiency, or even temporary suspension of operations. Logistics also plays a vital role in ensuring the timely delivery of our products to clients across the globe. The availability and cost of transportation, including shipping rates and fuel costs, are subject to external factors such as fluctuating demand, regulatory changes, and capacity constraints in global freight networks. Our suppliers undertake the delivery of our raw materials and we rely on third party logistic companies and freight forwarders to deliver our products. We typically do not have formal contractual relationships with such logistic companies and freight forwarders. Set forth below are our freight and handling charges (that include sea freight charges, clearing and forwarding expenses, and transportation expense) for each of the Fiscals:

Particular	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)	Amount (₹ million)	Percentage of revenue from operations (%)
Freight and handling charges (that include sea freight charges, clearing and forwarding expenses, and transportation expense)	454.14	18.12	743.85	18.26	460.05	11.28

Delays in shipping schedules, port congestion, or customs clearance processes can negatively impact our ability to meet customer deadlines, potentially leading to financial penalties, loss of business, or reputational damage. To mitigate these risks, we actively monitor our supply chain and logistics network, work with multiple suppliers, and seek to diversify our sourcing strategies. We also maintain close relationships with logistics partners to ensure flexibility and responsiveness in navigating unexpected disruptions.

4. Manufacturing Facilities

As on the date of this Draft Red Herring Prospectus, we have four facilities located in Udaipur, Rajasthan. For details, refer to "*Our Business – Facilities*" on page 181. Of these, we utilise two of our facilities for manufacturing which have fungible capacities that can cater to our product range. Our business is dependent on our ability to efficiently manage our manufacturing facilities and operations facilities and the operational risks associated with it, including those beyond our reasonable control. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, non-availability of adequate labour or disagreements with our workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such fiscal period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently cease operations at our manufacturing facilities and require us to incur additional expenditure to attempt to mitigate such disruption.

5. ***Dependence on Exports***

In Fiscal 2022, 2023 and 2024, we exported our products outside India in 15 countries. Our revenue from operations from export markets was ₹ 3,355.52 million representing 82.27% of our revenue from operations in Fiscal 2024. The table below provides a geographic split of our revenue from operations from domestic sales, and export sales, respectively, in Fiscal 2022, 2023 and 2024:

Geography	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ million)	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ million)**	**Percentage of Revenue from Operations (%)**
Domestic						
India	723.25	17.73	807.05	19.82	370.21	14.77
Total (A)	723.25	17.73	807.05	19.82	370.21	14.77
Exports						
North America(1)	3,271.40	80.2	3,154.55	77.46	2,048.42	81.75
Europe(2)	37.68	0.92	72.57	1.78	59.96	2.39
United Kingdom	46.59	1.14	38.38	0.94	27.06	1.08
Total (B)	3,355.52	82.27	3,265.50	80.18	2,135.44	85.23
Total C (A + B)	**4,078.77**	**100.00**	**4,072.55**	**100.00**	**2,505.64**	**100**

While we intend to continue our focus on expanding our export sales, expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new markets, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. We believe establishing a presence in such international markets would facilitate our sales, marketing and business development activities and provide us with timely insights into the economic, product requirements and regulatory environment in such markets. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. In the eventuality we are unable to successfully expand into new geographical regions, our growth plans and future performance shall be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

6. ***Working capital requirements and access to capital resources***

Our relationship with our customers is generally on a non-exclusive basis. We conduct business with our customers primarily on the basis of purchase orders that are placed from time to time. Consequently, there is no commitment on the part of such customers to continue to place new purchase orders with us and as a result, our revenue and consequent cash flow may fluctuate significantly from time to time. The fluctuation in demand for our products may either require us to increase production or decrease production and inventories at short notice, which may result in us bearing additional costs and incurring losses. While we maintain a reasonable level of inventory of raw materials, work in progress and finished products, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition. The table below sets forth details of certain parameters as of the dates indicated:

Particulars	**Unit**	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Working Capital Cycle	Days	84.98	52.22	38.07
Inventory Days	Days	50.95	35.98	47.13
Debtor Days	Days	60.87	49.65	43.35
Payable Days	Days	26.84	33.41	52.40

We evaluate our inventory balances of materials based on expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component for the success of our business. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, or if our estimation of customer requirements and trends are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. Our working capital requirements may increase if payment terms shift to payments on completion of delivery or otherwise increase our working capital burdens. In addition, our working capital requirements have increased in recent years due to the general growth of our business. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. All of these factors may result in increases in our working capital requirements. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations.

7. ***General and Indian economic conditions***

We are affected by general global and Indian economic conditions. Our performance and growth will depend to a large extent on the health of the economies in which we operate. While our Company is incorporated in India and our manufacturing facilities are based in India, our products are sold in, among other regions, India, the United States of America and other parts of the world. We are, therefore, dependent on domestic, regional and global economic and market conditions of the markets in which we operate or intend to operate. Our business, results of operation and financial condition could be influenced by factors such as inflation, access to capital and borrowing costs, trade policies in terms of tariff and non-tariff barriers, India's trade deficit, fluctuations in global commodity prices and fluctuations in India's foreign exchange reserves or currency exchange rates, among others. India is the 5th largest country with a GDP (at current prices) of US$3.5 trillion, despite the pandemic and despite inheriting an economy with macro imbalances and a broken financial sector. In the next three years, India is expected to become the third-largest economy in the world, with a GDP of US$5 trillion (estimated). If the prognosis for 2025 turns out to be right, that will mark the fourth-year post-pandemic that the Indian economy will have grown at or over 7%. The growing strength in both domestic and external demand has sustained the response of the various sectors on the supply side. India's real GDP or GDP at constant price value stood at Rs. 174 lakh cr. in FY 2024 has grown by 8.2% compared to the growth of 7% in FY 2023. Nominal GDP of GDP at current prices is estimated to be Rs. 295 lakh cr. in FY 2024 with a growth of 9.6% from Rs. 270 lakh cr. in FY 2023.

8. ***Seasonality***

Our sales have historically exhibited certain seasonal fluctuations, reflecting a slight dip in sales volumes and profit margins during lean season for building materials, especially in our export markets. For instance, during harsh weather conditions, the demand for building materials in certain sections of our USA markets and EU markets may witness a decline due to extreme weather conditions. While we maintain our production levels and inventory to account for this seasonality, our fixed costs such as lease rentals, employee salaries, store operating costs and logistics-related expenses, which form a significant portion of our operating costs, are relatively constant throughout the year. Consequently, lower than expected sales during certain quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year or could strain our resources and significantly impair our cash flows. Further, as a result of the above, our quarter-on-quarter financial results may not be comparable or a meaningful indicator of our futuristic performance. Any slowdown in demand for our products during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have an adverse effect on our business, financial condition and results of operations. While we have not faced any such slowdown in demand or failure to accurately anticipate for seasonal fluctuations, we cannot assure that we will not face this in the future.

Material Accounting Policies for the Restated Consolidated Financial Information

The material accounting policies as set forth in the Restated Consolidated Financial Information have been reproduced below.

1. ***Functional and presentation currency***

These Restated Consolidated Financial Information are presented in ₹, which is also functional currency of the Company. All amounts disclosed in the Restated Consolidated Financial Information and notes have been rounded off to the nearest "million" with two decimals, unless otherwise stated.

2. ***Use of estimates***

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenditure for the period and disclosures of contingent liabilities as at the Balance Sheet date. Actual results could differ from those estimates

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation

The areas involving critical estimates or judgments are:

- Useful life of property, plant, and equipment.
- Defined benefit obligation
- Provisions
- Recoverability of trade receivables
- Current tax expense and current tax payable

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company

3. Current and Non-current classification

The assets and liabilities reported in the balance sheet are classified on a "current/noncurrent basis", with separate reporting of assets held for sale and corresponding liabilities. Current assets, which include cash and cash equivalents are assets that are intended to be realized, sold or consumed during the normal operating cycle of the Company. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

4. Revenue recognition

4.1. Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and goods and services tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts.

4.2. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices and projected market conditions.

4.3. Other income:

4.3.1. Dividend income is recognized when the right to receive dividend is established.

4.3.2. Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

4.3.3. Other income is recognized when no significant uncertainty as to its determination or realisation exists.

5. Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of Property, Plant and Equipment till assets are put to use, are capitalized. Subsequent expenditure on Property, Plant and Equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Depreciation on Property, Plant and Equipment (other than 'Freehold Land' where no depreciation is provided), is provided on the "Straight-line method" (SLM) based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. Depreciation on additions/ disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets were put to use.

Treatment of expenditure during construction period

Expenditure, net of income earned, during construction (Including financing cost related to borrowed funds for construction or acquisition of qualifying Property, Plant and Equipment) period is included under capital work-in-progress, the same has been allocated to the respective Property, Plant and Equipment on the completion of construction. Advances given towards acquisition or construction of Property, Plant and Equipment outstanding at each reporting date are disclosed as Capital Advances under "Other Non-current Assets".

The estimated useful lives are mentioned as under -

Type of Asset	Useful lives
Freehold Land	Non-Depreciable Asset
Building	10 - 30 years
Plant and Machinery	15 years
Vehicles	8 years
Equipment	3 - 6 years
Furniture and Fixtures	10 years
Electric Installation	10 years

6. Intangible Assets:

Intangible assets acquired separately are measured on initial recognized at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognized, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets are amortized over their respective estimated useful life which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

The estimated useful lives of intangibles asset (software) is 6 years

7. Financial Instruments

7.1. Financial assets

Initial recognition and measurement: All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement: After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

De-recognition of financial assets: A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

7.2. Financial liabilities

Initial recognition and measurement: All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortized cost.

Subsequent measurement: These liabilities include are borrowings and deposits. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

De-recognition of financial liabilities: A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognized of the original liability and the recognized of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments: Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

8. Impairment of assets

8.1. Financial Asset

A financials Asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events had a negative effect on the estimated future cash flows of that asset.

8.2. Non-Financial Asset

The carrying amount of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit and loss, for the amount by which the asset carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessments of the time value of money and the risk specific to the assets.

An impairment loss is reversed if there is any change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment has been recognized.

9. Inventories

9.1. Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges incurred in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.

9.2. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost net of GST, labour and relevant appropriate overheads. Cost of raw materials and packing material are determined on specific identification basis by taking material cost net of GST.

10. Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at banks, short-term deposits (with an original maturity of three months or less from the date of acquisition), and which are subject to insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding book overdrafts , if any, as they are considered an integral part of the company's cash management.

11. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

12. Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares outstanding. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

13. Taxes on Income

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

14. *Provisions, Contingent Liabilities and Contingent Assets*

14.1. Provisions

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

14.2. Contingent liability

It is disclosed for

14.2.1. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or

14.2.2. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

14.3. Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

15. *Leases*

"The Company has adopted Ind AS 116 "Leases"". At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the statement of profit and loss on a written down value basis over the lease term. Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the written down value method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method."

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

16. *Foreign currency transactions and translation:*

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

17. Employee Benefits:

17.1. Defined contribution plan: The Company's contribution to provident fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

17.2. Defined benefit obligations plan:

17.2.1. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they occur.

17.2.2. The Company also provides benefit of compensated absences to its employees which are in the nature of long -term benefit plan. Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date. The Company recognises actuarial gains and losses that arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation, in the statement of Profit and Loss, as income or expense.

17.3. Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. which are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

18. Measurement of Profit before interest, tax, depreciation and amortisation

The Company has opted to present profit before interest (finance cost), tax, depreciation and amortization as a separate line item on the face of the Statement of Profit and Loss for the year. The Company measures profit before interest (finance cost), tax, depreciation and amortization based on profit/(loss) from continuing operations.

Changes in the accounting policies, if any, in the Fiscals 2022, 2023 and 2024 and their effect on our profits and reserves

There have been no changes in our accounting policies in the last three Fiscals.

Overview of Income and Expenditure

The following descriptions set forth information with respect to key components of our profit and loss statement.

Income

Income consists of revenue from operations and other income.

Revenue from operations: Revenue from operations comprises of sale of rigid foam/ PVC sheets & doors & article made thereof and other operating income consists of sale of polymer, chemicals & others. These are divided into domestic sale of products and export and high seas sale of products.

Other income: Other income primarily comprises interest income, rent income, foreign exchange gain/(loss) on fluctuation (net) and profit on sale of property, plant and equipment.

Expenditure

Our expenses comprise:

- ***Cost of Materials Consumed:*** Cost of raw materials and components consumed comprises (i) the cost of raw materials used in the manufacture of our products; (ii) the cost of products purchased to integrate with our systems, and (iii) the cost of packing materials.

- ***Purchases of Stock in Trade:*** Cost of polymer, chemicals & others purchased

- ***Changes in inventories of finished goods and work-in-progress:*** Changes in inventories of finished goods and work-in-progress denotes an increase/decrease in inventories of finished goods and work-in-progress between opening and closing dates of a reporting period.

- ***Employee benefits expense:*** Employee benefits expenses comprises salaries, wages and bonus, contribution to provident and other funds, gratuity expenses and staff welfare expenses.

- ***Other expenses:*** Other expenses comprise primarily of power and fuel expenses, outward freight, clearing and forwarding, Travelling expenses, commission on sales, sub-contracting charges, and miscellaneous expenses. Set forth below is a description of these key components:
  - Service charges relate to the job work expenses related to manufacturing;
  - Legal and professional fees relate to the fees incurred for the legal and professional services taken from various professionals and comprise internal audit expenses, tax consultation, legal support, and lawyers' fees and retainerships;
  - Freight, clearing and forwarding expenses relate to the expenses incurred in transportation of the finished goods from our manufacturing site to the customer locations;
  - Travelling expenses relate to the travel costs incurred by our sales and support teams in visiting customer locations and sites;
  - Sales commission relates to commissions paid to our business associates for order procurement, customer management, collections of dues and for other related support; and
  - Other expenses include rates and taxes, power and fuel, lease rent & license fees, and repairs and maintenance, amongst others.

Tax Expense

Our tax expense represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) for the Fiscal 2022, Fiscal 2023 and Fiscal 2024, amounted to ₹ 47.39 million, ₹ 211.60 million and ₹ 305.71 million, respectively.

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.

Particulars	**Fiscal 2022**		**Fiscal 2023**		**Fiscal 2024**	
	Amount	**Percentage of total income**	**Amount**	**Percentage of total income**	**Amount**	**Percentage of total income**
	(₹ million)	***(%)***	***(₹ million)***	***(%)***	***(₹ million)***	***(%)***
Income						
Revenue from operations	2,505.64	98.36%	4,072.55	98.25%	4,078.77	97.98%
Other income	41.77	1.64%	72.54	1.75%	84.09	2.02%
Total income (A)	**2,547.41**	**100.00%**	**4,145.09**	**100.00%**	**4,162.86**	**100.00%**
Expenses						
Cost of raw materials and components consumed	1,400.78	54.99%	1,613.28	38.92%	1,564.47	37.58%
Purchase of stock-in-trade	92.59	3.63%	196.61	4.74%	119.85	2.88%
Increase/(decrease) in inventories of finished goods and work-in-progress	-91.27	-3.58%	-12.81	-0.31%	-223.06	-5.36%
Employee benefits expenses	21.58	0.85%	33.13	0.80%	47.95	1.15%
Finance costs	23.52	0.92%	22.34	0.54%	9.46	0.23%
Depreciation and amortisation expenses	31.04	1.22%	34.59	0.83%	53.02	1.27%
Other expenses	817.51	32.09%	1416.30	34.17%	1,177.46	28.29%
Total expenses (B)	**2,295.75**	**90.12%**	**3,303.45**	**79.70%**	**2,749.16**	**66.04%**
Profit/(Loss) before tax (A-B+C)	**251.65**	**9.88%**	**841.64**	**20.30%**	**1,413.70**	**33.96%**
Tax expense						
Current tax	54.09	2.12%	215.88	5.21%	314.68	7.56%
Deferred tax charge / (credit)	-6.70	-0.26%	-4.29	-0.10%	-8.97	-0.22%
Profit/(Loss) for the period/year	**204.26**	**8.02%**	**630.05**	**15.20%**	**1107.99**	**26.62%**
Other comprehensive income / (loss)						
(i) Items that will not be reclassified subsequently to profit or loss						

Particulars	Fiscal 2022		Fiscal 2023		Fiscal 2024	
	Amount	**Percentage of total income**	**Amount**	**Percentage of total income**	**Amount**	**Percentage of total income**
	(₹ million)	***(%)***	***(₹ million)***	***(%)***	***(₹ million)***	***(%)***
Remeasurement of defined benefit plans – gain/(loss)	**-0.03**	0%	**0.38**	0.01%	**-0.66**	0.02%
Income tax relating to above – (charge) / credit	**0.01**	0%	**-0.10**	0.00%	**0.17**	0%
(ii) Items that may be reclassified subsequently to profit or loss						
Other comprehensive income / (loss) for the period / year attributable to Owners of the company	-0.02	0%	0.29	0.01%	-0.49	0.01%
Total comprehensive income / (loss) for the period / year attributable to Owners of the company	**204.24**	**8.02%**	**630.34**	**15.21%**	**1107.50**	**26.60%**

Results of operations information for the Fiscal 2023 compared with Fiscal 2024

Total Income

Our total income marginally increased from ₹ 4,145.09 million for Fiscal 2023 to ₹4,162.86 million for Fiscal 2024.

Revenue from Operations

Our revenue from operations moved up marginally from ₹4,072.55 million for Fiscal 2023 to ₹4,078.77 million for Fiscal 2024. While our exports increased marginally by 2.78% from ₹ 3,264.69 million in Fiscal 2023 to ₹ 3,355.52 million in Fiscal 2024, however this was offset by an 10.49% reduction in our sales in the domestic market from ₹ 807.86 million in Fiscal 2023 to ₹ 723.25 million in Fiscal 2024. Further, there was an increase in the total volume sold during the year, supplemented by an adjustment in input cost and other expenses that saw a reduction.

Other Income

Our other income increased by 15.91% from ₹ 72.54 million for Fiscal 2023 to ₹84.09 million for Fiscal 2024, primarily on account of an increase in interest income on our investments / fixed deposits.

Expenses

Cost of Goods Sold

Our Cost of Goods Sold, which is the aggregate of our cost of raw materials and components consumed, cost of services consumed purchase of stock-in-trade and increase/(decrease) in inventories of finished goods and work-in-progress, decreased by 18.69% from ₹ 1,797.08 million for Fiscal 2023 to ₹ 1,461.26 million for Fiscal 2024 primarily due to change in prices of input costs and other general factors that had a positive impact on our cost of goods sold.

Employee benefits expenses

Our employee benefits expenses increased by 44.73% from ₹33.13 million for Fiscal 2023 to ₹47.95 million for Fiscal 2024 on account of an increase in salaries, wages and bonus, directors' remuneration and resultantly the contribution to our provident and other funds. The increase in salaries was due to customary annual increases in salaries to our employees as well as an increase in our headcount as we expanded our team. Further, the costs also increased in line with the increase in our production in comparison to the previous year.

Finance costs

Our finance costs decreased by 57.66% from ₹22.34 million for Fiscal 2023 to ₹ 9.46 million for Fiscal 2024 primarily due to repayment of debt and a resultant decrease in our interest on borrowings from ₹22.34 million in Fiscal 2023 to ₹ 9.28 million in Fiscal 2024. Further, optimum fund utilisation and planning, including the newly negotiated bank charges.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 53.30% from ₹34.59 million for Fiscal 2023 to ₹53.02 million for Fiscal 2024 primarily due to additions to our gross block of plant and machinery of ₹ 121.59 million in Fiscal 2024 on account of the subsidiarisation of Taylias Industry Private Limited in Fiscal 2024.

Other expenses

Our other expenses decreased by 16.86% from ₹1,416.30 million for Fiscal 2023 to ₹ 1,177.46 million for Fiscal 2024 primarily due to a 54.75% reduction in freight charges from ₹ 476.59 million in Fiscal 2024 to ₹ 215.65 million in Fiscal 2023, a 55.05% reduction in other administrative expenses. This was partially offset by an increase in cost of power consumption, cost of packing materials consumed, a slight increase in job work charges and selling and distribution expenses, all of which were as a result of increased level of operations.

Profit before tax

As a result of the foregoing, our profit before tax increased by 67.97% from ₹841.64 million for Fiscal 2023 to ₹1,413.70 million for Fiscal 2024.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) increased by 44.48% from ₹ 211.60 million for Fiscal 2023 to ₹ 305.71 million for Fiscal 2024 primarily due to an increase in profitability.

Profit for the year

As a result of the foregoing, our profit for the year increased by 75.86% from ₹630.05 million for Fiscal 2023 to ₹1,107.99 million for Fiscal 2024, primarily due to better margins that were a result of better positioning in the market, operational efficiency and securing more favourable rates for our freight.

Results of operations information for the Fiscal 2022 compared with Fiscal 2023

Total Income

Our total income increased by 62.72% from ₹2,547.41 million for Fiscal 2022 to ₹4,145.09 million for Fiscal 2023 due to increase in the revenue from operations.

Revenue from Operations

Our revenue from operations increased by 62.54% from ₹ 2,505.64 million for Fiscal 2022 to ₹ 4,072.55 million for Fiscal 2023. In Fiscal 2022 and Fiscal 2023, this substantial growth is primarily attributable to several factors, including, better positioning in the market, successful product launches in previous years that have achieved traction such as wall panels, ceiling panels etc. resulting in an increase in volumes and translating into the revenue growth.

Other Income

Our other income increased by 73.68% from ₹ 41.77 million in Fiscal 2022 to ₹ 72.54 million in Fiscal 2023, which was primarily attributable to gain in foreign exchange.

Expenses

Cost of Goods Sold

Our Cost of Goods Sold, which is the aggregate of our cost of raw materials and components consumed, cost of services consumed, purchase of stock-in-trade and increase/(decrease) in inventories of finished goods and work-in-progress, increased by 28.17% from ₹ 1,402.10 million for Fiscal 2022 to ₹ 1,797.08 million for Fiscal 2023 which was primarily attributable to increased production volumes from 11,628 MT in Fiscal 2022 to 14,360 MT in Fiscal 2023.

Employee benefits expenses

Our employee benefits expenses increased by 53.52% from ₹ 21.58 million for Fiscal 2022 to ₹ 33.13 million for Fiscal 2023 which was primarily attributable to increase in headcount on account of increased production as well as customary annual increases in salaries and wages and hiring at middle-level and senior-level across different departments.

Finance costs

Our finance costs decreased by 5.02% from ₹ 23.52 million for Fiscal 2022 to ₹ 22.34 million for Fiscal 2023 which was primarily attributable to a slight reduction in interest expenses due to repayment of debt.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 11.44% from ₹ 31.04 million for Fiscal 2022 to ₹ 34.59 million for Fiscal 2023 which was primarily attributable to increased capital expenditure on the purchase of ₹ 50.39 million in plant and machinery.

Other expenses

Our 'Other expenses' increased by 73.25% from ₹ 817.51 million for Fiscal 2022 to ₹ 1,416.30 million for Fiscal 2023 which was primarily attributable to job work charges, increase in packing material charges and an increase in sea freight charges that was due to a general lack of availability of sea-faring vessels due to the after effects of Covid-19 related constraints and the prevalent geo-political issues that affected the costs of shipment.

Profit before tax

As a result of the foregoing, our profit before tax increased by 234.45% from ₹ 251.65 million for Fiscal 2022 to ₹ 841.64 million for Fiscal 2023, which was primarily attributable to on account of the foregoing.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) increased by 346.50% from ₹ 47.39 million for Fiscal 2022 to ₹ 211.60 million for Fiscal 2023 which was primarily attributable to a significant increase in pre-tax profits

Profit for the year

As a result of the foregoing, our profit for the year increased by 208.45% from ₹204.26 million for Fiscal 2022 to ₹630.05 million for Fiscal 2023.

Liquidity and Capital Resources

Capital Requirements

Our principal capital requirements are for capital expenditure, working capital requirements and payment of principal and interest on our borrowings. Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions. For the Fiscal 2022, Fiscal 2023 and Fiscal 2024, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements and other cash outlays, principally with funds generated from operations, with the balance met from external borrowings.

Liquidity

Our primary liquidity requirements have been to finance our working capital needs and capital expenditures, including for upgrading of existing facilities, manufacturing capacity expansion and undertaking of new projects, and the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash generated from operations, borrowings by way of short-term and long-term borrowings from banks, credit granted by suppliers, cash and cash equivalents and equity and financing provided by our shareholders. We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our present requirements.

We had aggregate cash and cash equivalents and other bank balances of ₹ 24.39 million, ₹ 294.88 million and ₹ 180.56 million as at March 31, 2022, March 31, 2023 and March 31, 2024, respectively.

Cash Flows Based on the Restated Consolidated Financial Information

The following table summarizes our cash flows for the Fiscal 2022, Fiscal 2023 and Fiscal 2024:

(₹ in million)

Particulars	As at, or for the fiscal year ended March 31,		
	2024	**2023**	**2022**
Net cash generated from operating activities	563.17	442.81	(12.25)
Net cash used in investing activities	(674.27)	(147.92)	(126.81)
Net cash used in financing activities	(3.22)	(24.40)	122.15
Net increase / (decrease) in cash and cash equivalents	**(114.32)**	**270.49**	**(16.91)**
Cash and cash equivalents at the beginning of the period/year	294.88	24.39	41.30
Cash and cash equivalents at the end of the period/year	**180.56**	**294.88**	**24.39**

Net cash generated from operating activities

We used ₹ 12.25 million in our operating activities during Fiscal 2022. While our profit before tax for the year was ₹ 251.65 million, we had operating profit before working capital changes of ₹ 290.98 million, primarily due to primarily due to non-cash expenses such as depreciation and amortization. Our working capital changes during Fiscal year 2022 were ₹ 244.44 million Our operating profit after working capital changes was 46.54 million. This was adjusted by direct taxes paid (including tax deducted at source) of ₹ 58.79 million.

We generated ₹ 442.81 million net cash from operating activities during Fiscal 2023. While our profit before tax for the year was ₹ 841.64 million, we had operating profit before working capital changes of ₹ 894.95 million, primarily due to primarily due to non-cash expenses such as depreciation and amortization. Our working capital adjustments for Fiscal 2023 primarily consisted of a decrease in inventories of ₹ 4.82 million, a decrease in provisions and other liabilities of ₹ 30.26 million and decrease in trade payable of ₹ 136.17 million and an increase in trade receivable of ₹ 194.99 million. Our net operating profit after working capital changes was ₹ 566.33 million, adjusted by direct taxes paid (including tax deducted at source) of ₹ 123.52 million.

We generated ₹ 563.17 million net cash from operating activities during Fiscal 2024. While our profit before tax for the year was ₹1,413.70 million, we had operating profit before working capital changes of ₹ 1,455.36 million, primarily due to primarily due to non-cash expenses such as depreciation and amortization. Our working capital adjustments for Fiscal 2024 primarily consisted of increase in inventories of ₹ 340.55 million, also increase in loans and other assets of ₹ 55.13 million and increase in trade receivable of ₹ 41.52 million, which were partially offset by decrease in trade payable of ₹9.64 million and decrease in provisions and other liabilities of ₹ 49.23 million. Our net cash generated from operating activities was ₹ 959.29 million, adjusted by direct taxes paid (including tax deducted at source) of ₹ 396.12 million.

Net cash used in investing activities

In Fiscal 2022, Net cash used in investing activities was ₹126.81 million, primarily on account of capital expenditure towards routine upkeep of our manufacturing and operating facilities and the installation of a solar plant amounting to ₹ 41.32 million. In Fiscal 2023, Net cash used in investing activities was ₹147.92 million, primarily on account of increased capital expenditure of ₹ 50.39 million in additional plant and machinery to cater to the increasing demand. In Fiscal 2024, Net cash used in investing activities was ₹674.27 million, primarily on account of purchase of freehold land, construction of a new facility and purchase of plant and machinery.

Net cash used in financing activities

Net cash generated in financing activities in Fiscal 2022 amounted to ₹ 122.15 million, which was primarily an increase in debt to support our operations. Net cash used in financing activities in Fiscal 2023 amounted to ₹ 24.40 million, which primarily consisted of repayment of debt. Net cash used in financing activities in Fiscal 2024 amounted to ₹ 3.22 million, which primarily consisted of repayment of debt.

Contingent Liabilities and Commitments

The following table summarizes our contingent liabilities and commitments as at March 31, 2022, March 31, 2023, and March 31, 2024, as determined in accordance with Ind AS 37, are described below:

Contingent liabilities

All figures in ₹ million

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Claims against the Company not acknowledged as debts comprise of in respect of Pending Income Tax Demands	1.44	-	-
Bank guarantees for Performance	5.06	9.38	15.84
Total	**6.50**	**9.38**	**15.84**

i. *Details of pending Income tax demand: In subsidiary Taylias Industry P Ltd. there is a demand of Rs 1.44 million for the AY 2023-24*
ii. *Details of Bank Guarantees: Kumar Arch Tech Limited and Taylias Industry P Ltd has given guarantee to Govt Department for tender, bonds etc*

Commitments

All figures in ₹ million

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Letter of Credit Opened with Banks	159.58	273.26	369.51
Total	**159.58**	**273.26**	**369.51**

For details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 36 - Contingent liabilities and commitments*" on page 233.

Lease Liabilities

The following table sets forth a summary of our lease liabilities as at March 31, 2022, March 31, 2023, and March 31, 2024, broken down by current and non-current:

(₹ in millions)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Current lease liabilities	0.67	-	-
Non - Current lease liabilities	0.94	-	-
Total	**1.61**	-	-

Capital Expenditure

Capital expenditures consist primarily of investments in our office and manufacturing facilities, intangible assets like trademark licenses, new product development costs and purchases of furniture and fixtures, office equipment and motor vehicles. We also make investments at our buildings to upgrade and modernize the facilities. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in upgrading our existing assets.

During the Fiscal 2022, Fiscal 2023 and Fiscal 2024, we incurred cash outflow towards the purchase of property, plant and equipment and intangible assets of ₹ 64.58 million, ₹ 73.04 million and ₹354.24 million, respectively. The following table summarizes our cash outflow for the purchase of property, plant and equipment and intangible assets for Fiscal 2022, Fiscal 2023 and Fiscal 2024:

(₹ in millions)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Buildings	146.72	-	0.64
Freehold land	83.55	22.11	14.39
Plant and machinery	121.59	50.39	8.08
Furniture and fixture	0.15	0.22	-
Office equipment	1.38	0.11	0.10
Computer	0.84	0.22	0.05
Vehicles	-	-	-
Solar Plant	-	-	41.32
Trademark and Brand*	-	-	-
Software	-	-	-
Total Capital Expenditure	**354.24**	**73.04**	**64.58**

* *Pertains to intangible assets having indefinite life.*

The above capital expenditures were primarily financed by internally generated resources and long-term bank borrowings.

Financial Indebtedness

Set forth below is a brief summary of our aggregate outstanding borrowings amounting to ₹ 763.46 million, as on August 31, 2024 on a consolidated basis.

(in ₹ million)

Category of Borrowing	Sanctioned Amount as on August 31, 2024 (to the extent applicable)*	Amount outstanding as on August 31, 2024*
OUR COMPANY		
Secured Borrowings		
Term Loan	-	-
Working Capital		
-Fund Based Limits	500	414.69
-Non-fund Based Limits	670	347.76
Total (A)	**1,170**	**762.45**
Unsecured Borrowings		
Term Loan		

Working capital facilities	-	-
-Fund Based Limits	-	-
-Non-fund Based Limits	-	-
Total (B)	-	-
OUR SUBSIDIARIES		
Secured Borrowings		
Term Loan	-	-
Working Capital	-	-
-Fund Based Limits	-	-
-Non-fund Based Limits	-	-
Total (C)	-	-
Unsecured Borrowings		
Term Loan	-	-
Working capital facilities		
-Fund Based Limits	1.44	1.44
-Non-fund Based Limits	-	-
Total (D)	-	-
Total borrowings (A+B+C+D)	**1,171.44**	**763.89**

**As certified by A Y & Company, Chartered Accountants, pursuant to their certificate dated September 27, 2024.*

Quantitative and Qualitative Disclosures about Market Risk

Our Board of Directors is responsible for establishing, overseeing, and continuously reviewing our risk management framework. This includes setting policies to identify and assess risks, establish controls, and monitor compliance. These policies are regularly updated to reflect market changes and our evolving operations. The internal audit team supports the Board by conducting periodic and ad hoc reviews of risk management controls, with the findings reported directly to the Board to ensure effective oversight.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to our established policy, procedures and control relating to customer credit risk management. To manage trade receivables, we periodically assess the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 4 – Financial instruments – Accounting classifications & fair value measurement*" on page 233. We do not hold collateral as security. We evaluate the concentration of risk with respect to trade receivables as low, as our customers are located in several jurisdictions and industries and operate in largely independent markets

The ageing of trade receivables at the reporting date was:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Trade Receivables Undisputed, Considered Good			
Up to 6 Months	550.45	608.28	421.60
6 Months - 1 year	100.94	10.01	23.28
1 Year - 2 years	28.02	27.11	4.60
2 Years - 3 years	21.26	1.35	2.48
More Than 3 years	6.50	6.51	2.81

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with our policy. Counterparty credit limits are reviewed by the management on an annual basis and may be updated throughout the year or period. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

Liquidity risk is the risk that we may encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration of our debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The table below summarizes the maturity profile of our undiscounted contractual maturities of financial liabilities at the reporting date:

(₹ in millions)

As at March 31, 2022	Less than 1 year	1 to 5 years	Above 5 years	Total
Borrowings*	220.07	75.96	-	296.03
Lease liabilities*	-	-	-	-
Trade payables	440.90	-	-	440.90
Other financial liabilities	49.73	-	-	49.73
Total	**710.70**	**75.96**	**-**	**786.66**

* *Amount includes interest payable in subsequent years*

As at March 31, 2023	Less than 1 year	1 to 5 years	Above 5 years	Total
Borrowings*	264.75	29.22	-	293.97
Lease liabilities*	-	-	-	-
Trade payables	304.73	-	-	304.73
Other financial liabilities	0.39	-	-	0.39
Total	**569.87**	**29.22**	**-**	**599.09**

* *Amount includes interest payable in subsequent years*

As at March 31, 2024	Less than 1 year	1 to 5 years	Above 5 years	Total
Borrowings*	300.64	-	-	300.64
Lease liabilities*	0.67	0.94	-	1.61
Trade payables	295.09	-	-	295.09
Other financial liabilities	15.76	-	-	15.76
Total	612.16	0.94	-	613.10

* *Amount includes interest payable in subsequent years*

Market Risk

As an export-oriented company, our financial performance is closely linked to the condition of the global markets we operate in. International stability, including geopolitical dynamics and economic fluctuations, plays a critical role in influencing demand for our products and the cost of raw materials. Any significant disruptions, such as trade conflicts or diplomatic tensions, can lead to delays in our supply chain, higher logistics costs, and potential barriers to market access. Additionally, price volatility in both raw materials and finished products is a constant factor affecting our operations. The cost of inputs can fluctuate due to supply chain disruptions, speculative activities, or seasonal demand variations, which in turn impacts our margins. Simultaneously, shifts in global market trends and competition can affect the pricing of our finished goods, creating pressure on profitability. Moreover, the trade relations and policies of the countries we do business with are pivotal to our success. Changes in tariff structures, regulatory environments, or the introduction of protectionist measures can impact market access and cost structures. Conversely, favourable trade agreements present opportunities for growth by enhancing our competitive positioning in key markets. We continuously monitor these developments to adapt to the evolving international landscape and mitigate potential risks.

Capital risk management

Our objectives when managing capital are to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, we may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Our capital structure consists of equity (comprising issued capital and internal accruals), preference shares, and other long-term borrowings.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company. We are subject to variable interest rates on some of its interest bearing liabilities. Our interest rate exposure is mainly related to debt obligations.

Interest rate sensitivity analysis

A reasonably possible change of 1.0% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in millions)

Particulars	Profit /(Loss) before tax	
	Increase	Decrease
Year ended March 31, 2022		
Interest rate (1.0% movement)	2.10	2.10
Year ended March 31, 2023		
Interest rate (1.0% movement)	2.07	2.07
Year ended March 31, 2024		
Interest rate (1.0% movement)	2.22	2.22

Foreign Currency Risk

We undertake transactions denominated in foreign currencies. Consequently, we are exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange contracts.

Exposure to currency risk:

The carrying amount of our foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

(*in millions*)

Particulars		As at March 31, 2022		As at March 31, 2023		As at March 31, 2024	
Assets/ Liability	Currency	Amount in Foreign Currency	Amount in Functional Currency	Amount in Foreign Currency	Amount in Functional Currency	Amount in Foreign Currency	Amount in Functional Currency
Financial assets	USD	7.99	605.47	8.56	704.11	8.95	746.27
	EURO	0.05	4.63	0.11	9.61	-	-
	GBP	-	-	0.03	3.13	0.03	2.89
	TOTAL	8.04	610.11	8.70	716.86	8.98	749.16
Financial liabilities	USD]	2.97	224.99	1.86	152.82	1.56	129.84
	EURO	0.02	1.51	0.02	1.66	0.01	0.54
	GBP	-	-	-	-	-	-
	TOTAL	2.99	226.50	1.88	154.48	1.56	130.38

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of our performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, our policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Reservations, Qualifications, Adverse Remarks and Matters of Emphasis Included in Financial Statements

For details, refer to "*Risk Factors*" on page 27 .

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Restated Consolidated Financial Information – Note 31 – Related party disclosures*" on page 261.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions, including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc., that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the "*Risk Factors*" on page *27* . To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our sales, revenue or income from continuing operations.

Future Relationship between Cost and Income

As disclosed in the section titled "*Our Business – Strategies*", our Company is proposing to launch new products and due to change in the product mix, there could be a change in the future relationship between cost and income.

To the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenue.

New products or business segments / material increases in revenue due to increased disbursements and introduction of new products

As on the date of this Draft Red Herring Prospectus, other than as disclosed in the section titled "*Our Business – Strategies*" there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant dependence on single or few customers

Except as disclosed below, we do not have any dependence on a single or few customers:

Customer Concentration*	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)
Top customer	902.82	22.13	708.05	17.39	439.02	17.52
Top five customers	2,334.04	57.22	2,253.24	55.33	1,421.93	56.75
Top 10 customers	3,250.88	79.70	3,149.85	77.34	1,776.07	70.88

* *Customers may vary across Fiscals and does not refer to the same customers across all Fiscals and depend on the specific requirement of our customers in the relevant Fiscal. The names of the top 10 customers as of Fiscal 2024, Fiscal 2023 and Fiscal 2022 have not been included due to confidentiality reasons and non-receipt of consents.*

For details, see "*Risk Factors – Internal Risks – Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.*" on page 40.

Seasonality of business

The sales volumes and prices of our products may be influenced by seasonality. For further details, see "*Risk Factors – Internal Risks – Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.*" on page 40.

Competitive conditions

We operate in a competitive environment and expect competition in our industry from existing and potential competitors to intensify. Please refer to the sections "*Industry Overview*", "*Our Business*", and "*Risk Factors*" on pages 117, 161 and *27* , respectively, for further information on our industry and competition.

Significant Developments after March 31, 2024 that may affect our future results of operations

Except as disclosed below and elsewhere in this Draft Red Herring Prospectus, to the Company's knowledge, no circumstances have arisen since the date of the last financial statements forming part of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus that could materially and adversely affect or are likely to affect our operations or profitability, the value of our assets or our ability to pay our liabilities within the next 12 months:

- Pursuant to our Board resolution dated July 27, 2024, and our Shareholders' resolution dated August 1, 2024, the existing Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 2 each. Consequently, the issued, subscribed and paid-up equity share capital of our Company, of ₹ 57,275,400 comprising of 5,727,540 Equity Shares of face value of ₹10 each was sub-divided into ₹ 57,275,400 comprising of 28,637,700 Equity Shares of face value of ₹ 2 each.

  Pursuant to our Board resolution dated August 2, 2024 and our Shareholders' resolution dated August 6, 2024, approved the Allotment of 143,188,500 bonus Equity Shares in the ration of 5 bonus Equity Shares for every 1 Equity Share held. Consequently, the issued, subscribed and paid-up equity share capital of our Company increased from 28,637,700 Equity Shares of face value of ₹ 2 each to 171,826,200 Equity Shares of ₹ 2 each.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings (including any notices received for such criminal proceedings and matters which are at first information report stage, even if no cognizance has been taken by any court); (ii) actions taken by statutory and/or regulatory authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the details of the number of cases and total amount involved in such cases); and (iv) other outstanding litigation as determined to be material pursuant to the Materiality Policy in accordance with the SEBI ICDR Regulations in each case involving our Company, Subsidiaries, Promoters and Directors ("**Relevant Parties**").*

Pursuant to the Materiality Policy adopted by our Board of Directors on September 27, 2024, for the purposes of (iv) above, any pending litigation involving the Relevant Parties, has been considered 'material' and accordingly, disclosed in this Draft Red Herring Prospectus where:

i. the claim/ dispute amount, to the extent quantifiable, exceeds the lower of (a) 2% of turnover as per the Restated Consolidated Financial Information for Fiscal 2024; or (b) 2% of net worth based on the Restated Consolidated Financial Information as at March 31, 2024, or (c) 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information of our Company for the last three Fiscals, whichever is lower; or

ii. where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the financial position, business, operations, prospects or reputation of the Company; or

iii. the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings exceeds the threshold mentioned in point (i), even though the amount involved in an individual proceeding does not exceed the threshold mentioned in point (i).

2% of turnover, as per the Restated Consolidated Financial Information for Fiscal 2024 is ₹ 81.58 million, 2% of net worth, as per the Restated Consolidated Financial Information for Fiscal 2024 is ₹ 45.67 million and 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information for the last three Fiscals is ₹ 32.37 million. Accordingly, ₹ 32.37 million has been considered as the materiality threshold for the purpose of (i) above.

Further, there are no findings/observations of any of the inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

Pre-litigation notices received by any of the Relevant Parties from third parties (excluding such notices issued by any statutory/ regulatory/ governmental/ tax authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not to be considered as an outstanding litigation until such time that the Relevant Parties are impleaded as parties in the proceedings before any judicial/ arbitral forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further in terms of the Materiality Policy, a creditor shall be considered "material", if the outstanding dues to such creditor is equal to or in excess of 5% of the total consolidated trade payables of our Company, as on the date of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus ("**Material Creditors**"). Accordingly, as on March 31, 2024, any outstanding dues exceeding ₹ 14.75 million have been considered as material outstanding dues for the purposes of identification of material creditors and related information in this section. For outstanding dues to any party which is a micro, small or medium enterprise("**MSME**"), the disclosure will be based on information available with the Company regarding the status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder. It is clarified that the Company tracks the outstanding dues to micro and small enterprises and disclosures have been made in this section accordingly.*

<u>Litigation involving our Company</u>

Litigation against our Company

Criminal litigation

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations instituted against our Company.

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations instituted against our Company.

Actions taken by regulatory or statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no actions taken by regulatory or statutory authorities against our Company.

Litigation by our Company

Criminal litigation

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations instituted by our Company.

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations instituted by our Company.

Findings/observations of any of the inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision

As on the date of this Draft Red Herring Prospectus, there are no findings/observations of any of the inspections by SEBI or any other regulator involving our Company which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal litigation

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations instituted against our Subsidiaries.

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations instituted against our Subsidiaries.

Actions taken by regulatory or statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no actions taken by any regulatory or statutory authorities against our Subsidiaries.

Litigation by our Subsidiaries

Criminal litigation

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations instituted by our Subsidiaries.

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations instituted by our Subsidiaries.

Litigation involving our Promoters

Against our Promoters

Criminal litigation

As on the date of this Draft Red Herring Prospectus, there are no material criminal litigations instituted against our Promoters.

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations instituted against our Promoters.

Actions taken by regulatory or statutory authorities

As on the date of this Draft Red Herring Prospectus, there are no actions taken by any regulatory or statutory authorities against our Promoters.

By our Promoters

Criminal litigation

1. M.M. Thermoplast Private Limited had supplied goods to I G Door Agency ("**Debtor**") and in return I G Door Agency had provided two cheques bearing no. 000003 and 000004 dated October 17, 2017 and October 12, 2017 for ₹ 0.25 million and ₹ 0.20 million aggregating to ₹ 0.45 million. However upon presenting these cheques, the Debtor chose to stop payment of cheque number 000003 amounting to ₹ 0.25 million. Since the Debtor failed to make the outstanding payments towards M.M. Thermoplast Private Limited on account of dishonour of cheques, M.M. Thermoplast Private Limited initiated proceedings under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

Material civil litigation

As on the date of this Draft Red Herring Prospectus, there are no material civil litigations instituted by our Promoters.

<u>Litigation involving our Directors</u>

Nil

Claims related to direct and indirect taxes

Except as disclosed, there are no claims related to direct and indirect taxes, involving our Company, Subsidiaries, Promoters and Directors:

Nature of case	Number of cases	Amount involved* (in ₹ millions)
Company		
Direct Tax	10	0.34
Indirect Tax	1	0.90
Subsidiaries		
Direct Tax	5	1.49
Indirect Tax	1	1.05
Promoters		
Direct Tax	13	0.59
Indirect Tax	1	1.13
Directors (Other than Promoters)		
Direct Tax	NIL	NIL
Indirect Tax	NIL	NIL

* *To the extent quantifiable. || Note: TDS Processing error for 1 year are considered as 1 case in Direct Case*

Outstanding dues to Creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of March 31, 2024, based on the Restated Consolidated Financial Information of our Company was outstanding, were considered 'material' creditors. Our total trade payables as of March 31, 2024, was ₹ 295.09 million and accordingly, creditors to whom outstanding dues as of March 31, 2024, exceed ₹ 14.75 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus. Details of outstanding dues towards our material creditors are available on the website of our Company at https://www.echon.co/investor-relations/.

Based on the Materiality Policy, details of outstanding dues owed as of March 31, 2024, by our Company, on a consolidated basis are set out below:

Types of Creditors*	Number of creditors	Amount involved (in ₹ million)
MSMEs*	22	4.36
Material creditors	4	137.80
Other creditors	234	152.93
Total outstanding dues	**260**	**295.09**

* *As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

Material developments

Other than as stated in "*Management's Discussion and Analysis of Financial Position and Results Of Operations*" on page 279, there have not arisen, since the date of the Restated Consolidated Summary Financial Information (i.e. March 31, 2024) disclosed in this Draft Red Herring Prospectus, any circumstances which may materially and adversely affect, or are likely to affect, within the next 12 months, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities.

Other Confirmations

There are no findings/ observations of any regulators that are material, and which need to be disclosed or non-disclosure of which may have a bearing on the investment decision. Further, our Company has not received any findings/ observations from SEBI pursuant to the Offer, as on the date of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, consents, licenses, registrations, and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, consents, licenses, registrations, and permits obtained by our Company, for the purposes of undertaking their respective businesses and operations. Except as mentioned below no further material approvals are required to undertake the Offer. Additionally, unless otherwise stated herein, these approvals, consents, licenses, registrations, and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures. For further details in connection with the regulatory and legal framework applicable to our Company, see "History and Certain Corporate Matters", "Risk Factors" and "Key Regulations and Policies in India" on pages 195, 27 and 190.

We have also set out below (i) material approvals or renewals applied for but not received; and (ii) material approvals expired and renewal yet to be applied for.

A. Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 313.

B. Incorporation Details

i. Certificate of incorporation dated February 23, 1998, issued by the Registrar of Companies, Gujarat at Ahmedabad in our former name, being Kumar Arch Tech Private Limited.

ii. Fresh certificate of incorporation dated September 4, 2024 with CIN number U36999GJ1998PLC033735 issued by the Registrar of Companies, Gujarat at Dadra & Nagar Haveli on account of change from a private to a public limited company.

C. The CIN of our Company is U36999GJ1998PLC033735.

D. Tax related approvals

1. The permanent account number of our Company is AABCK6032C, issued by the Income Tax Department, Government of India.

2. The tax deduction account number of our Company is AHMK02619B, issued by the Income Tax Department, Government of India.

3. We have obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable to our Company in the states and union territories where we operate

E. Labour and employment related approvals

1. Registration under the Employees State Insurance Act, 1948 bearing code number 16000178360000204 issued by the Sub-Regional Office, Employees' State Insurance Corporation.

2. Registration under the Employees Provided Fund and Miscellaneous Provisions Act, 1952, bearing registration number 21876 issued by the Employees Provident Fund Organisation.

F. Material approvals in relation to our Company's business and operations

1. Certificate of importer - exporter code bearing reference number 0801005825 issued by the Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

2. UDYAM registration certificate bearing registration number UDYAM-GJ-01-0023834 issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.

3. Registration and license to work a factory bearing registration number RJ/25092 issued by the Chief Inspector of Factories and Boilers, Rajasthan, Jaipur for the premises located at B-2, RIICO Industrial Area, Gudli, Udaipur.

4. Registration and license to work a factory bearing registration number RJ/28386 issued by the Chief Inspector of Factories and Boilers, Rajasthan, Jaipur for the premises located at E 92, RIICO Industrial Area Gudli, Tehsil – Mavli, Dist - Udaipur.

5. Registration and license to work a factory bearing registration number RJ/26115 issued by the Chief Inspector of Factories and Boilers, Rajasthan, Jaipur for the premises located at E 37, RIICO Industrial Area Gudli, Dist - Udaipur.

6. Registration-cum-membership certificate bearing registration number PLEPC/K/358/2020-2021 issued by the Plastics Export Promotion Council.

7. Code number for availing DPD facility bearing reference number JNPA/(MCB)/DD/2023/ issued by the Jawaharlal Nehru Port Authority.

8. The legal entity identifier code number bearing registration number 89450066SV7OOSY8B289 issued by the Legal Entity Identifier India Limited.

9. Certificate of registration bearing registration number 1503 issued by the Udaipur Chamber of Commerce and Industry.

10. Certificate of grant of permission under Regulation 32 of CEA (Measures relating of safety and electric supply), Regulation, 2010 for energisation of installation bearing reference number EID/2022-23/G/29055 issued by the Office of Electrical Inspectorate, Government of Rajasthan.

11. Certificate of grant of permission under Regulation 32 of CEA (Measures relating of safety and electric supply), Regulation, 2010 for energisation of installation bearing reference number EID/2022-23/G/40296 issued by the Office of Electrical Inspectorate, Government of Rajasthan.

12. Certificate of grant of permission under Regulation 32 of CEA (Measures relating of safety and electric supply), Regulation, 2010 for energisation of installation bearing reference number EID/2022-23/G/40297 issued by the Office of Electrical Inspectorate, Government of Rajasthan.

13. Certificate of grant of permission under Regulation 32 of CEA (Measures relating of safety and electric supply), Regulation, 2010 for energisation of installation bearing reference number EID/2022-23/G/40298 issued by the Office of Electrical Inspectorate, Government of Rajasthan.

14. Consent to operate issued under sections 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 and section 21(4) of the Air (Prevention and Control of Pollution) Act, 1981 bearing reference number 2017-2018/Udaipur/2696 issued for the facility located at B-2, RIICO Industrial Area, Gudli, Dist - Udaipur.

15. Consent to operate issued under sections 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 1981 bearing reference number 2020-2021/Udaipur/8305 issued for the facility located at E 92, RIICO Industrial Area Gudli, Tehsil – Mavli, Dist - Udaipur.

16. Consent to operate issued under sections 25 and 26 of the Water (Prevention and Control of Pollution) Act, 1974 and section 21(4) of the Air (Prevention and Control of Pollution) Act, 1981 bearing reference number 2017-2018/Udaipur/8306 issued for the facility located at E 37, RIICO Industrial Area Gudli, Dist - Udaipur.

G. Material approvals pending in respect of our Company

1. Our Company has applied for a Fire NOC for its facility located at B 2, RIICO Industrial Area Gudli, Tehsil – Mavli, Dist – Udaipur on September 18, 2024, bearing application ID LSG/UDAIPUR/FIRE NOC/2024/-25/40911.

2. Our Company has applied for a Fire NOC for its facility located at E-37 RIICO Industrial Area Gudli, Tehsil – Mavli, Dist – Udaipur on September 26, 2024, bearing application ID LSG/UDAIPUR/FIRENOC/2024-25/41272.

3. Our Company has applied for a Fire NOC for its facility located at E-92, RIICO Industrial Area Gudli, Tehsil – Mavli, Dist – Udaipur on September 26, 2024, bearing application ID LSG/Mawli/FIRE NOC/2024/-25/41268.

***H.* Intellectual Property related approvals**

For details, see "*Our Business - Intellectual Property*" on page 187 and for risks associated with our intellectual property, see "*Risk Factors –* ***We may not successfully protect our technical know-how, which may result in the loss of our competitive advantage.***." on page 47

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised pursuant to a resolution passed by our Board on September 6, 2024 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated September 9, 2024. Further, our Board has taken on record the consent and authorisation of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution dated September 6, 2024.

This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on September 27, 2024 for filing with SEBI and the Stock Exchanges.

Each of the Selling Shareholders have, severally and not jointly, confirmed and authorised the transfer of its portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

Name of Selling Shareholder	Maximum number of Offered Shares	Date of board approval/corporate authorisation	Date of consent letter
Jitendra Kumar Taylia	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 2,270.00 million	N.A	September 6, 2024
Shubham Taylia	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 1,050.00 million	N.A	September 6, 2024
Shakun Taylia	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 90.00 million	N.A	September 6, 2024
Madhu Agrawal	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 175.00 million	N.A	September 6, 2024
M.M. Thermoplast Private Limited	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 70.00 million	September 6, 2024	September 6, 2024
Surbhi Jitendrakumar Taylia	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 600.00 million	September 6, 2024	September 6, 2024
J.S. Construction	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 60.00 million	September 6, 2024	September 6, 2024
Rituraj Pipes and Plastics Private Limited	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 70.00 million	September 6, 2024	September 6, 2024
Tirupatibalaji Build-Con Private Limited	Up to [●] Equity Shares having face value of ₹ 2 each aggregating up to ₹ 615.00 million	September 6, 2024	September 6, 2024

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, our Subsidiaries, our Directors, our Promoters and the members of the Promoter Group are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Each of the Selling Shareholders severally and not jointly confirm, they are not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Company, Promoters or Directors have been declared as Wilful Defaulters or Fraudulent Borrowers.

None of our Promoters or Directors have been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, the members of the Promoter Group and each of the Selling Shareholders severally and not jointly, confirms that, as on the date of this Draft Red Herring Prospectus, they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to them.

Directors associated with the securities market

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, of which not more than 50% of the net tangible assets are held as monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), *i.e.*, as at and for the Financial Years 2024, 2023 and 2022, calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Fiscals are set forth below:

(*in ₹ million, unless otherwise stated*)

Particulars	As at and for the Fiscal ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Net tangible assets (A)	2,283.41	1,173.67	537.71
Monetary assets (B)	180.56	294.88	24.39
Monetary assets, as a percentage of net tangible assets, as restated (in %) (C) = (B) / (A)*100	7.91	25.12	4.54
Operating profit/ (loss), as restated	1,339.07	791.44	233.40
Net worth, as restated	2,283.43	1,173.74	537.84

Notes:

Net tangible assets (net worth) means the sum of all the total assets of our Group excluding goodwill, other intangible assets, intangible assets under development, right-of-use assets and deferred tax assets (net) deducted by sum of total liabilities excluding deferred tax liabilities (net) and lease liabilities.

(1) *Monetary assets means cash in hand, balance with bank in current and deposit account (including earmarked deposits) and investment in liquid mutual funds.*

(2) *Operating profit for this purpose means Profit /(Loss) before tax and exceptional items as per statement of restated profit and loss account. Further, such profit /(loss) before tax and exceptional items excludes finance cost and other income in the calculation of profit /(loss) before tax.*

(3) *Net worth has been defined as the aggregate value of the paid-up equity 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 audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2024; 2023 and 2022 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations, as amended. It excludes non-controlling interest.*

Our Company has operating profits in each of the Fiscals 2024, 2023 and 2022 in terms of our Restated Consolidated Financial Information, as indicated in the table above.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Each of the Selling Shareholders has severally and not jointly confirmed compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares.

Further, our Company confirms that it eligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations and fulfils requirements set out in Regulation 7(1) of the SEBI ICDR Regulations to the extent applicable.

The details of our compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations are as follows:

(a) none of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.

(b) none of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.

(c) none of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.

(d) neither our Promoters nor any of our Directors are a fugitive economic offender (in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018).

(e) our Company along with Registrar to the Offer has entered into tripartite agreements dated September 10, 2024 and September 4, 2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares.

(f) the Equity Shares of our Company held by the Promoters are in the dematerialised form.

(g) all the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of filing of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, BEING MOTIAL OSWAL INVESTMENT ADVISORS LIMITED AND EQUIRUS CAPITAL PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE

OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus and the Prospectus, as applicable, with the RoC in terms of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLM

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website (i.e., www.echon.co) or the respective websites of our Subsidiaries or of any of the Group Companies or of any of the Selling Shareholders, would be doing so at his or her own risk.

Each of the Selling Shareholders, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a selling shareholder and its respective portion of the Offered Shares, and each of the Selling Shareholders, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided in the Underwriting Agreement. All information shall be made available by our Company, the Selling Shareholders (to the extent the information pertains to such Selling Shareholder and its respective portion of Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, each of the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to permission from RBI) or systemically important NBFCs or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, and permitted Non-Residents including FPIs and Eligible NRIs, QIBs, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares offered in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act

Disclaimer clause of BSE Limited

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of National Stock Exchange of India Limited

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being offered and transferred in the Offer and [•] will be the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/Offer Closing Date or such period as may be prescribed by SEBI.

The Company and the Selling Shareholders shall refund the money raised in the Offer, together with any interest on such money as required under applicable laws, to the Bidders if required to do so for any reason under applicable laws, including due to failure to obtain listing or trading approval or pursuant to any direction or order of SEBI or any other governmental authority. Each Selling Shareholder shall be, severally and not jointly, liable to refund money raised in the Offer, only to the extent of its respective Offered Shares, together with any interest on such amount as per applicable laws. Provided that the Selling Shareholders shall not be liable or responsible to pay such interest unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Each of the Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from such Selling Shareholders in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by the SEBI.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsel to our Company, the BRLM, the Registrar to the Offer, lenders to our Company (wherever applicable), Wazir, Chartered Engineer, in their respective capacities have been obtained; and consents in writing of (b) the Syndicate Members, Monitoring Agency, Sponsor Bank(s), Escrow Collection Bank(s), Public Offer Account Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents obtained under (a) have not be withdrawn as on the date of this Draft Red Herring Prospectus.

Experts

Except as stated below, our Company has not obtained any expert opinions in connection with this Draft Red Herring Prospectus:

Our Company has received written consent dated September 27, 2024 from A Y & Company, the independent chartered accountant, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our independent chartered accountant, and in respect of certain certificates to be included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 26, 2024 from Rahul S & Associates, the practising company secretary, holding a valid certificate of practice from Institute of Company Secretaries of India, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our practising company secretary, and in respect of certain certificates to be included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, our Company has also received written consent dated September 16, 2024 from Priyal Kothari, chartered engineer, to include her name as required under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in her capacity as an independent chartered engineer, in relation to her certificates and in her capacity as the project management consultant in respect of the DPR and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – public/ rights issue of listed subsidiaries/ promoters

Our Company does not have any listed Subsidiary or Promoters as on the date of this Draft Red Herring Prospectus.

Commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed Group Companies, Subsidiaries or Associate during the previous three years

Our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Our Company does not have any listed group companies, subsidiaries or associate companies as on the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by Securities Exchange Board of India

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

Price information of past issues handled by the BRLMs

A. Motilal Oswal Investment Advisors Limited

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) overseen by Motilal Oswal Investment Advisors Limited:*

Sr No.	Issue name	Designated Stock Exchange	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	P N Gadgil Jewellers Limited	NSE	11,000.00	480.00	September 17, 2024	830.00	Not Applicable	Not Applicable	Not Applicable
2.	R K Swamy Limited (6)	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	-17.57% [+10.20%]
3.	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
4.	Cello World Limited (5)	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	+40.57% [+15.78%]
5.	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77% [+12.92%]
6.	Sai Silks (Kalamandir) Limited	BSE	12,009.98	222.00	September 27, 2023	230.10	+8.09% [-4.49%]	+25.09% [+7.54%]	-12.30%[+10.15%]
7.	Rishabh Instruments Limited	NSE	4907.83	441.00	September 11, 2023	460.05	+20.12% [-1.53%]	+13.24% [+4.87%]	+5.94% [+12.49%]
8.	IKIO Lighting Limited	BSE	6,065.00	285.00	June 16, 2023	391.00	+44.77% [+4.22%]	+23.84% [+6.44%]	+23.86% [+9.73%]
9.	Radiant Cash Management Limited	NSE	2,566.41	94.00	January 04, 2023	103.00	+2.55% [-2.40%]	2.23% [-3.75%]	-1.31% [+6.35%]
10.	Tamilnad Mercantile Bank Limited	BSE	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-11.07% [-1.33%]

Notes:

1. *The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange.*
2. *Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.*
3. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*
4. *Not applicable – Period not completed.*
5. *A discount of ₹ 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*
6. *A discount of ₹ 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.*

2. *Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited:*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	1	11,000.00	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	7	62,704.34	-	-	2	-	1	4	-	-	1	-	2	4
2022-23	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1

** The information is as on the date of the DRHP.*

The information for each of the financial years is based on issues listed during such financial year.

Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange

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B. *Equirus Capital Private Limited*

Price information of past issues handled by Equirus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year):

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	TVS Supply Chain Solutions Limited$	8,800.00	197.00	August 23, 2023	207.05	+8.71% [+1.53%]	+6.57% [+1.29%].	-7.46% [+13.35%]
2.	Zaggle Prepaid Ocean Services Limited$	5,633.77	164.00	September 22, 2023	164.00	+30.95% [-0.67%]	+34.39% [+7.50%].	+87.71% [+10.89%].
3.	Protean eGov Technologies Limited#	4,899.51	792.00[2]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	+45.85% [+11.91%]
4.	Fedbank Financial Services Limited$	10,922.64	140.00[3]	November 30, 2023	138.00	-2.75% [+7.94%]	-12.39% [+10.26%]	-13.43% [+13.90%]
5.	Happy Forgings Limited$	10,085.93	850.00	December 27, 2023	1,000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
6.	Jyoti CNC Automation Limited$	10,000.00	331.00[4]	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	+265.79% [+11.21%]
7.	Capital Small Finance Bank Limited#	5,230.70	468.00	February 14, 2024	435.00	-25.25% [+1.77%]	-26.09% [+1.33%]	-31.44% [+10.98%]
8.	Dee Development Engineers Limited$	4,180.15	203.00[5]	June 26, 2024	339.00	+81.16% [+2.25%]	+47.44% [+8.67%]	N.A.
9.	Ecos (India) Mobility & Hospitality Limited$	6,012.00	334.00	September 04, 2024	390.00	N.A.	N.A.	N.A.
10.	Kross Limited$	5,000.00	240.00	September 16, 2024	240.00	N.A.	N.A.	N.A.

***Source**: www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*

Notes:

1. *A discount of ₹25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Netweb Technologies India Limited IPO*
2. *A discount of ₹75 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Protean eGov Technologies Limited IPO*
3. *A discount of ₹10 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Fedbank Financial Services Limited IPO*
4. *A discount of ₹15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Jyoti CNC Automation Limited IPO*
5. *A discount of ₹19 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Dee Development Engineers Limited IPO*
6. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
7. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
8. *N.A. (Not Applicable) – Period not completed.*

\# *The S&P BSE SENSEX is considered as the Benchmark Index*

$ *The S&P CNX NIFTY is considered as the Benchmark Index*

Summary statement of price information of past public issues handled by Equirus Capital Private Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-2025*	3	15,192.15	-	-	-	1	-	-	-	-	-	-	-	-
2023-2024	8	61,882.55	-	1	1	2	2	2	-	1	2	3	2	-
2022-2023	5	28,975.05	-	1	1	-	1	2	-	1	1	1	2	-

** The information is as on the date of this Offer Document.*
The information for each of the financial years is based on issues listed during such financial year.

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Track record of the Book Running Lead Managers

For details regarding the track record of the BRLM, as specified in circular bearing reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the BRLM, as set forth in the table below:

Name	Website
Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com
Equirus Capital Private Limited	www.equirus.com

For further details in relation to the BRLM, please see the chapter titled "*General Information*" on page 66.

Stock market data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Bidders can contact the Company Secretary and the Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non- credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non- receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLM, in the manner provided below. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall also enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of each of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

Pursuant to the SEBI ICDR Master Circular and the circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 ("**March 2021 Circular**"), SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular and subsequent circulars issued by the SEBI, as may be applicable, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, pursuant to March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, for grievance redressal contact details of the BRLMs pursuant to the March 2021 Circular, see "*Offer Procedure– General Instructions*" on page 348.

Disposal of Investor Grievances by our Company and our listed Subsidiary

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain SCORES authentication and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and SEBI circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders Relationship Committee, see *"Our Management – Committees of the Board – Stakeholders Relationship Committee"* on page 213.

Our Company has appointed Rahul Ranka, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, please see the chapter titled "*General Information*" on page 66.

Each of the Selling Shareholders, severally and not jointly, have authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective Offered Shares.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiaries.

Other confirmations

No person connected with the Offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII - OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable, or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in chapter titled "*Objects of the Offer*", on page 89.

Ranking of the Equity Shares

The Equity Shares being offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividend, voting and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 358.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Description of Equity Shares and Terms of the Articles of Association"* on pages 229 and 358, respectively.

Face Value, Floor Price, Price Band and Offer Price

The face value of the Equity Shares is ₹2. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band and minimum Bid Lot for the Offer will be decided by our Company in compliance with the SEBI ICDR Regulations, and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●], and [●] editions of the Gujarati daily newspaper [•] (Gujarati being the regional language of Gujarat, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company in compliance with the SEBI ICDR Regulations, after the Bid / Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting rights, unless prohibited by law;

- the right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;

- the right to receive offers for rights shares and be allotted bonus shares, if announced;

- the right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;

- the right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws, including rules framed by the RBI; and

- such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, consolidation and splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 358.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- tripartite agreement dated September 10, 2024, entered into amongst our Company, NSDL and Registrar to the Offer; and

- tripartite agreement dated September 4, 2024 entered into amongst our Company, CDSL and Registrar to the Offer.

Market lot and Trading lot

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see **"*Offer Procedure*"** on page 337.

Joint holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Jurisdiction

The competent courts/authorities of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or

- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Collecting Depository Participant of the applicant will prevail. If Bidders wish to change their nomination, they are requested to inform their respective Collecting Depository Participant.

Bid/ Offer Period

EVENT	INDICATIVE DATE
BID/OFFER OPENS ON(1)	On or about [●]
BID/OFFER CLOSES ON(2)(3)	On or about [●]
FINALIZATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	On or about [●]

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

(2) *Our Company in consultation with the BRLM, may consider closing the Bid/Offer Period for QIB one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(3) *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the Self Certified Syndicate Bank(s), to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with SEBI master circular no. SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid / Offer Closing Date, or such other period as prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder, severally and not jointly, confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid / Offer Closing Date, or within such other period as prescribed.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the

Bid / Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and NIIs	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications where Bid Amount is more than ₹500,000	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Investors#	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIIs	Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date

* *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

\# *QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids.*

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the Book Running Lead Managers and the RTA on a daily basis, as per the format prescribed in SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021. To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(b) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIIs.

On Bid / Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Investors, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to minimum 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days, in compliance with the SEBI ICDR Regulations.

Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest as prescribed under applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, the Allotment for valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. Subject to any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be first made towards the Fresh Issue and subsequently, in respect of the Offered Shares pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the respective portion of the Offered Shares of each Selling Shareholder.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall reimburse any expenses and interest incurred by our Company on behalf of them for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the Selling Shareholders and any expenses and interest shall be paid to the extent of their respective portion of the Offered Shares.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoters' Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 74, and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Description of Equity Shares and Terms of the Articles of Association*" at page 358.

Option to receive Equity Shares in dematerialized form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Offer shall be withdrawn in the event that 90% of the Fresh Issue is not subscribed.

Our Company in consultation with the BRLM, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLM, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹7,400.00 million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹2,400.00 million by our Company and an Offer of Sale of up to [●] Equity Shares aggregating up to ₹5,000.00 million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company, in consultation with the BRLMs, may consider a further issue of Equity Shares, through a preferential issue or any other method as may be permitted under the applicable law to any person(s), for an amount aggregating up to ₹ 480.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the Red Herring Prospectus and the Prospectus.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs (1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment / allocation* (2)	Not more than [●] Equity Shares of face value of ₹2 each	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares of face value of ₹2 each available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors was available for allocation, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹0.20 million and up to ₹1.00 million; and two third of such portion shall be reserved for applicants with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Investors.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares of face value of ₹2 each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion shall not be less than the minimum application size and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to the following: (i) one-third of the portion available to Non-Institutional	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see *"Offer Procedure"* on page 337.

Particulars	QIBs [1]	Non-Institutional Investors	Retail Individual Investors
	Up to 60% of the QIP portion (of up to [●] Equity Shares of face value of ₹10 each) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	Investors shall be reserved for Bidders with an application size of more than ₹0.20 million and up to ₹1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors.	
Minimum Bid	[●] Equity Shares of face value of ₹ 2 each and in multiples of [●] Equity Shares of face value of ₹ 2 each that the Bid Amount exceeds ₹0.20 million and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each such that the Bid Amount exceeds ₹0.20 million	[●] Equity Shares of face value of ₹2 each
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 2 each not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹2 each so that the Bid Amount does not exceed ₹0.20 million
Bid Lot	[●] Equity Shares of face value of ₹ 2 each and in multiples of [●] Equity Shares of face value of ₹ 2 each thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	A minimum of [●] Equity Shares of face value of ₹ 2 each and in multiples of [●] Equity Share of face value of ₹ 2 each thereafter		
Trading Lot	One Equity Share		
Who can apply[3][4][5][6]	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government of India, the	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies family offices, trusts, FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta) applying for Equity Shares such that the Bid amount does not exceed ₹0.20 million in value.

Particulars	QIBs [(1)]	Non-Institutional Investors	Retail Individual Investors
	insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies, in accordance with applicable laws including FEMA Rules.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including UPI Mechanism for Bids up to ₹500,000)	ASBA only (including the UPI Mechanism)

* *Assuming full subscription in the Offer*

^ *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIB, NII and Retail and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company may, in consultation with the BRLM, allocated 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to having been (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion was up to ₹ 100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion was more than ₹100.00 million but up to ₹2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million or part thereof was permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor could make a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹100.00 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received at or above the price at which allocation is made to Anchor Investors, which price was determined by the Company in consultation with the BRLM.*

(2) *This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer was made available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was made available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer was made available for allocation to Non-Institutional Investors, of which (a) one-third portion was reserved for applicants with application size of more than ₹ 0.20 million and up to ₹1.00 million; and (b) two-thirds portion was reserved for applicants with application size of more than ₹1. 00.00 million, provided that the unsubscribed portion in either of such sub-categories was allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Offer was made available for allocation to RII in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.*

(3) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form contained only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the Confirmation of Allotment Note.*

(5) *Bids by FPIs with certain structures as described under "Offer Procedure – Bids by FPIs" beginning on page 343 and having the same PAN were collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with the same PAN) have been proportionately distributed.*

[(6)] *Bidders were required to confirm and were deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 327.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The Bidders should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of Bidders eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and(xiii)interest in case of delay in allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023.The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, SEBI vide the SEBI RTA Master Circular, consolidated and rescinded the aforementioned circulars to the extent relevant for RTAs. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹0.50 million shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and SEBI master circular with circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023 applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of Bidders (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Our Company, each of the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Further, our Company, each of the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for Bidders with application size of more than ₹ 1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Investors. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to applicable laws and valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories on proportionate basis, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar ID and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of UPI for Bids by RIIs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

(a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

(b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

(c) **Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis)

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLMs will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

The processing fees for application made by UPI Bidders using the UPI mechanism may be released to the remitter banks (SCSBs) only after such banks make an application to the BRLMs with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts in the bank accounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2022/51) dated April 20, 2022.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer bidding process.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders

shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein

below:

(i) a syndicate member;

(ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);

(iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Electronic registration of Bids

(a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building process on a regular basis before the closure of the Offer.

(b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges' platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchanges' platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the Abridged Prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and UPI Bidders Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders using the ASBA process to participate in the Offer must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIB and NII and also for all modes through which the applications are processed.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

1. *Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BScom).*
2. *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLM.*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking of funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid / Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Offer Bidding process.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

(a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;

(b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;

(c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 4.00 p.m. 4:00 p.m. for QIBs and Non-Institutional Investors categories and up to 5.00 p.m. for Retail Individual category on the initial public offer closure day;

(d) QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/withdraw their bids;

(e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

The Equity Shares issued in the Offer have not been and will not be registered under the U.S. Securities Act, and shall not be offered or sold within the United States, Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoter, Promoter Group, the Book Running Lead Manager, associates and affiliates of the Book Running Lead Managers and the Syndicate Members and the persons related to Promoter, Promoter Group, Book Running Lead Managers and the Syndicate Members and Bids by Anchor Investors

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Manager;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Manager;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Manager;

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Manager; or

(v) Pension funds sponsored by entities which are associate of the Book Running Lead Manager.

Further, an Anchor Investor shall be deemed to be an “associate of the Book Running Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLM.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company in consultation with BRLMs reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made, subject to applicable law.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts ("**NRE Account**"), or Foreign Currency Non-Resident Accounts ("**FCNR Account**"), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE / NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities"* on page 356.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer equity share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increase beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;

(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;

(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and

(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Collecting Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The SEBI AIF Regulations, as amended prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of

India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations as amended prescribe the investment restrictions on FVCIs.

The Category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A Category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a Category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with BRLM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or (b) the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans / investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with BRLM, reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of (i) the certificate of registration issued by the RBI, (ii) a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), and (iii) such other approval as may be required by the Systemically Important NBFCs must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with BRLM, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the BRLM, may deem fit.

Bids by provident funds / pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

(a) Anchor Investor Application Forms to be made available for the Anchor Investor Portion at the offices of the BRLM.

(b) The Bids are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100.00 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100.00 million.

(c) One-third of the Anchor Investor Portion is reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid / Offer Opening Date, and will be completed on the same day.

(e) Our Company in consultation with the BRLMs will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion is not less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and

- in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and an additional 10 Anchor Investors for every additional ₹2,500.00 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

(f) Allocation to Anchor Investors is required to be completed on the Anchor Investor Bid / Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid / Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLM) can apply in the Offer under the Anchor Investor Portion.

(j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered as multiple Bids.

(k) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-In Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he / she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], a widely circulated English national daily newspaper, all editions of [●], a widely circulated Hindi national daily newspaper, and [●] editions of [●], a widely circulated Gujarati daily newspaper (Gujarati being the regional language of Ahmedabad, where our Registered

Office is located). Our Company shall, in the pre-Offer advertisement state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid / Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI Bidders Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID;

4. UPI Bidders Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate, Sub-Syndicate Members, Registered Brokers, RTA or CDP;

9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;

10. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

11. Ensure that they have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

12. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

13. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

14. Bidders should ensure that they receive the Acknowledgment Slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

15. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

16. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral / bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

23. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

24. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

25. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

26. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

27. In case of QIBs and NIIs (other than for Anchor Investor and UPI Bidder), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

28. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

29. UPI Bidders Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his / her UPI PIN. Upon the authorization of the mandate using his / her UPI PIN, the UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his / her ASBA Account;

30. UPI Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;

31. UPI Bidders Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in his / her account and subsequent debit of funds in case of allotment in a timely manner;

32. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the ASBA Account;

33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLM.

34. Ensure that ASBA bidders shall ensure that bids above ₹ 0.50 million, are uploaded only by the SCSBs;

35. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid / Offer Closing Date.

36. Investors must ensure that their PAN is linked with Aadhaar ID and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 or in the list displayed on SEBI's website is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid for a Bid Amount which exceeds ₹ 0.20 million (for Bids by RIIs);

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

7. Bids by HUFs not mentioned correctly as provided in "- *Bids by HUFs*" on page 343;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

14. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid / Offer Closing Date (for online applications) and after 12:00 p.m. on the Bid/ Offer Closing Date (for Physical Applications);

15. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

16. If you are a UPI Bidders using UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID;

17. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 0.50 million;

18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid / Offer Closing Date;

22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

25. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

26. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI Bidder Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

27. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

28. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;

30. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

31. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, see the chapter titled "*General Information*" on page 66.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Rejection

In addition to the grounds for rejection of Bids as provided in the GID, Bidders are requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank(s));

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIIs with Bid Amount of a value of more than ₹ 0.20 million (net of retail discount);

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs and by Non-Institutional Investors after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIIs after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

In case of any pre-Offer or post Offer related issues regarding demat credit / refund orders / unblocking, etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information – Company Secretary and Compliance Officer*" on page [●].

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking / unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of Equity Shares in Retail Individual Investor category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors. The Equity Shares available for allocation to Non-Institutional Investors under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹ 0.20 million and up to ₹ 1.00 million, and (ii) two-third of the portion available to Non-Institutional Investors shall be reserved for applicants with an application size of more than ₹1.00 million, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors. The allotment to each Non-Institutional Investor shall not be less than the Minimum NII Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the

Registrar to the Offer to facilitate collections from Anchor Investors.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of a widely circulated English national daily newspaper, [●], [●] editions of a widely circulated Hindi national daily newspaper, [●] and [●] editions of a widely circulated Gujarati daily newspaper [●] (Gujarati being the regional language of Ahmedabad, where our Registered Office is located).

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated September 10, 2024, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated September 4, 2024, amongst our Company, CDSL and Registrar to the Offer.

Undertaking by our Company

Our Company undertakes:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days from the Bid / Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company in consultation with the BRLM, withdraw the Offer after the Bid / Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or the Selling Shareholders subsequently decide to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) No further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded / unblocked in the ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake the following in respect of themself as the Selling Shareholders, and the Offered Shares:

(i) that the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

(ii) that they are the legal and beneficial owner of, and have clear and marketable title to the Offered Shares;

(iii) that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;

(iv) that the Equity Shares being sold by them pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

(v) that they shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Offered Shares;

(vi) that it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

(vii) that they shall not have recourse to the proceeds of the Offer for Sale which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(viii) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who –***

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see "*Key Regulations and Policies*" on page 190.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

In terms of the FEMA Rule and the FDI Policy, a person resident outside India may make investments into India, subject to certain terms and conditions, and further provided that an entity of a country, which shares land border with India or where the beneficial owner of an investment into India, who is situated in or is a citizen of any such country, shall invest only with the approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the above restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

Foreign Exchange Laws

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Rules, the FDI Policy issued and amended by way of press notes.

Pursuant to the resolution dated September 6, 2024, the aggregate investment limit by NRIs and OCIs was increased from 10% to 24% of the paid-up equity share capital of our Company, provided however, that the shareholding of each NRI or OCI shall not exceed 5% of the total paid-up equity capital of our Company on a fully diluted basis and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis.

Pursuant to the FDI Policy, FDI of up to 100% is permitted under the automatic route in our Company.

As per the existing policy of the Government, OCBs cannot participate in this Offer. For more information on bids by FPIs and Eligible NRIs, see "*Offer Procedure*" on page 337. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on pages 343 and 344, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

No material clause of the Articles of Association having bearing on the Offer or the disclosures required in this Draft Red Herring Prospectus has been omitted.

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at Extra Ordinary General Meeting of the Company held on August 06, 2024 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

***INTERPRETATION**

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:

   i. **"The Act"** means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.

   ii. **"Articles"** means Articles of Association of the Company as originally framed or altered from time to time

   iii. **"Beneficial Owner"** shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.

   iv. **"Board" or "Board of Director"** means the Collective body of the Board of Directors of the Company.

   v. **"Chairman"** means the Chairman of the Board of the Directors of the Company.

   vi. **"The Company"** means Kumar Arch Tech Limited.

   vii. **"Company Secretary"** or **"Secretary"** means a Company Secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a Company to perform the functions of a Company Secretary under this Act;

   viii. **"Debenture"** includes debenture stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not;

   ix. **"Depositories Act, 1996"** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.

   x. **"Depository"** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.

   xi. **"Directors"** mean the Directors for the time being of the Company.

   xii. **"Dividend"** includes any interim dividend.

   xiii. **"Document"** means a document as defined in Section 2 (36) of the Companies Act, 2013.

   xiv. **''Equity Share Capital''**, with reference to any Company limited by shares, means all share capital which is not preference share capital;

   xv. **"KMP"** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.

   xvi. **"Managing Director"** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.

   xvii. **"Month"** means Calendar month.

   xviii. **"Office"** means the registered office for the time being of the Company.

   xix. **"Paid-up share capital"** or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;

   xx. **"Postal Ballot"** means voting by post or through any electronic mode.

xxi. **“Proxy”** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.

xxii. **“Public Holiday”** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.

xxiii. **“Registrar”** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.

xxiv. **“Rules”** means the applicable rules as prescribed under the relevant sections of the Act for time being in force.

xxv. **“SEBI”** means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

xxvi. **“Securities”** means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)

xxvii. **“Share”** means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

xxviii. **“Seal”** means the common seal of the Company.

xxix. **‘‘Preference Share Capital’’**, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—

(a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and

(b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

xxx. **“Persons”** include corporations and firms as well as individuals.

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

<u>Share Capital</u>

2. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act and these Articles.

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the

capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting. Further, the Company in general meeting may decide to issue fully paid up bonus share to the member if so recommended by the board of directors.

Issue of Sweat Equity Shares

4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

Issue of Debentures

5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Issue of Share Certificates

6. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in their name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within such other period as any other legislation for time being in force may provide or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as any other legislation for time being in force may provide.

   i. The Company agrees to issue certificate within one month of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;

   ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two (2) Directors or by a Director and the company secretary, wherever the company has appointed a company secretary.

   iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. The Company may issue several certificates, each for one or more of their shares, upon payment of twenty rupees for each certificate after the first

7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, been given, a new certificate in lieu thereof shall be given. Every certificate under the article shall be issued for each certificate as may be fixed by the Board which shall not exceed the amount as may be permitted under applicable law. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

   Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act,1956 or any other Act, or rules applicable thereof in this behalf.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except

only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

Power to pay Commission In connection with the Securities issued

10.

i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Variations of Shareholder's rights

11.

i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Issue of Preference Shares

13. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of shares

14. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:

(a) to persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (i) to (iii) below;-

(i) The offer aforesaid shall be made by a notice specifying the number of Equity Shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(ii) the aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the Equity Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) above shall contain a statement of this right; and

(iii) after the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the

Equity Shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the Shareholders and the Company

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62 of the Act.

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62 of the Act.

(2) The notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

(4) Notwithstanding anything contained in clause (3) above, where any debentures have been issued, or loan has been obtained from any Government by a company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after the company and Government pass such order as it deems fit.

(5) In determining the terms and conditions of conversion under Section 62(4) of the Act, the Government shall have due regard to the financial position of the company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under Section 62(4) of the Act, directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under Section 62(4) of the Act or where such appeal has been dismissed, the memorandum of the Company shall, stand altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

Lien

15.

i. The Company shall have a first and paramount lien—

a. on every share / debenture (not being a fully paid share), registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect; and

b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares

ii. The Company's lien, if any, on a share / debenture shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares/debentures for any money owing to the Company.

Unless otherwise agreed by the Board, the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

a. unless a sum in respect of which the lien exists is presently payable; or

b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

17.

i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

18.

i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Joint Holdings

19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-

(a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.

(b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

(d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.

(e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.

(f)

(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.

(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.

(g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

Calls on shares

20.

i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.

ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

iii. A call may be revoked or postponed at the discretion of the Board.

21. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

23.

i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.

24.

i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture

iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. The Board—

i. may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.; and

26. Any uncalled amount paid in advance may carry interest, but shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.

Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.

27. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.

28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

Transfer of shares

29.

i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.

ii. Each share in the Company shall be distinguished by its appropriate number.

iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.

30.

i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof

ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

31. The Board shall decline to recognise any instrument of transfer unless—

i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.

Provided that, transfer of shares in whatever lot shall not be refused.

iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),

iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter , then the securities will be transferred;

v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.

32. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay

33. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

34. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

35. The Company shall use a common form of transfer.

Register of Transfers

36. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

Dematerialisation of Securities

37.

i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

a. The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof.

b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

c. Securities in Depository to be in fungible form:-

- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

d. Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

vii. The Company shall cause to be kept a register and index of members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium.

viii. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Transmission of shares

38.

i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

39.

i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

40.

i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

41. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

42. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other document.

Forfeiture of shares

43. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

44. The notice aforesaid shall—

i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

46.

i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

47.

i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

48.

i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;

iii. The transferee shall thereupon be registered as the holder of the share; and

iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

51. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

52. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

53. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

54. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Initial payment not to preclude forfeiture

55. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

Alteration of capital

56. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

57. Subject to the provisions of section 61, the Company may, by ordinary resolution,—

i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Conversion of Shares into Stock

58. Where shares are converted into stock,

i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

Reduction of Capital

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

i. its share capital;

ii. any capital redemption reserve account; or

iii. Any share premium account.

Share Warrants

60. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

Capitalisation of profits

61.

i. The Company in general meeting may, upon the recommendation of the Board, resolve—

a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;

b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;

c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.

iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.

62.

i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—

a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

b. generally to do all acts and things required to give effect thereto.

ii. The Board shall have power—

a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and

b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

iii. Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

63. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

General Meeting

64. **Annual General Meeting:**

(a) In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings.

(b) Subject to the provisions of the Act, an Annual General Meeting of the Members of the Company shall be held every year within six months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.

(c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

(d) Every Annual General Meeting shall be called during business hours, that is, between such time as prescribed in the Act, on any day that is not a National Holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.

65. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.

i. The Board may, whenever it thinks fit, call an extraordinary general meeting.

ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.

iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

66.

i. No business shall be transacted at any general meeting unless a quorum- of members is present at the time when the meeting proceeds to business.

ii. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.

iii. In any other case, the quorum shall be decided as under:

a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;

b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

67. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

68. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

69. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

70. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

71. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

72.

i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.

ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking poll

73.

i. A poll demanded on a question of adjournment shall be taken forthwith.

ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

Adjournment of meeting

74.

i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

75. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

i. on a show of hands, every member present in person shall have one vote; and

ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

76. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

77.

i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

78. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

79. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

80. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

81. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

82.

i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

83. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Casting Vote

84. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

Representation of Body Corporate

85. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

Circulation of member's resolution

86. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

Resolution requiring special notice

87. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

Resolutions passed at adjourned meeting

88. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

Registration of resolutions and agreements

89. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

Minutes of proceedings of general meeting and of Board and other meetings

90.

i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.

ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :

A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.

C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

a. the names of the Directors present at the meetings, and

b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.

iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

a. is or could reasonably be regarded, as defamatory of any person

b. is irrelevant or immaterial to the proceedings; or

c. in detrimental to the interests of the Company.

iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

Minutes to be considered to be evidence

91. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

Publication of reports of proceeding of general meetings

92. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Proxy

93. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of `a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

95. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

96. The First Directors of the Company shall be:

1. Mrs. Kanta Virendra Kumar Agarwal

2. Mr. Vijaylalji Inderlalji Tayal

97. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. The Company shall have such minimum number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable Laws and regulations. Further, the appointment of such independent Directors shall be in terms of, and subject to, the aforesaid provisions of applicable Law.

98. The Directors need not hold any "Qualification Share(s)".

99. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.

100.

i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—

a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

b. in connection with the business of the company.

101. The Board may pay all expenses incurred in getting up and registering the company.

102. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

103. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

104. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

105.

i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

<u>Retirement and Rotation of Directors</u>

106. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.

107. The remaining Directors shall be appointed in accordance with the provisions of the Act.

108. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

109. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.

110. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.

111. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

Nominee Director

112. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

113. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.

114. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

115. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.

Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.

116. Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

Removal of Directors

117. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

118. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

119. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

120. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,

(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and

(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in party by the director notwithstanding that he is not a party to it.

121. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.

122. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

123. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

124. Nothing in this section shall be taken-

a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contact or terms of his appointment as director, or of any other appointment terminating with that as director; or

b) as derogating from any power to remove a director under other provisions of this Act.

Remuneration and sitting fees to Directors including Managing and whole time Directors

125. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or

b. In connection with the business of the Company.

126. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

Powers and duties of Directors:

Certain powers to be exercised by the Board only at meeting

127.

i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.

a. The power to make calls on shareholders in respect of money unpaid on their shares;

b. The Power to authorize buy-back of securities under Section 68 of the Act.

c. Power to issue securities, including debenture, whether in or outside India

d. The power to borrow moneys

e. The power to invest the funds of the Company,

f. Power to Grant loans or give guarantee or provide security in respect of loans

g. Power to approve financial statements and the Board's Report

h. Power to diversify the business of the Company

i. Power to approve amalgamation, merger or reconstruction

j. Power to take over a Company or acquire a controlling or substantial stake in another Company

k. Powers to make political contributions;

l. Powers to appoint or remove key managerial personnel (KMP);

m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;

n. Powers to appoint internal auditors and secretarial auditor;

o. Powers to take note of the disclosure of director's interest and shareholding;

p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;

q. Powers to invite or accept or renew public deposits and related matters;

r. Powers to review or change the terms and conditions of public deposit;

s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.

iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.

iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.

v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

Restriction on powers of Board

128.

i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :

a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;

b) remit, or give time for the repayment of any debt, due by a Director;

c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;

d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or

e) contribute to *bona fide* charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.

ii. Nothing contained in sub-clause (a) above shall affect:

a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or

b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.

iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.

iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

129. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

General powers of the Company vested in Directors

130. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or

required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Specific powers given to Directors

131. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:

i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;

ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;

iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.

xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;

xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.

xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

MANAGING DIRECTORS

Power to appoint Managing or Whole-time Directors

132.

a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon .such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.

c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

Proceedings of the Board

133.

a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

134. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.

135.

a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

136. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

137. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

138.

a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Delegation of Powers of Board to Committee

139.

a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

140.

a) A committee may elect a Chairperson of its meetings.

b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

141.

a) A committee may meet and adjourn as it thinks fit.

b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

142. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

143. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held

<u>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</u>

144. Subject to the provisions of the Act,—

a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.

145. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretray or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.

<u>The Seal</u>

146.

a) The Board shall provide for the safe custody of the seal.

b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

<u>Dividends and Reserve</u>

147. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

148. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

149.

a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

150.

a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

151. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

152.

a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

153. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

154. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

155. No dividend shall bear interest against the Company.

Provided however that no amount outstanding as unclaimed or unpaid dividends shall be forfeited by the Board unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

156. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

The company shall, within a period of ninety days of making any transfer of an amount under sub- section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

157. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

158. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Accounts

159.

a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Inspection of Statutory Documents of the Company:

160. Minutes Books of General Meetings

a) The books containing the minutes of the proceedings of any general meeting of the Company shall;

i. be kept at the registered office of the Company, and

ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.

161. Register of charges:

a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.

b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—

a. by any member or creditor without any payment of fees; or

b. by any other person on payment of such fees as may be prescribed,

Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

Audit

162.

a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.

b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.

c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.

d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

Winding up

163. Subject to the provisions of Chapter XX of the Act and rules made there under—

i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.

Indemnity

164. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the TribunalSubject to the provisions of Chapter XX of the Act and rules made there under—

Secrecy

165.

(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.

(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

Note:

1. Alteration of Regulation of Share Capital by increase in Authorised Share Capital of the Company from Rs. 1,00,000/- (Rupees One Lakh Only) divided into 10,000 (Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 3,00,00,000/- (Rupees Three Crore Only) divided into 30,00,000 (Thirty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) by the Members of the Company at their meeting held on 14.08.2002

2. Alteration of Regulation of Share Capital by increase in Authorised Share Capital of the Company from Rs. 3,00,00,000/- (Rupees Three Crore Only) divided into 30,00,000 (Thirty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 6,00,00,000/- (Rupees Six Crore Only) divided into 60,00,000 (Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten Only) by the Members of the Company at their meeting held on March 20, 2010.

3. Adoption of New Set of Article of Association as per provisions of the Companies Act, 2013 in Extra-Ordinary General Meeting 1st August, 2024.

4. Adopted New Set of Articles of Association pursuant to conversion of the Company from "Private Limited" to "Public Limited" as approved by the shareholders of the Company at the Extra-Ordinary General Meeting of the members of the Company held on August 06, 2024.

5. Adopted revised Articles of Association pursuant to the approval of member/shareholders of the Company at their Extra-Ordinary General Meeting held on September 09, 2024.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, copies of which will be attached to the copy of the Red Herring Prospectus filed with the RoC, may be inspected at our Registered and Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days and will also be available on our website at https://www.echon.co/investor-relations/ from the date of the Red Herring Prospectus until the Bid/Issue Closing Date (except for such documents or agreements executed after the Bid/Offer Closing Date).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant laws.

Material contracts to the Offer

1. Offer Agreement dated September 27, 2024 entered into among our Company, the Selling Shareholders and the BRLMs;

2. Registrar Agreement dated September 27, 2024 entered into between our Company, the Selling Shareholders and the Registrar to the Offer;

3. Cash Escrow and Sponsor Bank(s) Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer;

4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent;

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer;

6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters; and

7. Monitoring Agency Agreement dated [•] entered into between our Company and the Monitoring Agency.

Material documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date;

2. Certificate of incorporation dated February 23, 1998 issued by the RoC and fresh certificate of incorporation dated September 4, 2024 post conversion into a public company;

3. Board resolution of our Company dated September 6, 2024, authorizing the Offer and other related matters;

4. Shareholders resolution dated September 9, 2024, authorising the Offer and other related matters;

5. Resolution of our Board dated September 27, 2024 approving this Draft Red Herring Prospectus;

6. Consent letters and authorisations from the Selling Shareholders consenting to participate in the Offer for Sale;

7. Our Company has received the written consent dated September 26, 2024 from our Statutory Auditors, RRS & Associates, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated September 26, 2024 on the Restated Consolidated Financial Information; (ii) their report dated September 26, 2024 on the statement of special tax benefits available to the Company and its shareholders, under the applicable tax laws in India, included in this Draft Red Herring Prospectus; and (iii) in respect of the certificates issued by them in their capacity as a statutory auditor of our Company and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

8. Our Company has also received written consent dated September 16, 2024 from the Chartered Engineer, namely Priyal Kothari, to include her name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in relation to the certificate dated September 26, 2024.

9. Our Company has received written consent dated September 26, 2024 from Rahul S & Associates, the practising company secretary, holding a valid certificate of practice from Institute of Company Secretaries of India, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our practising company secretary, and in respect of certain certificates to be included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

10. The examination report dated September 26, 2024 of the Statutory Auditors on the Restated Consolidated Financial Information;

11. The report dated September 26, 2024 on the statement of special tax benefits under the applicable tax laws in India, from the Statutory Auditors included in this Draft Red Herring Prospectus;

12. Board resolution dated September 11, 2024 and shareholders resolution dated September 14, 2024 approving the terms of appointment of Executive Directors of our Company.

13. Copies of annual reports of our Company as of and for the Fiscals 2024, 2023 and 2022;

14. Consents of banker(s) to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, Legal Counsel to our Company as to Indian Law, Syndicate Members, Directors and Company Secretary and Compliance Officer to act in their respective capacities;

15. Industry report titled "Industry report on PVC blend-based building material" dated September, 2024 prepared by Wazir and commissioned and paid for by our Company, available on our Company's website at https://www.echon.co/investor-relations/.;

16. Consent letter dated September 26, 2024, issued by Wazir with respect to the report titled "*Industry report on PVC blend-based building material*";

17. Detailed Project Report dated September 16, 2024 prepared by Priyal Kothari and commissioned and paid for by out Company in relation to the TIPL Project;

18. Consent letter dated September 16, 2024, issued by Priyal Kothari with respect to the Detailed Project Report;

19. Tripartite agreement dated September 10, 2024 among our Company, NSDL and Registrar to the Offer;

20. Tripartite agreement dated September 4, 2024 among our Company, CDSL and the Registrar to the Offer;

21. Due diligence certificate to SEBI from the BRLMs dated September 27, 2024;

22. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to the utilization of the proceeds from the Pre-IPO Placement;

23. Undertaking dated [●] submitted by the BRLMs to SEBI in relation to disclosure of the Pre-IPO Placement by way of public advertisement and the Price Band advertisement;

24. In-principle listing approvals dated [●] and [●], from BSE and NSE, respectively; and

25. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Jitendra Kumar Taylia
Chairman and Whole-time Director
Place: Udaipur
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shubham Taylia
Managing Director
Place: Udaipur
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shakun Taylia
Whole-time Director
Place: Udaipur
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Suresh Amritlal Gandhi
Independent Director
Place: Mumbai
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sushma Joshi
Independent Director
Place: Udaipur
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Bhagwat Singh Babel
Independent Director
Place: Udaipur
Date: September 27, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statements, disclosures and undertakings made in this Draft Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Vikram Singh Sankala
Chief Financial Officer
Place: Udaipur
Date: September 27, 2024

DECLARATION

I, Jitendra Kumar Taylia, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

Jitendra Kumar Taylia
Selling Shareholder
Place: Udaipur
Date: September 27, 2024

DECLARATION

I, Shubham Taylia, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

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Shubham Taylia
Selling Shareholder
Place: Udaipur
Date: September 27, 2024

DECLARATION

I, Shakun Taylia, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

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Shakun Taylia
Selling Shareholder
Place: Udaipur
Date: September 27, 2024

DECLARATION

I, Madhu Agrawal, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

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Madhu Agrawal
Selling Shareholder
Place: Udaipur
Date: September 27, 2024

DECLARATION

We, M.M.Thermoplast Private Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

For and behalf of M.M.Thermoplast Private Limited

Authorised Signatory: Shakun Taylia

Place: Udaipur
Date: September 27, 2024

DECLARATION

I, Surbhi Jitendrakumar Taylia, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as one of the Selling Shareholders and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY THE SELLING SHAREHOLDER

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Surbhi Jitendrakumar Taylia
Selling Shareholder
Place: Udaipur
Date: September 27, 2024

DECLARATION

We, J.S. Construction, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

For and behalf of J.S. Construction

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Authorised Signatory: Jitendra Kumar Taylia

Place: Udaipur
Date: September 27, 2024

DECLARATION

We, Rituraj Pipes and Plastics Private Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

For and behalf of Rituraj Pipes and Plastics Private Limited

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Authorised Signatory: Shubham Taylia

Place: Udaipur
Date: September 27, 2024

DECLARATION

We, Tirupatibalaji Build-Con Private Limited, acting as a Selling Shareholder, hereby confirm and declare that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus in relation to us, as one of the Selling Shareholders and our respective portion of the Offered Shares, are true and correct. We assume no responsibility, for any other statements, disclosures and undertakings, including, any of the statements and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder, or any other person(s) in this Draft Red Herring Prospectus.

For and behalf of Tirupatibalaji Build-Con Private Limited

Authorised Signatory: Shakun Taylia

Place: Udaipur
Date: September 27, 2024